



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: FR2004/686-[105N-PPBR]

Mr Andrew Ball
Secretary/Treasurer
CFMEU FFPD
Broadford Pulp & Paper Workers Sub-Branch
33 Casey Crescent
BROADFORD VIC 3660

Dear Mr Ball

Financial Return - year ending 31 December, 2004

Our records show your 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*.

New legislation

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.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- **a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)**
- **a greater emphasis given to Australian Accounting Standards**
- **the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)**
- **extensions of time are limited to one month**
- **restructured penalty provisions involving more extensive use of Civil Penalties**
- **the introduction of the Industrial Registrar's Reporting Guidelines**
- **organisations and their branches to report according to their financial structures, known as 'reporting units'.**

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that 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 refer to your organisation as a 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:

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

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); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

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 and the second meeting 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). When lodging the financial return please quote: **FR2004/686**.

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.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au or 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 procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

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

- [RAO Schedule and 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 new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



for Deputy Industrial Registrar
19 January 2005

Attachment B

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	✓
1	General Purpose Financial Report	
	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?	
2	Committee of Management Statement	
	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?	
3	Auditor's Report	
	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?	
4	Operating Report	
	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?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	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.

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 Officer¹

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]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, 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]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*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.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION



FORESTRY &
FURNISHING
PRODUCTS DIVISION

Pulp & Paper
Workers' Branch
1st FLOOR
500 SWANSTON STREET
CARLTON SOUTH
VICTORIA 3053

PH: (03) 9349 2488
FAX: (03) 9349 2580
Email: info@cfmeuppw.org

www.cfmeuppw.org

MELBOURNE
SUB-BRANCH

ABN:
85 937 260 155

SECRETARY:
ALEX MILLAR

MOBILE PHONE:
0419 872 844

27/06/2005

Deputy Industrial Registrar
Level 8, Terrace Towers
80 William St East Sydney,
NSW 2001

Re-Broadford Sub branch Audit

Dear Sir,

I am writing this covering letter in regard to the Audit report for the Broadford Sub Branch of the Pulp & Paper branch of the CFMEU.

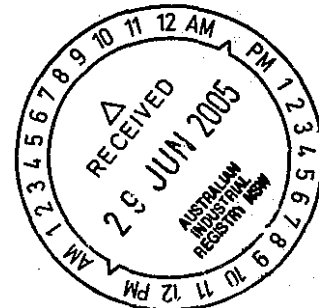
The rules of the organisation have been changed and the Broadford Sub Branch disbanded from the 1st of January 2005 with the responsibility for members and the financial affairs of the Sub Branch transferred to the Melbourne Sub Branch.

Accordingly the Melbourne Sub branch committee of management have dealt with the requirements of the RAO schedule in regard to the Broadford Sub Branch's financial affairs for the year ending 31st December 2004

Please contact me on 0393492488 should you require further information

Yours truly,

Alex Millar
Melbourne Sub Branch Secretary



Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B Workplace Relations Act 1996

I Alex Millar being the Secretary of the Melbourne Sub Branch, on behalf of the Broadford Sub Branch certify:

- that the documents lodged herewith are copies of the full report,, referred to in s268 of the RAO Schedule; and
- that the full report, was provided to members on 1st June 2005; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 22nd June 2005 in accordance with section 266 of the RAO Schedule.

Signature:

Alex Millar

Date:

27/6/2005.

**CONSTRUCTION FORESTRY MINING
ENERGY UNION
PULP & PAPER WORKERS BRANCH
BROADFORD SUB BRANCH
FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2004**

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

FORESTRY & FURNISHING PRODUCTS DIVISION

PULP & PAPER WORKERS' (No.7) BRANCH

BROADFORD SUB BRANCH

OPERATING REPORT

This Operating Report covers the activities of the Broadford Sub Branch of the Pulp & Paper workers' (No.7) Branch of the Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy union for the year ended 31st December 2004, the results of those activities and the significant changes in the nature of those activities during the year.

1. Principle Activities of the Broadford Sub-Branch

The principle activities of the Broadford Sub Branch over the year were:

- Implementation of the decisions of the Sub Branch COM and the Sub Branch Executive
- Conduct of meetings of members
- Representation of members in matters pertaining to their employment
- Participation in dispute resolution processes, including referring matters to the Federal Secretary of the Pulp & Paper Branch
- Participation in negotiations for agreements pertaining to member's terms and conditions of employment.
- Representing member's interests on company consultative committees.
- Preparations for the application of the RAO schedule

2. Right of Members to Resign

All members of the union have the right to resign from the union in accordance with the union rules (and section 174 of the Workplace Relations Act) by providing written notice addressed and delivered to the Secretary of the Melbourne Sub Branch, including via email.

3. The Broadford Sub-Branch Financial Affairs

There were no significant changes to the financial affairs of the Sub-Branch over the year. From 31st December 2004, the Broadford Sub-Branch has been disbanded and the members transferred to the Melbourne Sub-Branch of the Pulp & Paper workers branch of the Forestry and Furnishing Products Division of the CFMEU.

4. Superannuation Trustees

There are no members of the Sub-Branch Committee of Management who are Trustees of any superannuation fund

5. Membership of the Sub-Branch

At 31st December 2004, the membership of the Sub-Branch was 16

6. Employees of the Sub-Branch

The Sub-Branch has no employee

7. Committee of Management and Executive

The following persons were members of the Sub Branch committee of management during the year ended 31st December 2004

<u>Name</u>	<u>Period of Appointment</u>
Andrew Ball	1.1.04 - 31.12.04
Tony Potts	1.1.04 - 31.12.04
Les Wyatt	1.1.04 - 31.12.04

The following persons were members of the Sub Branch Executive, during the year ended 31st December 2004

<u>Name</u>	<u>Period of Appointment</u>
Andrew Ball	1.1.04 - 31.12.04
Tony Potts	1.1.04 - 31.12.04



Alex Millar
Sub Branch Secretary

Dated 8th March 2005

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP&PAPER WORKERS BRANCH – BROADFORD SUB BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 8th, March 2005 the committee of management of the Pulp & Paper Melbourne Sub-Branch passed the following resolution in relation to the General purpose financial report of the reporting unit for the year financial year ending 31st December 2004.

The committee of management declares in relation to the general purpose financial report that in its opinion,

- (a) The financial statements and notes comply with Australian Accounting standards;
- (b) The financial statements and notes comply with the reporting requirements 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 in 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 general purpose financial report 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; 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) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner; and

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP&PAPER WORKERS BRANCH – BROADFORD SUB BRANCH

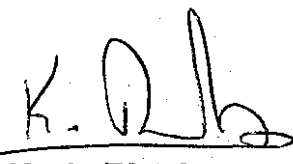
COMMITTEE OF MANAGEMENT STATEMENT(cont)

- (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) no order has been made by the commission under section 273 of the RAO schedule during the period

For the Committee of management



Geoff Gasperotti



Kevin Riordan

Dated 8th March 2005

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP AND PAPER WORKERS BRANCH(NO 7 BRANCH)
BROADFORD SUB BRANCH

OPERATING STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2004
(GST INCLUSIVE)

2003		2004
	INCOME	
7,965	Subscriptions	6,454
6	Interest Received	2
91	GST Refunds	35
8,062		6,491
	LESS EXPENDITURE	
715	Audit fees	473
1,395	Conference & Meeting expenses	1,530
1,121	Telephone	365
73	Bank Charges	78
4,580	CFMEU Capitation fees	3,959
199	Mortuary Fund contributions	172
750	Honorarium	-
25	Postage & Stationary	45
115	Insurance	121
-	Hand Over Expenses (Melb. Sub-Branch)	490
168	Committee & Crew breakup expenses	50
103	Member Funeral Expenses	-
60	Trust Fund Contributions	-
18	GST Paid	45
9,322		7,328
\$(1,260)	NET SURPLUS (DEFICIT) FOR YEAR	\$(837)
(24)	GST Clearing Account Balance Cleared	(103)
\$(1,236)	Net Deficit after GST	\$(734)

This is the Statement of Income & Expenditure referred to in the Auditors report dated 1st day of June 2005.

CONSTRUCTION FORESTRY, MINING AND ENERGY UNION
PULP AND PAPER WORKERS BRANCH(NO 7 BRANCH)
BROADFORD SUB BRANCH

BALANCE SHEET
AS AT 31 DECEMBER 2004

2003		2004
	BRANCH FUNDS.	
1,970	Balance as at 01/01/2004	734
(1,236)	Add/Less Surplus (deficit) for year	(734)
-----		-----
\$734	TOTAL BRANCH FUNDS	\$NIL
=====		=====
	Represented by;	
\$850	Cash at Bank	\$NIL
=====		=====
	Less Current Liability	
116	GST owed	NIL
-----		-----
\$734		\$NIL
=====		=====

This is the Statement of Assets and Liabilities referred to in the Auditors Report dated 1ST day of JUNE 2005.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP AND PAPER WORKERS BRANCH (NO 7 BRANCH)
BROADFORD SUB BRANCH

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2004

	\$	\$
Receipts from members	6,454	
Receipts from operations	37	
	<u>6,491</u>	
Payments to Suppliers	<u>7,328</u>	
Cash Applied to Operations		(837)
 <u>Cash Sourced from Investing Activities</u>		
Decrease in GST owed	<u>(13)</u>	
		<u>(13)</u>
		(850)
 <u>Cash Sourced From Financing Activities</u>		
Net Decrease in Cash Held		<u>850</u>
Cash at 31 st December 2004		<u><u>NIL</u></u>

This statement should be read in conjunction with the Notes to and Forming part of the Financial Statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP AND PAPER WORKERS BRANCH (NO 7 BRANCH)
BROADFORD SUB BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2004

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

These financial statements are a general purpose financial report prepared in order to satisfy the requirement of the R.A.O. Schedule of the Workplace Relations Act (1996) to prepare financial accounts.

The statements have been prepared in accordance with requirements of Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The statements are prepared on an accruals basis from the records of the Sub-Branch. They are based on historical cost and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

Stock on Hand

Stock on Hand is valued at the lower of cost or net realisable value.

Property, Plant and Equipment

Property, plant and equipment are included at cost or Committee valuation.

All assets, excluding freehold land and buildings are depreciated over their useful lives

Employee Entitlements

Provision is made for the Sub-Branch's liability for employee entitlements arising from services rendered by employees to balance date and have been measured at their nominal amount. Contributions are made to an employee superannuation fund and are charged as expenses when incurred.

Revenue

Revenue is recognized on the delivery of services to the Customer/member. All revenue is stated inclusive of the amount of goods and services tax

Principal Activities

The principal activities of the branch during the financial year were to provide Industrial Representation for members.

Goods and services Tax

Revenues, expenses and assets are recognized inclusive of the amount of GST. GST refunds or payments are reported as items of Income or Expenditure when received or paid.

Related Parties

No member of the Committee provided goods or services to the Sub-Branch during the financial year otherwise than in the course of ordinary commercial dealings.

These notes are to be read in conjunction with the Audit Report for the financial year ended 31st December 2004.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
PULP AND PAPER WORKERS BRANCH (NO 7 BRANCH)
BROADFORD SUB BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2004

NOTE 2 - Information to be Provided to Members or Registrar

The Financial Accounts of the Construction Forestry Mining Energy Union Pulp & Paper Workers' Branch No. 7 Branch, Broadford Sub-Branch have been audited in accordance with the provisions of the Workplace Relations Act, 1996, and a summary is provided for Members in accordance with Section 265 of the Act.

A copy of the audited Accounts will be supplied free of charge to Members upon request, and your attention is drawn to your Union's responsibility in this regard, as set out below.

INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with Section 274 of the Workplace Relations Act the following information is provided for the advice of members and should be read in conjunction with the Financial Statements attached:

- (1) A member of a reporting unit, or a Registrar, may apply in writing to the reporting unit for specified information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Samuel J. Watts & Associates

CERTIFIED PRACTISING ACCOUNTANTS

92-94 Station Street, (P.O. Box 286) Seymour, Victoria 3660
Telephone: (03) 5792 2580 Facsimile: (03) 5799 1347
email: admin@sjwa.net

Our Ref:

DA:nc

1 June 2005

**To the Members,
Construction Forestry, Mining & Energy Union
Forestry & Forest Products Manufacturing Division
Pulp & Paper Workers Branch(No 7 Branch)
Broadford Sub Branch**

Scope

We have audited the attached general purpose financial report of the Broadford Sub Branch of the No 7 Pulp & Paper Workers Branch, Construction Forestry Mining and Energy Union ("the Sub Branch") for the year ended 31 December 2004, comprising the Statement of Profit & Loss and Statement of Assets & Liabilities as at 31 December 2004. The Committee of Management is responsible for the preparation and presentation of the financial report and the information contained therein, and have determined that the basis of accounting used is appropriate to the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members. No opinion is expressed as to whether the basis of accounting used is appropriate to the needs of the members.

The general purpose financial report has been prepared for distribution to the members of the "Sub branch" for the purpose of fulfilling the Committee's accountability requirements. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates, to any person other than the members, or of any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts in the financial report. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial report is presented fairly in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and any other mandatory reporting requirements.

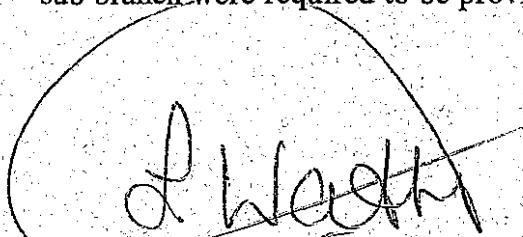
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the Sub Branch has kept satisfactory accounting records including:

- (a) records of the sources and nature of the income of the sub branch (including income from members); and
- (b) records of the nature and purposes of the expenditure of the sub branch; and the accounts and statements prepared under section 257.5 in relation to the year were properly drawn up so as to give a true and fair view of:
 - (i) the financial affairs of the sub branch as at 31st December, 2004; and
 - (ii) the income and expenditure, and any surplus or deficit, of the sub branch for the year ended 31st December, 2004 and

all the information and explanations that, under subsection 2, officers or employees of the sub branch were required to be provided were provided.



SAMUEL J WATTS & ASSOCIATES

Signed at Seymour this 1st day of June 2005



AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

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

Mr Alex Millar
Sub-branch Secretary
CFMEU FFPD
Melbourne Sub-branch
1st Floor, 500 Swanston St
CARLTON SOUTH VIC 3053

Broadford Sub-branch - Financial Return for year ending 31 December 2004 (FR2004/686)

Dear Mr Millar

I refer to your letter of 27 June 2005 enclosing financial documents of the Broadford Sub-branch.

Broadford Sub-branch - abolition

I note your comments that the rules of the Division were altered to disband the Broadford Sub-branch and that this was to take effect from 1 January 2005. I have examined the rules of the Division but no alterations to abolish this Sub-branch appear to have been lodged or certified to date. This means that the Broadford Sub-branch and its committee of management continue to exist for the purposes of the Division's rules and their obligations under the RAO Schedule.

I understand following a phone discussion of 20 July 2005 with Mr Tim Woods, Secretary of the Division, that alterations to abolish the Sub-branch will be lodged shortly for certification by the Industrial Registrar.

Under the RAO Schedule, the committee of management of a branch is responsible for arranging the preparation of a general purpose financial report and operating report. They must then have the financial report audited, provide the documents to members and present them to a meeting of the branch's committee of management or to a general meeting of branch members.

I note that on this occasion the Melbourne Sub-branch has assumed the responsibilities of the Broadford Sub-branch. Mr Woods has sent me copies of a draft letter to the Registrar advising of the proposed rule alterations in which he notes that meetings of members of the Melbourne Sub-branch and members of the Broadford Sub-branch in 2004 agreed to Broadford members becoming members of the Melbourne Sub-branch and the transfer of Broadford's assets to the Melbourne Sub-branch.

In these circumstances, the Registry is satisfied that the information needs of the Broadford members have been addressed by the preparation and provision of reports by the Melbourne Sub-branch.

Rule Alteration

From my comments you will note the importance of ensuring alterations to the rules of the Division are lodged quickly.

Please note the following matters when preparing future financial returns:

Operating Report

Right of Members to Resign – s254(2)(c) of the RAO Schedule requires the report to "give details of the right of members to resign". The Registry considers this at least requires the report to refer

to the number of the relevant rule of the organisation. Alternatively, the full text of the rule can be inserted.

The reference to "section 174 of the Workplace Relations Act" is incorrect. The reference should be to "Section 174 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996)". Although the RAO Schedule is part of the Act, it has its own separate numbering sequence from the main body of the Act.

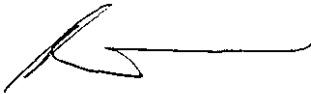
Notes to the Financial Statements

Note 2 – Information to be provided to members

The reference to "Section 274" of the Act is incorrect. Section 272(5) of the RAO Schedule is the relevant provision.

Please contact me on (02) 8374 666 if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter McKerrow', with a long horizontal stroke extending to the right.

Peter McKerrow
for Deputy Industrial Registrar

1 August 2005