

9 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 Pulp and Paper Workers Sub-Branches (various) - for year ending 31 December 2007**

I refer to the financial accounts and statements which were received by Fair Work Australia on 3 June 2010 for the following Sub-Branches of the Pulp and Paper Workers' Branch:

Maryvale (FR2007/546); Melbourne (FR2007/653); Millicent (FR2007/548); Sydney (FR2007/550); and Tasmania (FR2007/551).

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Stephen Kellett". The signature is fluid and cursive, written over a horizontal line.

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia



CONSTRUCTION  
FORESTRY  
MINING  
ENERGY  
UNION

FORESTRY &  
FURNISHING  
PRODUCTS  
DIVISION

National Office  
ABN 34 183 611 895

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2 June 2010

FR2007/653

Mr S Kellett  
Fair Work Australia  
Level 8  
80 William Street  
East Sydney NSW 2011

Dear Stephen

**Re: Pulp and Paper Workers' Sub Branch Financial Statements for year ended 31 December 2007**

Please find enclosed the following signed Pulp and Paper Workers' Sub Branch Financial Statements for the year ended 31 December 2007 and Certificate of Prescribed Officer:

- Maryvale
- Melbourne
- Millicent
- Sydney
- Tasmania

Nowra Sub Branch to be send when Certificate of Prescribed Designated Officer is signed.

*B. Disken*

Barry Disken  
Financial Controller



**CERTIFICATE BY SECRETARY OR PRESCRIBED  
DESIGNATED OFFICER**

*S268 Fair Work (Registered Organisations) Act 2009*

I, Alex Millar prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union Pulp and Paper Workers' Branch Melbourne Sub 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 26 May 2010.



Branch Secretary  
Construction, Forestry, Mining and Energy Union  
Pulp and Paper Workers' Branch

Date 2 June 2010



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 23 614 340 373**

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

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**OPERATING REPORT**

In accordance with Section 254 of the Workplace Relations Act 1996, the Federal Committee of Management of the Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, Melbourne Sub 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 Sub-Branch during the past year fell into the following categories:

- Implementation of the decisions of the Sub-Branch Executive and Committee of Management.
- Implementation of the Sub-Branch's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, training and development of officials.
- 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 Workplace Relations Act 1996, and the Sub-Branch rules.
- Media and other communications to members and to the broader local communities of the Sub-Branch on issues affecting the rank and file.

**Operating Result**

The operating loss of the Sub-Branch for the financial year was \$20,213. No provision for tax was necessary as the Sub-Branch is exempt from income tax.

**Significant Changes**

There were no significant changes in the nature of activities of the Sub-Branch during the year.

Pursuant to a special committee meeting dated 31 December 2008 it was resolved that the assets and liabilities of the Sub-Branch be transferred to the CFMEU Pulp and Paper Workers' Branch which would henceforth be responsible for all financial matters pertaining to the Sub-Branch. Separate financial reports of the Sub-Branch 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 Sub-Branch, the results of those operations, or the state of affairs of the Sub-Branch in future financial years.

**Rights of Members**

Subject to the Sub-Branch's rules and Section 174 of the Workplace Relations Act 1996, members of the Sub-Branch have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Sub-Branch.

**Superannuation Officeholders**

Alex Millar is a member of and Trustee Director of the Pulp & Paper Workers' Superannuation Fund, appointed to the CFMEU Pulp & Paper Workers' Branch Committee of Management.

No other officer or member of the Sub-Branch 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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**OPERATING REPORT  
Continued**

**Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (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 RAO Schedule and who are taken to be members of the Sub-Branch under section 244 of the RAO Schedule was 544.
- (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 1.
- (c) the names of each person who have been a member of the Sub-Branch Committee of Management of the Sub-Branch 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>	
Geoffrey Gasperotti	Sub-Branch President	(resigned 12 March 2008)
	Sub-Branch Secretary / Treasurer	(appointed 12 March 2008)
Michael Obradovic	Sub-Branch Senior Vice President	(resigned 12 March 2008)
	Sub-Branch President	(appointed 12 March 2008)
Kevin Riordan	Sub-Branch Junior Vice President	(resigned 12 March 2008)
	Sub-Branch Senior Vice President	(appointed 12 March 2008)
Alex Millar	Sub-Branch Secretary/Treasurer	(resigned 12 March 2008)
Alex Mestou	Committee of Management	(resigned 12 March 2008)
	Sub-Branch Junior Vice President	(appointed 12 March 2008)
Philip Edwards	Committee of Management	(resigned 24 December 2007)
Ann Weldon	Committee of Management	(resigned 31 December 2008)
Michael Kernich	Committee of Management	
Andrew Ball	Committee of Management	(resigned 31 December 2008)
Stephen King	Committee of Management	(resigned 31 December 2008)
Steve Brennan	Committee of Management	(resigned 31 December 2008)

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

Geoffrey Gasperotti	Sub-Branch President	(resigned 12 March 2008)
	Sub-Branch Secretary / Treasurer	(appointed 12 March 2008)
Michael Obradovic	Sub-Branch Senior Vice President	(resigned 12 March 2008)
	Sub-Branch President	(appointed 12 March 2008)
Kevin Riordan	Sub-Branch Junior Vice President	(resigned 12 March 2008)
	Sub-Branch Senior Vice President	(appointed 12 March 2008)
Alex Millar	Sub-Branch Secretary/Treasurer	(resigned 12 March 2008)

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:



Alex Millar – Pulp and Paper Workers' Branch Secretary

Melbourne: 2 March 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

	Note	2007 \$	2006 \$
Revenue	3	313,183	318,045
Administration expense	4	(8,403)	(12,165)
Affiliation fees, compulsory levies and sustentation fees	4	(197,411)	(189,999)
Depreciation expense	4	(6,110)	(5,722)
Employee benefits expense		(97,791)	(87,716)
Telephone and facsimile expense		(1,402)	(2,889)
Travel expense		(13,997)	(13,408)
Other expenses		<u>(8,282)</u>	<u>(9,043)</u>
Profit/(loss) before income tax expense		(20,213)	(2,897)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit/(loss) attributable to members		<u>(20,213)</u>	<u>(2,897)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	403,841	309,957
Trade and other receivables	6	<u>14,825</u>	<u>19,586</u>
<b>TOTAL CURRENT ASSETS</b>		<u>418,666</u>	<u>329,543</u>
<b>NON CURRENT ASSETS</b>			
Plant and equipment	7	<u>24,037</u>	<u>31,505</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>24,037</u>	<u>31,505</u>
<b>TOTAL ASSETS</b>		<u>442,703</u>	<u>361,048</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	161,731	72,723
Short term provisions	9	<u>62,878</u>	<u>50,018</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>224,609</u>	<u>122,741</u>
<b>TOTAL LIABILITIES</b>		<u>224,449</u>	<u>122,741</u>
<b>NET ASSETS</b>		<u>218,094</u>	<u>238,307</u>
<b>EQUITY</b>			
Retained earnings		<u>218,094</u>	<u>238,307</u>
<b>TOTAL EQUITY</b>		<u>218,094</u>	<u>238,307</u>

The accompanying notes form part of these financial statements.



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

	<b>Retained earnings \$</b>	<b>Total \$</b>
Balance at 1 January 2006	241,204	241,204
Loss attributable to members	<u>(2,897)</u>	<u>(2,897)</u>
Balance at 31 December 2006	238,307	238,307
Loss attributable to members	<u>(20,213)</u>	<u>(20,213)</u>
<b>Balance at 31 December 2007</b>	<u>218,094</u>	<u>218,094</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

	Note	2007 \$	2006 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		330,545	324,966
Interest received		18,535	15,824
Other receipts		3,503	-
Payments to suppliers and employees		<u>(258,699)</u>	<u>(313,819)</u>
Net cash provided by / (used) in operating activities	15(b)	<u>93,884</u>	<u>26,971</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for plant & equipment		-	(32,092)
Proceeds of sale of plant & equipment		<u>-</u>	<u>12,318</u>
Net cash provided by / (used) in investing activities		<u>-</u>	<u>(19,774)</u>
Net increase/(decrease) in cash held		93,884	7,197
Cash at beginning of year		<u>309,957</u>	<u>302,760</u>
Cash at end of year	15(a)	<u>403,841</u>	<u>309,957</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**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  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

The financial report of Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, Melbourne Sub Branch as an individual entity 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 Sub-Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

**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 Sub-Branch review 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  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

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

**f. Plant and Equipment**

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

**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 Sub-Branch 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
Office equipment	15.0 – 30.0%
Motor vehicle	18.75 – 22.5%
Computer equipment	33.33 – 37.5%

**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.

**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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

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

**h. Financial Instruments continued**

**Held-to-maturity investments**

These investments have fixed maturities, and it is the Sub-Branch's intention to hold these investments to maturity. Any held-to-maturity investments held by the Sub-Branch 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.

**Impairment**

At each reporting date, the Sub-Branch assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**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.

**k. Critical Accounting Estimates and Judgements**

The committee of management members evaluate 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 Sub-Branch.

**Key Estimates**

The committee of management members assesses impairment at each reporting date by evaluating conditions specific to the Sub-Branch 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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996, 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 a Registrar, 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).

	<b>2007</b>	<b>2006</b>
	\$	\$
<b>NOTE 3: REVENUE</b>		
<b>Operating activities</b>		
Contributions	294,648	302,221
Interest received	18,535	15,824
	313,183	318,045
Total revenue	313,183	318,045

**NOTE 4: LOSS FOR YEAR**

Loss before income tax expense has been determined after:

**EXPENSES**

<b>Administration expense</b>		
Bank charges	9	67
Entertainment	-	2,531
Insurance	2,426	725
Remuneration of auditor - audit	-	2,650
Motor vehicle expenses	5,585	6,018
Printing and stationery	383	148
Postage	-	26
	8,403	12,165

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

	2007 \$	2006 \$
<b>NOTE 4: LOSS FOR YEAR continued</b>		
<b>Affiliation fees, compulsory levies and sustentation fees</b>		
Affiliations:		
- Victorian Trades Hall Council	-	2,665
Compulsory levy:		
- Victorian Trades Hall Council - campaign levy	-	278
- Women's levy	-	155
- Young Unionist's levy	-	131
CFMEU Pulp and Paper Workers' Branch Federal Office		
- Support Fund Levy	51,558	34,610
- Sustentation fee:	145,853	152,160
	197,411	189,999
 <b>Depreciation expense</b>		
Plant and equipment	6,110	5,722
 <b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	403,841	309,957
 <b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
CURRENT		
Contributions receivable	-	5,177
GST receivable	-	10,163
Sundry debtors	2,892	4,246
CFMEU Pulp and Paper Workers' Branch Federal Office	11,524	-
CFMEU Forestry and Furnishing Products Division – National office	409	-
	14,825	19,586
 <b>NOTE 7: PLANT AND EQUIPMENT</b>		
Office Equipment – at cost	340	1,110
Less accumulated depreciation	(304)	(448)
	36	662
Motor Vehicle – at cost	32,092	32,425
Less accumulated depreciation	(8,456)	(3,214)
	23,636	29,211
Computer Equipment – at cost	1,910	4,137
Less accumulated depreciation	(1,545)	(2,505)
	365	1,632
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>24,037</b>	<b>31,505</b>



**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 7: PLANT AND EQUIPMENT continued**

**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.

	<b>Computer Equipment</b>	<b>Motor Vehicle</b>	<b>Office Equipment</b>	<b>TOTAL</b>
	\$	\$	\$	\$
Balance at start of year	662	29,221	1,632	31,505
Additions	-	-	-	-
Disposals	(609)	(130)	(629)	(1,358)
Depreciation expense	(17)	(5,455)	(638)	(6,110)
Balance at end of year	<u>36</u>	<u>23,636</u>	<u>365</u>	<u>24,037</u>

<b>2007</b>	<b>2006</b>
\$	\$

**NOTE 8: TRADE AND OTHER PAYABLES**

Sundry creditors	11,976	11,716
Amounts relating to:		
CFMEU Pulp and Paper Workers' Branch Federal Office		
- Per Capita Levy Payable	106,325	49,792
- Support Fund Levy payable	42,582	11,215
- Other creditors	111	-
CFMEU FFPD – National Office (Other creditors)	<u>737</u>	<u>-</u>
	<u>161,731</u>	<u>72,723</u>

**NOTE 9: PROVISIONS**

Employee entitlements:

Elected Officials:		
Provision for annual leave	27,663	22,337
Provision for sick leave	22,752	18,538
Provision for long service leave	11,131	9,143
Provision for RDO	<u>1,332</u>	<u>-</u>
	<u>62,878</u>	<u>50,018</u>

Number of employees at year end	1	1
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**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 10: 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 Sub-Branch at any time during the reporting period, and the period for which he or she held such a position were;

Geoffrey Gasperotti	Sub-Branch President	(resigned 12 March 2008)
	Sub-Branch Secretary / Treasurer	(appointed 12 March 2008)
Michael Obradovic	Sub-Branch Senior Vice President	(resigned 12 March 2008)
	Sub-Branch President	(appointed 12 March 2008)
Kevin Riordan	Sub-Branch Junior Vice President	(resigned 12 March 2008)
	Sub-Branch Senior Vice President	(appointed 12 March 2008)
Alex Millar	Sub-Branch Secretary/Treasurer	(resigned 12 March 2008)
Alex Mestou	Committee of Management	(resigned 12 March 2008)
	Sub-Branch Junior Vice President	(appointed 12 March 2008)
Philip Edwards	Committee of Management	(resigned 24 December 2007)
Ann Weldon	Committee of Management	(resigned 31 December 2008)
Michael Kernich	Committee of Management	
Andrew Ball	Committee of Management	(resigned 31 December 2008)
Stephen King	Committee of Management	(resigned 31 December 2008)
Steve Brennan	Committee of Management	(resigned 31 December 2008)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$74,193 (2006: \$74,058).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$7,386 (2006: \$6,657).

- (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 Sub-Branch other than those relating to their membership of the Sub-Branch and reimbursement by the Sub-Branch 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.

**NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE**

Pursuant to a special committee meeting dated 31 December 2008 it was resolved that the assets and liabilities of the Sub-Branch be transferred to the CFMEU Pulp and Paper Workers' Branch which would henceforth be responsible for all financial matters pertaining to the Sub-Branch. Separate financial reports of the Sub-Branch will no longer be prepared subsequent to 31 December 2008.

**NOTE 12: CONTINGENT LIABILITIES**

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

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 13: ECONOMIC DEPENDENCE**

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

**NOTE 14: SEGMENT REPORTING**

The Sub-Branch operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector. The business operates predominantly in one geographical area being in Victoria.

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>

**NOTE 15: CASH FLOW INFORMATION**

**a. Reconciliation of Cash**

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	403,841	309,957
--------------	---------	---------

**b. Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit/(Loss)**

Net profit/(loss)	(20,213)	(2,897)
-------------------	----------	---------

Non Cash Items

Depreciation	6,110	5,722
--------------	-------	-------

(Profit)/Loss on disposal of fixed assets	1,358	2,484
---	-------	-------

Changes in Assets and Liabilities

(Increase)/decrease in receivable	4,761	8,960
-----------------------------------	-------	-------

Increase/(decrease) in payables	89,008	11,145
---------------------------------	--------	--------

Increase/(decrease) in provisions	12,860	1,557
-----------------------------------	--------	-------

Cash flows from/(used in) operations	93,884	26,971
--------------------------------------	--------	--------

**c. Credit Stand-by Arrangement and Loan Facilities**

There are no credit or loan facilities.

d. There were no non-cash financing or investing activities during the period.

e. Net cash outflows relating to another reporting unit of the organisation are as follows:

CFMEU Pulp and Paper Workers' Branch Federal Office (included within payments to suppliers and employees)	98,822	152,916
--	--------	---------

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 16: FINANCIAL INSTRUMENTS**

**a. Financial Risk Management**

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

The Sub-Branch 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 Sub-Branch is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**Foreign Currency Risk**

The Sub-Branch 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 Sub-Branch 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 Sub-Branch is not exposed to any material commodity price risk.

**b. Interest Rate Risk**

The Sub-Branch'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:

	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	6.29	106,715	297,126	-	-	403,841
Receivables	6	-	-	-	-	14,825	14,825
<b>Total Financial Assets</b>			<u>106,715</u>	<u>297,126</u>	<u>-</u>	<u>14,825</u>	<u>418,666</u>
<b>Financial Liabilities</b>							
Payables	8	-	-	-	-	(161,731)	(161,731)
<b>Total Financial Liabilities</b>			<u>-</u>	<u>-</u>	<u>-</u>	<u>(161,731)</u>	<u>(161,731)</u>
<b>Net Financial Assets/ (Liabilities)</b>			<u>106,715</u>	<u>297,126</u>	<u>-</u>	<u>(146,906)</u>	<u>256,935</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 16: FINANCIAL INSTRUMENTS Continued**

2006	Note	Effective Interest Rate %	\$	Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	TOTAL \$
<b>Financial Assets</b>							
Cash at bank	5	5.2	30,861	279,096	-	-	309,957
Receivables	6	-	-	-	-	19,586	19,586
<b>Total Financial Assets</b>			<u>30,861</u>	<u>279,096</u>	<u>-</u>	<u>19,586</u>	<u>329,543</u>
<b>Financial Liabilities</b>							
Payables	8	-	-	-	-	(72,723)	(72,723)
<b>Total Financial Liabilities</b>			<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,723)</u>	<u>(72,723)</u>
<b>Net Financial Assets/(Liabilities)</b>			<u>30,861</u>	<u>279,096</u>	<u>-</u>	<u>(53,137)</u>	<u>256,820</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 Sub-Branch 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.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

**NOTE 17: ACCOUNTING POLICY AMENDMENTS**

The following Australian Accounting Standards issued or amended are applicable to the Sub-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 18: ENTITY DETAILS**

The registered office is:

148-152 Miller Street  
WEST MELBOURNE VIC 3003

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 2 March 2010 the Federal Committee of Management of the Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, Melbourne Sub 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 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; 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 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 organization; 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 of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

**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 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 organisation 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.

  
\_\_\_\_\_  
Alex Millar – Pulp and Paper Workers'  
Branch Secretary

Melbourne: 2 March 2010



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION PULP AND PAPER WORKERS' BRANCH MELBOURNE SUB BRANCH

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, Melbourne Sub Branch (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 are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. 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

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION PULP AND PAPER WORKERS' BRANCH MELBOURNE SUB 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 Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, 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).
  
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, 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: 3 March 2010

## COMPILATION REPORT

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION PULP AND PAPER WORKERS' BRANCH MELBOURNE SUB BRANCH

#### Scope

On the basis of the information provided by the Committee of Management of Construction, Forestry, Mining and Energy Union, Pulp and Paper Workers' Branch, Melbourne Sub 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, Pulp and Paper Workers' Branch, Melbourne Sub Branch for the year ended 31 December 2007 as set out on page 24.

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: 3 March 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
PULP AND PAPER WORKERS' BRANCH  
MELBOURNE SUB BRANCH  
ABN 85 937 260 155**

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

	2007	2006
	\$	\$
<b>INCOME</b>		
Contributions	294,648	302,221
Interest received	18,535	15,824
	<hr/>	<hr/>
TOTAL INCOME	313,183	318,045
	<hr/>	<hr/>
<b>EXPENDITURE</b>		
Allowances	2,834	6,715
Affiliations	-	3,229
Auditors remuneration – fees	-	2,650
Bank charges	9	67
Bad debts	1,446	-
Campaign materials	-	380
Computer expenses	115	312
Contributions – Support Fund	51,558	34,610
Depreciation	6,110	5,722
Entertainment	-	2,531
Fringe Benefits Tax	1,821	446
Insurance	2,426	725
Internet expenses	497	245
Loss on fixed assets written off	1,358	2,484
Meeting expenses	1,251	1,333
Motor vehicle expenses	5,585	6,018
Payroll Tax	538	3,715
Printing and stationery	383	148
Provision for annual leave	5,326	(1,877)
Provision for long service leave	1,988	1,073
Provision for RDO	1,332	-
Provision for sick leave	4,214	2,359
Postage	-	26
Sponsorship	-	400
Staff Training	274	146
Sub branch secretary expenses	2,601	960
Superannuation – officials	7,386	6,657
EBA negotiations	-	808
Sundry expenses	1,993	2,399
Telephone	1,402	2,889
Travel and accommodation	9,911	5,360
Sustentation fees	145,853	152,160
VTHC – Regional THC IR cavalcade	-	909
Workcover	992	1,285
Wages and salaries - officials	74,193	74,058
TOTAL EXPENDITURE	<hr/> 333,396	<hr/> 320,942
	<hr/>	<hr/>
NET LOSS BEFORE AND AFTER INCOME TAX	(20,213)	(2,897)

This statement should be read in conjunction with the attached compilation report on page 23.



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 060 556

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.

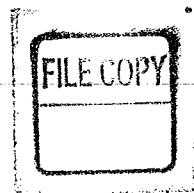
Sincerely

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 read 'Stephen Kellett'.

Stephen Kellett  
Statutory Services Branch

cc. Michael O'Connor  
National Secretary  
CFMEU FFPD



CONSTRUCTION  
FORESTRY  
MINING  
ENERGY  
UNION

FORESTRY &  
FURNISHING  
PRODUCTS  
DIVISION

Mr Steve Teece  
Australian Industrial Registry  
By email to: Steve.teece@air.gov.au

cc: Mr Barry Jenkins  
By fax to : 9655 0401

1<sup>st</sup> August 2008

Dear Mr Teece,

**Re: Construction Forestry Mining & Energy Union – FFPD Forestry  
Furnishing Building Products & Manufacturing Division  
Outstanding Financial Documents – Workplace Relations Act 1996**

Thank you for the recent correspondence to all CFMEU FFPD reporting entities in regard to various outstanding 2007 financial statements.

As discussed with Barry Jenkins, the CFMEU FFPD is undertaking a restructure of the Division to reduce the number of reporting entities from fourteen down to two. The small size of most of our current reporting units has caused considerable administrative difficulty for the reporting units in complying in a timely manner. Since late 2007 the Divisional Office have been largely carrying out the work to enable these requirements to be met, which has meant we can ensure compliance but with some delay.

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

- Melbourne Sub Branch, Tasmanian Branch & Vic. Forestry Branch by the 8<sup>th</sup> August; and
- the Divisional report by the end of September 2008.

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

- the Nowra PPW Sub Branch by the end of August;
- the Maryvale PPW Sub Branch by the end of September; and
- the 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 November.

We will update you on progress at the end of September 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 Forestry & Furnishing Products Division*

cc: A. Millar, D. Kirner, S. McLean, J. Calvert, C. Smith, B. Disken

National Office  
148 – 152 Miller Street  
WEST MELBOURNE  
VICTORIA 3003

PH: (03) 9274 9215  
FAX: (03) 9274 9284  
Email: [info@cfmeuforestry.org](mailto:info@cfmeuforestry.org)

ABN 91 691 430 210





**Ref: FR2007/653-[105N-PPME]**

Mr Alex Millar  
Secretary/Treasurer  
CFMEU - FFPD - Melbourne Sub-Branch of Pulp and Paper  
Workers Branch (No. 7 Branch)  
148-152 Miller Street  
WEST MELBOURNE VIC 3003

Dear Mr Millar

**Re: Construction, Forestry, Mining and Energy Union-FFPD- Melbourne Sub-Branch of Pulp and Paper Workers Branch (No. 7 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.

I note that we have received correspondence from Jane Calvert of your Division advising us of the current status of financial documents for reporting units within the Division for the year ending 31 December 2006 but the Registry has not received advice in relation to the status of outstanding reports for the year ended 31 December 2007.

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.

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

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;
- 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: **FR2007/653**.

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: FR2007/547-[105N-PPME]**

Mr Alex Millar  
Secretary/Treasurer  
CFMEU FFPD  
Pulp & Paper Workers' Melbourne Sub-Branch  
148-152 Miller Street  
WEST MELBOURNE VIC 3003

Dear Mr Millar

**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".

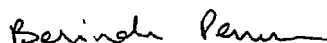
### **Extensions of Time**

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



For Deputy Industrial Registrar...  
22 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