



FAIR WORK  
AUSTRALIA

11 June 2010

Mr Barry Disken  
Financial Controller, Forestry & Furnishing Products Division  
Construction, Forestry, Mining and Energy Union  
148-152 Miller Street  
WEST MELBOURNE VIC 3003



Dear Mr Disken

**Lodgment of Financial Accounts and Statements - Construction, Forestry, Mining and Energy Union, FFPD Divisional Branches (various) - for year ending 31 December 2007**

I refer to the financial accounts and statements which were received by Fair Work Australia on 4 June 2010 for the following Branches of the Forestry and Furnishing Products Division:

Western Australian Branch (FR2007/571); South Australian Branch (FR2007/558); Tasmanian Branch (FR2007/562); New South Wales Branch (FR2007/542).

The documents have been filed.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia

**CERTIFICATE BY SECRETARY OR PRESCRIBED  
DESIGNATED OFFICER**

*S268 Fair Work (Registered Organisations) Act 2009*

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch for the year ended 31 December 2007.

- are copies of the documents provided to members from 21 April 2010.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 1 June 2010.



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National Secretary  
Construction, Forestry, Mining & Energy Union  
Forestry, Furnishing, Building Products and Manufacturing Division

Date 2 June 2010



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND  
MANUFACTURING DIVISION -  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**OPERATING REPORT**

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch ("Union/Reporting Unit") presents the Operating Report of the Reporting Unit for the financial year ended 31 December 2007.

**Principal Activities**

The principal activities of the Union during the past year fell into the following categories:

- Adherence to the rules of the Branch in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Branch Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Fair Work (Registered Organisations) Act 2009, and the Union rules.
- Media and other communications to members and to the broader local communities of the Branch on issues affecting the rank and file.

**Operating Result**

The operating loss of the Union for the financial year was \$241,128. No provision for tax was necessary as the Union is exempt from income tax.

**Significant Changes**

There were no significant changes in the nature of activities of the Union during the year.

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

Except for the above, no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

**Rights of Members**

Subject to the Union's rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

**Superannuation Officeholders**

Mr C Smith is an executive member of the Union and held directorship of:

- Timber Industry Superannuation Scheme Pty Ltd until he resigned on the 1 March 2007
- FIRST Superannuation Pty Ltd until he resigned on the 30 June 2008

As of 1 July 2008, the Timber Industry Superannuation Scheme and Pulp and Paper Workers Superannuation Fund merged with the FIRST Superannuation Fund to form a combined entity known as FIRST Superannuation Fund.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**OPERATING REPORT  
Continued**

**Superannuation Officeholders continued**

No other officer or member of the Union acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**Other Prescribed Information**

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under section 244 of the Fair Work (Registered Organisations) Act 2009 was 2,639.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 5.
- (c) the names of each person who have been a member of the Branch Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

<b>Name</b>	<b>Position</b>
Mr B Anderson	Branch President (Honorary) (Resigned 31 December 2008)
Mr B Campbell	Branch Senior Vice President (Resigned 31 December 2008)
Mr R Watson	Branch Junior Vice President (Resigned 31 December 2008)
Mrs J Willett	Branch Junior Vice President (AA) (Resigned 31 December 2008)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA) (Resigned 31 December 2008)
Mr G Tory	Branch Trustee (Resigned 31 December 2008)
	Committee of Management (Appointed 1 January 2009)
Mr K Miller	Branch Trustee (Resigned 31 December 2008)
	Branch Vice President (Appointed 1 January 2009)
Mrs S Taalili	Branch Trustee (Resigned 31 December 2008)
Mr B Barrakett	Branch Trustee (Resigned 31 December 2008)
	Branch Vice President (Appointed 1 January 2009)
Mr A Ovington	Committee of Management (Resigned 31 December 2008)
	Branch President (1 January 2009)
Mr B Field	Committee of Management (Resigned 31 December 2008)
Mrs C Hampton	Committee of Management (AA) (Resigned 31 December 2008)
Mr E Skennerton	Committee of Management
Mr M Hurst	Committee of Management
Mr M Schuppan	Committee of Management
Mr P Harvey	Committee of Management (Resigned 31 December 2008)
Mr D West	Committee of Management

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**OPERATING REPORT  
Continued**

**Other Prescribed Information continued**

- d) The following persons were members of the Branch Executive, during the year ended 31 December 2007:

<b>Name</b>	<b>Position</b>
Mr B Anderson	Branch President (Honorary) (Resigned 31 December 2008)
MR B Campbell	Branch Senior Vice President (Resigned 31 December 2008)
Mr R Watson	Branch Junior Vice President (Resigned 31 December 2008)
Mrs J Willett	Branch Junior Vice President (AA) (Resigned 31 December 2008)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA) (Resigned 31 December 2008)
Mr G Tory	Branch Trustee (Resigned 31 December 2008) Committee of Management (Appointed 1 January 2009)
Mr K Miller	Branch Trustee (Resigned 31 December 2008) Branch Vice President (Appointed 1 January 2009)
Mrs S Taalili	Branch Trustee (Resigned 31 December 2008)
Mr B Barrakett	Branch Trustee (Resigned 31 December 2008) Branch Vice President (Appointed 1 January 2009)

Branch Executive members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management:

  
\_\_\_\_\_  
Michael O'Connor – National Secretary

  
\_\_\_\_\_  
Jane Calvert – National President

Melbourne: 23 March 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
Revenue	3	926,128	1,115,938
Administration expense	4	(250,434)	(97,844)
Affiliation fees, compulsory levies and sustentation fees	4	(189,334)	(224,538)
Borrowing cost expense	4	(4,640)	(4,418)
Depreciation expense	4	(14,995)	(18,269)
Employee benefits expense	4	(371,735)	(395,548)
Motor vehicle expense		(115,708)	(115,332)
Occupancy expense		(56,841)	(54,153)
Telephone and facsimile expense		(32,859)	(28,720)
Travel expense		(36,118)	(39,325)
Other expenses		<u>(94,592)</u>	<u>(53,737)</u>
<b>Profit/ (loss) before income tax expense</b>		<b>(241,128)</b>	<b>84,054</b>
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit/ (loss) attributable to members		<u>(241,128)</u>	<u>84,054</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	28,446	59,129
Trade and other receivables	6	190,330	237,645
Other current assets	7	<u>6,758</u>	<u>11,328</u>
<b>TOTAL CURRENT ASSETS</b>		<u>225,534</u>	<u>308,102</u>
<b>NON CURRENT ASSETS</b>			
Financial assets	8	2,119	3,265
Property, plant and equipment	9	<u>144,419</u>	<u>158,909</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>146,538</u>	<u>162,174</u>
<b>TOTAL ASSETS</b>		<u>372,072</u>	<u>470,276</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	377,997	215,912
Short term borrowings	11	7,073	7,069
Short term provisions	12	187,494	161,711
Other	13	<u>-</u>	<u>42,562</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>572,564</u>	<u>427,254</u>
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings	11	<u>149,344</u>	<u>151,730</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>149,344</u>	<u>151,730</u>
<b>TOTAL LIABILITIES</b>		<u>721,908</u>	<u>578,984</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>(349,836)</u>	<u>(108,708)</u>
<b>EQUITY</b>			
Accumulated losses		<u>(349,836)</u>	<u>(108,708)</u>
<b>TOTAL EQUITY</b>		<u>(349,836)</u>	<u>(108,708)</u>

The accompanying notes form part of these financial statements



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>Accumulated losses \$</b>	<b>Total \$</b>
Balance at 1 January 2006	(192,762)	(192,762)
Profit attributable to members	<u>84,054</u>	<u>84,054</u>
Balance at 31 December 2006	(108,708)	(108,708)
Loss attributable to members	<u>(241,128)</u>	<u>(241,128)</u>
<b>Balance at 31 December 2007</b>	<u><b>(349,836)</b></u>	<u><b>(349,836)</b></u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members		791,559	801,654
Grant Forest Policy Officer		107,487	125,400
Service fees		-	53,245
Reimbursement of sitting fees		10,500	45,778
Reimbursement of grant expenditure		19,673	27,427
Interest received		167	1,784
Dividends received		152	216
Other income received		1,343	3,191
Payments to suppliers and employees		(951,502)	(1,076,907)
Interest paid on borrowings		(4,673)	(4,418)
Receipts for government grants		-	51,511
Payments on behalf of government grants		-	(48,927)
		<u>                    </u>	<u>                    </u>
Net cash used in operating activities	20(b)	<u>(25,294)</u>	<u>(20,046)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		<u>(3,007)</u>	<u>(7,279)</u>
Net cash used by investing activities		<u>(3,007)</u>	<u>(7,279)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowings		<u>(2,382)</u>	<u>(2,645)</u>
Net cash used in financing activities		<u>(2,382)</u>	<u>(2,645)</u>
Net increase/(decrease) in cash held		(30,683)	(29,970)
Cash at beginning of year		59,129	47,163
Reclassification of prior year financial asset		-	41,936
		<u>                    </u>	<u>                    </u>
Cash at end of year	20a	<u>28,446</u>	<u>59,129</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**a. Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

**b. Revenue**

Revenue from membership is recognised on a receipt basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**c. Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**d. Impairment of Assets**

At each reporting date, the Union reviews the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**f. Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

**Property**

Freehold land and buildings are bought to account at cost.

**Plant and equipment**

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis or a reducing balance basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.0%
Furniture, fittings and equipment	5.0% to 47.90%
Computer equipment	40.0%
Motor vehicles	22.5%

**g. Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**h. Financial Instruments**

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

**Financial Assets**

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at nominal value.

**Held-to-maturity investments**

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**i. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for GST component of investing and financing activities, which are disclosed as operating cash flows.

**j. Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**k. Critical Accounting Estimates and Judgements**

The committee of management members evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

**Key Estimates**

The committee of management members assesses impairment at each reporting date by evaluating conditions specific to the union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

**Key Judgements**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

**l. Going Concern**

The Reporting Unit has a net current asset deficiency of \$347,030 and a net asset deficiency of \$349,836.

The continuing operations of the Reporting Unit and the ability to pay its debts as and when they fall due is dependent upon the continuing financial support of the Construction, Forestry, Mining and Energy Union ("CFMEU") Forestry, Furnishing, Building Products and Manufacturing Division.

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the CFMEU Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit.

The CFMEU Forestry, Furnishing, Building Products and Manufacturing Division has confirmed that it will provide to the Reporting Unit the financial assistance necessary to ensure that the Reporting Unit is able to pay its debts as and when they fall due and enable the Reporting Unit to continue as a going concern. If the Reporting Unit is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1 which read as follows: -

1. A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

	2007	2006
	\$	\$

**NOTE 3: REVENUE**

**Operating activities**

Contributions	731,731	813,274
Grant Forest Policy Officer	120,000	109,917
Sitting fees	10,500	33,862
Service office fees	62,235	70,177
Grants – reimbursements	-	20,091
Dividends received	152	216
Interest received	167	1,927
Grants received	-	51,368
Unexpended grant funds carried forward	-	(2,584)
Other income	1,343	15,341
Unrealised gain on investments	-	2,349
	926,128	1,115,938
<b>Total revenue</b>	<b>926,128</b>	<b>1,115,938</b>



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NOTE 4: LOSS FOR THE YEAR</b>		
Loss before income tax expense has been determined after:		
<b>EXPENSES</b>		
<b>Administration expense</b>		
Accounting fee	-	8,016
Bad debts	(7,265)	-
Bank charges	2,117	4,631
Computer expenses	2,864	6,293
Consultancy	50	14,546
Insurance	6,666	16,319
Interest paid	33	-
Legal expenses	2,834	2,402
Loss on fixed asset disposal	2,502	-
NAC fees	192,420	-
Postage, freight, printing and stationery	29,960	27,175
Repairs and maintenance	717	3,720
Staff expenses	14,329	1,742
Sundry expenses	3,047	-
Remuneration of auditor		
- audit	160	13,000
- other services	-	-
	<u>250,434</u>	<u>97,844</u>
From 1 January 2007, audit fees are paid for on behalf of this Branch by the Construction, Forestry, Mining and Energy Union National Office.		
<b>Affiliation fees, compulsory levies and Sustentation fees</b>		
Affiliation fees:		
- Australian Labor Party New South Wales Branch	-	10,272
- Labor Council of New South Wales	7,600	7,920
Compulsory levy:		
- Australian Council of Trade Unions Industrial Relations campaign	32,069	14,600
- CFMEU Forestry and Furnishing Products Division National Office	-	29,091
- Labor Council of NSW – Rights at Work campaign	3,183	-
Sustentation fee:		
- CFMEU Forestry and Furnishing Products Division National Office	146,482	162,655
	<u>189,334</u>	<u>224,538</u>
<b>Borrowing expense</b>		
Interest paid on mortgage	<u>4,673</u>	<u>4,418</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**NOTES TO THE FINANCIAL STATEMENTS  
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	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: LOSS FOR THE YEAR continued</b>		
<b>Depreciation expense</b>		
Buildings	2,069	2,069
Furniture, fittings and equipment	12,926	16,200
	14,995	18,269
<b>Employee benefit expense</b>		
Salaries		
- elected officials	66,372	137,643
- employees	221,065	202,982
Superannuation		
- elected officials	5,795	10,489
- employees	23,205	23,140
Provision for annual leave		
- elected officials	3,989	(16,755)
- employees	10,813	2,053
Provision for long service leave		
- elected officials	583	(8,589)
- employees	3,931	10,811
Provision for rostered days off		
- elected officials	1,419	(906)
- employees	2,148	83
Provision for sick leave		
- elected officials	171	(3,560)
- employees	2,729	2,507
Fringe benefits tax	521	6,181
Payroll tax	22,280	22,807
Social club contribution	800	674
Workcover	5,914	5,988
	371,735	395,548

**NOTE 5: CASH AND CASH EQUIVALENTS**

Cash on hand	800	1,300
Cash at bank	27,646	57,829
	28,446	59,129

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	2007 \$	2006 \$
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Contributions receivable	7,833	67,661
Sundry debtors	172,657	169,984
Amounts relating to:		
CFMEU – Forestry & Furnishing Products Division – National Office	9,840	-
	190,330	237,645
 <b>NOTE 7: OTHER CURRENT ASSETS</b>		
CURRENT		
Prepayments	6,758	11,328
 <b>NOTE 8: FINANCIAL ASSETS</b>		
NON CURRENT		
Shares in Training Education and Management Services Pty Limited (at cost)	1	1
Shares in listed public companies (at market value)	2,118	3,264
	2,119	3,265
 <b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
Land and Buildings 26 Merrivale Street Tumut NSW		
Land - at cost	14,000	14,000
Buildings – at cost	103,453	103,453
Less accumulated depreciation	(18,966)	(16,897)
	84,487	86,556
Total Land and Buildings	98,487	100,556

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	2007 \$	2006 \$
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT continued</b>		
Furniture, fittings and equipment – at cost	65,462	108,823
Less accumulated depreciation	<u>(32,478)</u>	<u>(71,045)</u>
	32,984	37,778
Computer equipment - at cost	55,310	106,298
Less accumulated depreciation	<u>(42,362)</u>	<u>(85,723)</u>
	12,948	20,575
Motor vehicles – at cost	650	650
Less accumulated depreciation	<u>(650)</u>	<u>(650)</u>
	-	-
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>144,419</u>	<u>158,909</u>

**Movements In Carrying Amounts**

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	Land & Buildings	Furniture Fittings & Equipment	TOTAL
Balance at start of year	100,556	58,353	158,909
Additions	-	3,007	3,007
Disposals	-	(2,502)	(2,502)
Depreciation expense	<u>(2,069)</u>	<u>(12,926)</u>	<u>(14,995)</u>
Balance at end of year	<u>98,487</u>	<u>45,932</u>	<u>144,419</u>

**NOTE 10: TRADE AND OTHER PAYABLES**

Trade creditors & accruals	247,717	109,961
GST liability	(7,876)	(8,532)
Amounts relating to:		
CFMEU – Forestry & Furnishing Products Division – Victorian No 2 Branch	9,087	-
CFMEU – Forestry & Furnishing Products Division - National Office	<u>129,069</u>	<u>114,483</u>
	<u>377,997</u>	<u>215,912</u>

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FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 11: BORROWINGS</b>		
<b>CURRENT</b>		
Bank loan - Secured	7,073	7,069
<b>NON CURRENT</b>		
Bank loan - Secured	49,344	51,730
Loan – Unsecured – CFMEU Forestry & Furnishings Products Division – National Office	100,000	100,000
	149,344	151,730
<b>TOTAL BORROWINGS</b>	<b>156,417</b>	<b>158,799</b>

(a) The bank loans are secured by registered first mortgages over the Merrivale Street, Tumut property.

**NOTE 12: PROVISIONS**

<b>CURRENT</b>		
Employee benefits:		
Annual leave		
- elected officials	24,966	20,977
- employees	58,173	47,360
Long service leave		
- elected officials	19,288	18,705
- employees	57,640	53,709
Sick leave		
- elected officials	5,676	5,505
- employees	18,184	15,455
Rostered days off		
- elected officials	1,419	-
- employees	2,148	-
<b>Total Current Provisions</b>	<b>187,494</b>	<b>161,711</b>
Number of Employees at year end	5	5

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**NOTES TO THE FINANCIAL STATEMENTS  
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	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NOTE 13: OTHER</b>		
Unexpended grant funds	-	42,562

**NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION  
AND RELATED PARTY TRANSACTIONS**

The names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Mr B Anderson	Branch President (Honorary) (Resigned 31 December 2008)
Mr B Campbell	Branch Senior Vice President (Resigned 31 December 2008)
Mr R Watson	Branch Junior Vice President (Resigned 31 December 2008)
Mrs J Willett	Branch Junior Vice President (AA) (Resigned 31 December 2008)
Mr C Smith	Branch Secretary
Mrs E Anderson	Branch Trustee (AA) (Resigned 31 December 2008)
Mr G Tory	Branch Trustee (Resigned 31 December 2008)
	Committee of Management (Appointed 1 January 2009)
Mr K Miller	Branch Trustee (Resigned 31 December 2008)
	Branch Vice President (Appointed 1 January 2009)
Mrs S Taalili	Branch Trustee (Resigned 31 December 2008)
Mr B Barrakett	Branch Trustee (Resigned 31 December 2008)
	Branch Vice President (Appointed 1 January 2009)
Mr A Ovington	Committee of Management (Resigned 31 December 2008)
	Branch President (1 January 2009)
Mr B Field	Committee of Management (Resigned 31 December 2008)
Mrs C Hampton	Committee of Management (AA) (Resigned 31 December 2008)
Mr E Skennerton	Committee of Management
Mr M Hurst	Committee of Management
Mr M Schuppan	Committee of Management
Mr P Harvey	Committee of Management (Resigned 31 December 2008)
Mr D West	Committee of Management

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$66,372.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$5,795.

- (b) There was no remuneration paid to other persons on the committee of management.
- (c) There were no other transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

**NOTE 16: OPERATING LEASE COMMITMENTS**

An operating lease commitment exists in respect of the ground floor situated at 11 George Street, Parramatta. An operating lease commitment also exists in respect of the lease of six motor vehicles from Summit Fleet Management Services. The maximum amount committed plus the maximum extension of options is as follows:-

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
The total operating lease commitments are:		
(a) 11 George Street, Parramatta		
Due within 1 year	34,334	51,500
Due within 2-5 years	-	34,334
	34,334	85,834
 (b) Motor Vehicles		
Due within 1 year	14,189	60,185
Due within 2-5 years	-	16,107
	14,189	76,292
 TOTAL COMMITMENT	48,523	162,126

**NOTE 17: CONTINGENT LIABILITIES**

There are no contingent liabilities at the date of this report.

**NOTE 18: ECONOMIC DEPENDENCE**

The principle source of income for the Union is from membership fees. The Union is economically dependent upon the membership levels and fees.

**NOTE 19: SEGMENT REPORTING**

The Union operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector. The business operates predominantly in two geographical areas being in New South Wales, and Australian Capital Territory.

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	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 20: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the balance sheet as follows:		
Cash on hand	800	1,300
Cash at bank	<u>27,646</u>	<u>57,829</u>
	<u>28,446</u>	<u>59,129</u>
<b>b. Reconciliation of Net Cash provided by (used in ) Operating Activities to Net Profit</b>		
Net (loss) / profit	(241,128)	84,054
Non Cash Items		
Depreciation	14,995	18,269
Provision for employee entitlements	25,783	(14,354)
Loss on fixed asset disposal	2,502	-
Unrealised (gain)/loss on investments	1,147	(2,349)
Changes in Assets and Liabilities		
(Increase)/decrease in receivable	47,315	(5,333)
(Increase)/decrease in prepayments	4,570	2,562
Increase/(decrease) in unexpended grant income	(42,562)	12,667
Increase/(decrease) in payables	<u>162,084</u>	<u>(115,562)</u>
Cash flows used in operations	<u>(25,294)</u>	<u>(20,046)</u>
<b>c. Credit Stand-by Arrangement and Loan Facilities</b>		
There are no credit or loan facilities.		
<b>d. There were no non-cash financing or investing activities during the period.</b>		
<b>e. Net cash outflows relating to another reporting unit of the entity are as follows:</b>		
CFMEU – Forest & Forestry Products Division National Office	215,834	273,247
CFMEU – Forest & Forestry Products Division WA Branch	-	3,956
CFMEU –Pulp & Paper Workers' Branch	(18,167)	-
CFMEU – Construction & General Division National Office	-	6,906
CFMEU – Construction & General Division – NSW Branch	(2,564)	10,085
CFMEU – Construction & General Division – SA Branch	-	451
CFMEU – Construction & General Division – WA Branch	<u>-</u>	<u>3,383</u>
	<u>195,103</u>	<u>298,028</u>



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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**NOTE 21: FINANCIAL INSTRUMENTS**

**a. Financial Risk Management**

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The Union does not have any derivative instruments at 31 December 2007.

**i. Treasury Risk management**

A finance committee consisting of senior committee members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts

**ii. Financial Risks**

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**Foreign Currency Risk**

The Union is not exposed to fluctuations in foreign currencies.

**Liquidity Risk**

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

**Price Risk**

The Union is not exposed to any material commodity price risk.

**b. Interest Rate Risk**

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 21: FINANCIAL INSTRUMENTS continued**

	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	
<b>2007</b>							
<b>Financial Assets</b>							
Cash at bank	5	0.45	27,646	-	-	800	28,446
Receivables	6	N/a	-	-	-	190,330	190,330
Financial assets	8	N/a	-	-	-	2,119	2,119
Total Financial Assets			<u>27,646</u>	<u>-</u>	<u>-</u>	<u>193,249</u>	<u>220,895</u>
<b>Financial Liabilities</b>							
Payables	10	N/a	-	-	-	377,997	377,997
Borrowings	11	7.5	-	7,073	49,344	100,000	156,417
Total Financial Liabilities			<u>-</u>	<u>7,073</u>	<u>49,344</u>	<u>477,997</u>	<u>534,414</u>
<b>Net Financial Assets/ (Liabilities)</b>			<u>27,646</u>	<u>(7,073)</u>	<u>(49,344)</u>	<u>(283,748)</u>	<u>(313,519)</u>
<b>2006</b>							
<b>Financial Assets</b>							
Cash at bank	5	0.45	31,047	-	-	28,082	59,129
Receivables	6	N/a	-	-	-	237,645	237,645
Financial assets	8	N/a	-	-	-	3,265	3,265
Total Financial Assets			<u>31,047</u>	<u>-</u>	<u>-</u>	<u>268,992</u>	<u>300,039</u>
<b>Financial Liabilities</b>							
Payables	10	N/a	-	-	-	215,912	215,912
Borrowings	11	7.75	-	7,069	51,730	100,000	158,799
Other	13	N/a	-	-	-	42,562	42,562
Total Financial Liabilities			<u>-</u>	<u>7,069</u>	<u>51,730</u>	<u>358,474</u>	<u>417,273</u>
<b>Net Financial Assets/ (Liabilities)</b>			<u>31,047</u>	<u>(7,069)</u>	<u>(51,730)</u>	<u>(89,482)</u>	<u>(117,234)</u>

**c. Net Fair Values**

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 22: ACCOUNTING POLICY AMENDMENTS**

The following Australian Accounting Standards issued or amended are applicable to the Branch but not yet effective and have not been adopted in the preparation of the financial statements at the reporting date.

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Sub-Branch</b>
AASB 2005-10: Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosure within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	01.01.2007	01.07.2007
AASB 7: Financial Instruments: Disclosures	AASB 132: Financial Instruments: Disclosure and Presentation	As above.	01.01.2007	01.07.2007

**NOTE 23: ENTITY DETAILS**

The registered office is:  
Ground Floor  
11 George Street  
PARRAMATTA NSW 2124

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**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 23 March 2010 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2007:

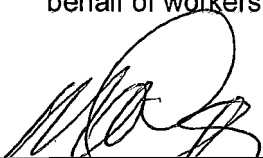
The Divisional Executive on behalf of the Committee of Management declares in relation to the GPFR that in its opinion:

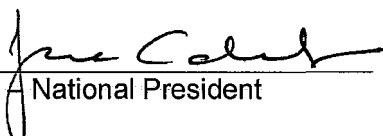
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
  - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Tribunal under section 273 of the Fair Work (Registered Organisations) Act 2009.

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**COMMITTEE OF MANAGEMENT CERTIFICATE  
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

  
\_\_\_\_\_  
Michael O'Connor – National Secretary

  
\_\_\_\_\_  
Jane Calvert – National President

Melbourne: 23 March 2010

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – NEW SOUTH WALES DIVISIONAL BRANCH

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Union (the reporting unit), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

#### **Committee of management's responsibility for the financial report**

The reporting unit's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT continued**

**TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH**

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

**Auditor's opinion**

In our opinion the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:
  - (i) presenting fairly the reporting unit's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, including:
  - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  - (ii) any donations or other contributions deducted from recovered money.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*L.S. Wong*

**L.S. WONG**  
Partner,  
Member of the Institute of Chartered Accountants in Australia and  
holder of a current public practice certificate

Melbourne: 26 March 2010

## COMPILATION REPORT

### TO THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – NEW SOUTH WALES DIVISIONAL BRANCH

#### Scope

On the basis of the information provided by the Committee of Management of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch (Reporting Unit) we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – New South Wales Divisional Branch for the year ended 31 December 2007 as set out on page 30 to 32.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Committee of Management. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Committee of Management.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the reporting unit, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the reporting unit and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

Melbourne: 26 March 2010



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
<b>GENERAL FUNDS</b>		
<b>INCOME</b>		
Contributions	731,731	813,274
Dividends received	152	216
Grant – Forest Policy Officer	120,000	109,917
Interest received	167	1,784
Reimbursement of sitting fees	10,500	33,862
Reimbursement of grant expenditure	-	20,091
Reimbursement other	-	3,350
Serviced office fees	62,235	70,177
Sundry income	1,343	8,809
Training fees	-	3,182
Unrealised gain on investments	-	2,349
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<b>926,128</b>	<b>1,067,011</b>
<b>EXPENDITURE</b>		
Accounting fee	-	6,116
Affiliation fees	7,600	18,192
Auditors Remuneration	160	12,000
Bad debts	(7,265)	-
Bank charges	2,117	4,551
Committee of management expenses	8,873	13,475
Computer expenses	3,777	6,293
Consultancy expenses	50	-
Delegates training expenses	8,413	1,772
Depreciation	14,995	18,269
Fringe benefits tax	521	6,181
Insurance	13,867	16,595
Interest paid	4,673	4,418
Lease charges – Motor vehicles	74,100	81,848
Legal and professional expenses	2,834	2,402
Levy ACTU IR campaign	32,069	14,600
Levy CFMEU National Office	-	29,091
Levy Labor Council NSW Rights at Work	3,183	-
Loss on fixed asset disposal	2,502	-
Motor vehicle expenses	34,675	30,349
NAC fees	192,420	-
Payroll tax	22,280	22,807
Postage, freight, printing and stationery	29,121	23,923
Provision for annual leave	14,802	(14,702)
Provision for long service leave	4,513	2,222
Provision for rostered days off	3,567	(823)

This statement should be read in conjunction with the attached compilation report on page 29.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
Provision for sick leave	2,900	(1,053)
Rent and outgoings	56,841	54,152
Repairs, maintenance and outgoings	643	3,720
Salaries and wages:		
- elected officials	66,372	137,643
- employees	221,065	202,982
Staff expenses	3,608	1,734
Staff training	11,636	681
Sundry expenses	2,931	1,384
Superannuation contributions:		
- elected officials	5,795	10,489
- employees	23,205	23,140
Sustentation fees	146,482	162,655
Trainee organiser	75,711	11,818
Travel – accommodation, meals and airfares	36,300	39,325
Telephone and facsimile	32,859	28,720
Unrealised loss on investments	1,147	-
Workcover	5,914	5,988
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	<b>1,167,256</b>	<b>982,957</b>
	<hr/>	<hr/>
<b>NET PROFIT/ (LOSS) FOR YEAR</b>	<b>(241,128)</b>	<b>84,054</b>

This statement should be read in conjunction with the attached compilation report on page 29.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
NEW SOUTH WALES DIVISIONAL BRANCH  
ABN 33 399 833 248**

**GRANTS FOR WORKCOVER AND TISS  
DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2007**

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>GRANT FUNDS</b>		
<b>INCOME</b>		
Grant funds received	-	51,368
Interest received on grant funds	-	143
Unexpended grant funds carried forward	-	(2,584)
	-	48,927
<b>EXPENDITURE</b>		
Accounting fee	-	1,900
Auditors remuneration	-	1,000
Bank charges	-	80
Consultancy fees	-	14,546
Motor vehicle expenses	-	3,135
Printing, postage and stationery	-	3,252
Service office fees	-	24,463
Sundry expenses	-	551
	-	48,927
<b>NET PROFIT FOR THE YEAR</b>	-	-

This statement should be read in conjunction with the attached compilation report on page 29.



CONSTRUCTION  
FORESTRY  
MINING  
ENERGY  
UNION

FORESTRY &  
FURNISHING  
PRODUCTS  
DIVISION

National Office  
ABN 91 691 430 210

148 - 152 Miller Street  
WEST MELBOURNE  
VICTORIA 3003

PH: (03) 9274 9200  
FAX: (03) 9274 9284

Freecall: 1800 080 656

Email: [admin@cfmeuffpd.org](mailto:admin@cfmeuffpd.org)

23<sup>rd</sup> December 2009  
Stephen Kellett  
Statutory Services Branch  
AIR  
L 8, Terrace Towers  
80 Williams St  
East Sydney  
NSW 2011  
By email: [stephen.kellett@airc.gov.au](mailto:stephen.kellett@airc.gov.au)

Dear Stephen,

**Lodgement of Financial Statements & Accounts for the years ended 31 December 2007 and 31 December 2008, FFPD Division & Branches & Sub Branches; Fair Work (Registered Organisations) Act 2009**

As you are aware these reports have been delayed because of the major organisational restructure we have undertaken. We are still finalising the reports but here is an update on progress.

**2007**

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra, Sydney, Burnie, Boyer, Wesley Vale and Tasmania

These reports are well advanced and we expect to be able to lodge them in March 2010.

**2008**

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra and Sydney.

We expect to be able to lodge these reports in June 2010.

We will keep you informed of our progress.

In the meantime please contact me if you need further information or wish to discuss this matter.

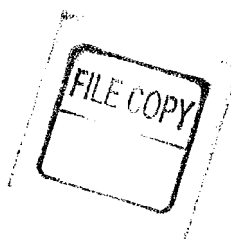
Sincerely

Jane Calvert  
CFMEU FFPD  
National President  
(03) 9274 9200  
email [jcalvert@cfmeuffpd.org](mailto:jcalvert@cfmeuffpd.org)



Fair Work  
Australia

Mr Michael O'Connor  
National Secretary, FFPD Division  
Construction, Forestry, Mining and Energy Union  
148-152 Miller Street  
WEST MELBOURNE VIC 3003



Dear Mr O'Connor,

**Lodgment of outstanding Financial Statements and Accounts – FFPD Division and  
Branches - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule) –  
for years ended 31 December 2007 and 31 December 2008**

I write to seek your formal advice in relation to the outstanding financial returns for the above years.

I understand from a conversation on the telephone in May with Mr Barry Disken that extended delays in lodgment were resulting from the Division's auditors' requirements for their preparation.

I would greatly appreciate it if I could be advised in writing of the circumstances affecting the preparation of the reports and broadly when you anticipate being in a position to lodge them.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch

7 July 2009



**Australian Government**  
**Australian Industrial Registry**

28 May 2009

Mr Barry Disken  
Financial Controller, FFPD Division  
Construction, Forestry, Mining and Energy Union  
PO Box 661  
CARLTON SOUTH VIC 3053



Dear Barry,

**Lodgment of outstanding Financial Statements and Accounts for years ended 31 December 2007  
and 31 December 2008 – FFPD Division and Branches - Schedule 1 of the Workplace Relations  
Act 1996 (RAO Schedule)**

Further to our discussion by telephone today, I write to seek your formal advice on the status of the outstanding financial returns for the above years. If you could set out the circumstances affecting the preparation of the reports and broadly when you anticipate being in a position to lodge them, that would be greatly appreciated.

Yours sincerely,

A handwritten signature in black ink, appearing to be "S. Kellett".

Stephen Kellett  
Statutory Services Branch

cc. Michael O'Connor  
National Secretary  
CFMEU FFPD

## PENNA, Belinda

---

**From:** Barry Disken [bdisken@cfmeuffpd.org]  
**Sent:** Friday, 21 November 2008 5:55 PM  
**To:** PENNA, Belinda  
**Subject:** Outstanding Financial Reports

**Attachments:** img-Y211749-0001.pdf



img-Y211749-0001.  
pdf (50 KB)

Belinda,  
Copy of fax send on the 11 November 2008.

Regards  
BARRY DISKEN  
Accountant & Financial Controller  
CFMEU - Forestry & Furnishing Products Division

Address:  
148-152 Miller Street, West Melbourne VIC 3003  
Tel: (03) 9274 9200  
Fax: (03) 9274 9284  
Email: bdisken@cfmeuffpd.org

[www.cfmeu-forestdivision.com.au](http://www.cfmeu-forestdivision.com.au)

CFMEU Forestry & Furnishing Products Division, National Office  
Disclaimer:

The information in this e-mail may be confidential and/or legally privileged. It is intended solely for the addressee. Access to this e-mail by anyone else is unauthorised. If you are not the intended recipient, any disclosure, copying, distribution or any action taken or omitted to be taken in reliance on it, is prohibited and may be unlawful.



CONSTRUCTION  
FORESTRY  
MINING  
ENERGY  
UNION

FORESTRY &  
FURNISHING  
PRODUCTS  
DIVISION

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VICTORIA 3003  
PH: (03) 9274 9215  
FAX: (03) 9274 9284  
Email: info@cfmeuforestry.org

ABN 91 691 430 210

Belinda Penna  
Australian Industrial Registry

By fax to : (02) 9380 6990

11<sup>th</sup> November 2008

Dear Belinda,

**Re: Construction Forestry Mining & Energy Union – FFPD Divisional Office and Branches for year ending 31 December 2006 & 2007**

Thank you for your correspondence of the 21<sup>st</sup> October 2008 regarding the above matter.

We have previously informed the AIR of the reason for the delay in lodgement and we appreciate your ongoing patience. The Divisional restructure we have undertaken will ensure that these delays are not repeated in future.

In relation to the remaining outstanding 2006 GPFR I can report the following lodgement schedule:

- Melbourne Sub Branch has been lodged;
- Tasmanian Branch & Vic. Forestry Branch by the 14<sup>th</sup> November 2008;
- National Office by the 12<sup>th</sup> December 2008.

In relation to the outstanding 2007 GPFR I can report the following lodgement timetable:

- Nowra PPW Sub Branch by the 12<sup>th</sup> December 2008;
- Maryvale PPW Sub Branch by the 12<sup>th</sup> December 2008;
- NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian, PPW Branches and PPW Sub Branches of Melbourne, Millicent, Sydney and Tasmania & Divisional reports by the end of the 2008 calendar year, although if we run out of time for the requisite meetings, these reports may not be lodged until early 2009.

We will update you on progress on the 14<sup>th</sup> December 2008.

Please contact Jane Calvert, Divisional President, CFMEU FFPD on (03) 92749200 or [jcalvert@cfmeuforestry.org](mailto:jcalvert@cfmeuforestry.org) if you need to discuss this further.

Regards

Michael O'Connor  
National Secretary  
CFMEU FFPD  
c/c A. Millar & PPW Sub Branch Secretaries, D. Kirner, S. McLean, J. Calvert, C. Smith, B. Disken





**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2007/542-[105N-NSWT]**

Mr Craig Anthony Smith  
Divisional Branch Secretary  
Construction, Forestry, Mining and Energy Union -  
FFPD- New South Wales Branch (No.1 Branch)  
Ground Floor, 11 George Street  
PARRAMATTA NSW 2150

Dear Mr Smith

**Re: Construction, Forestry, Mining and Energy Union-FFPD- New South Wales Branch  
(No.1 Branch)- Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1 of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2007.

In particular there is no record of lodgement of copies of:

- the general purpose financial report (which includes the Committee of Management Statement);
- the auditor's report; and
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule<sup>1</sup> requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **16 July, 2008.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

---

In the absence of lodgement of a copy of the full report, I request you state in writing by **12 August, 2008:**

- whether a Committee of Management Statement and an Operating Report have been prepared;
- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report;

<sup>1</sup> Schedule 1 of the Workplace Relations Act 1996

- whether the full report has been provided to members, and if so, when;
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a Designated Officer's Certificate certifying that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

You can access the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Schedule and RAO Regulations

These documents can be accessed at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: [orgs@air.gov.au](mailto:orgs@air.gov.au)
- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/542**.

Yours sincerely



Steve Teece

E-mail: [steve.teece@air.gov.au](mailto:steve.teece@air.gov.au)

24 July 2008



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2007/542-[105N-NSWT]**

Mr Craig Anthony Smith  
Divisional Branch Secretary  
Construction, Forestry, Mining and Energy Union-  
FFPD- New South Wales Branch (No.1 Branch)  
Ground Floor, 11 George Street  
PARRAMATTA NSW 2150

Dear Mr Smith

**Financial Return - year ending 31 December, 2007**

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

**Information on AIRC Website**

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

**Reporting Unit**

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

## Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

### Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

### Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:
  - (a) Financial Statements containing:
    - a profit and loss statement, or other operating statement; and
    - a balance sheet; and
    - a statement of cash flows; and
    - any other statements required by the Australian Accounting Standards; and
  - (b) Notes to the Financial Statements containing:
    - notes required by the Australian Accounting Standards; and
    - information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and
  - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

### First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

### **The Auditor**

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

### **Informing Your Members**

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

### **The Second Meeting - if it is a General Meeting of Members**

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

### **The Second Meeting - if it is a Committee of Management Meeting**

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held, consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

### **Lodge full report within 14 days of meeting**

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

### **Complying with time limits**

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

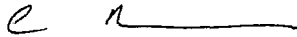
### **Extensions of Time**

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

### **Contact the Registry**

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'e' followed by a horizontal line with a small upward curve at the end.

For Deputy Industrial Registrar...  
21 January 2008



**Documents Checklist**

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
<b>2</b>	<b>Committee of Management Statement</b>	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
<b>3</b>	<b>Auditor's Report</b>	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
<b>4</b>	<b>Operating Report</b>	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

\* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).



**Committee Of Management Statement**

On \_\_\_\_/\_\_\_\_/\_\_\_\_ [date of meeting] the Committee of Management of \_\_\_\_\_ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended \_\_\_\_/\_\_\_\_/\_\_\_\_ [date]:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply\* with the Australian Accounting Standards;
- (b) the financial statements and notes comply\* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view\* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds\* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held\* in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been\* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been\* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been\* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been\* furnished to the member or Registrar; and
  - #(vi) there has been\* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

*[Add the following if any recovery of wages activity has been undertaken during the financial year]*

- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: \_\_\_\_\_ *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

*\* Where compliance or full compliance has not been attained - set out details of non compliance instead.*

*# Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."*

**Certificate of Secretary or other Authorised Officer**<sup>1</sup>

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*<sup>3</sup>, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]*<sup>3</sup> of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*