



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2006/578-[105N-PPNO]

Mr David Schutz
CFMEU FFPD
Pulp & Paper Workers Nowra Sub-Branch
233 Southern Road
SOUTH NOWRA NSW 2540

Dear Mr Schutz

Financial Return - year ending 31 December, 2006

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:

- [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).

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 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
19 January 2007

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. (<i>obligation to provide full report may be discharged by provision of a concise report s265(1)</i>)	/ /	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	<i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

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?	
	Does the statement contain declarations relating to any recovery of wages activity?	
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.

[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 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*



Ref: FR2006/578 -[105N-PPNO]

Mr Garry Walker
Sub- Branch Secretary/Treasurer
CFMEU FFPD
Pulp & Paper Workers Nowra Sub-Branch
c/- 3 Boultonwood Avenue
NOWRA NSW 2541

Dear Mr Walker

**Re: Construction, Forestry, Mining and Energy Union - FFPD- Nowra 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 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

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

- the general purpose financial report;
- the auditor's report; or
- the operating report.

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

Section 268 of the RAO Schedule¹ 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 **17 July, 2007.**

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

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

In the absence of lodgement of a copy of the full report, I request you state in writing by **13 August, 2007:**

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report


¹ Schedule 1B of the Workplace Relations Act 1996

- whether the committee of management has prepared the operating 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 certificate of the secretary or other authorised officer 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.

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/578.**

Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

23 July 2007

C.F.M.E.U. - No. 7 PULP & PAPER WORKERS (NOWRA)

FINANCIAL REPORTS
FOR THE YEAR ENDED
31ST DECEMBER 2006



CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER
FOR THE YEAR ENDED 31ST DECEMBER 2006

I, Garry Walker, being the accounting officer of the No.7 Pulp and Paper Workers' Branch (Nowra 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 ^X22.6.07; and
- that the full report was presented to a general meeting of members/meeting of the committee of management of the reporting unit on ; in accordance with section 266 of the RAO Schedule.



Garry Walker
Nowra Sub Branch Secretary

Date: 22.6.07

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

On 13.7.07 the Committee of Management of No.7 Pulp and Paper Workers' Branch (Nowra Sub Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2006.

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

- (a) the financial statements and notes have been prepared on a cash basis and 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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

- (iv) 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
- (v) no orders have been made by the Committee under section 273 of the RAO Schedule during the period.

For Committee of Management: Garry Walker

Title of Office held: Secretary

Signature:



Date:

13.7.07

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006**

This Operating Report covers the activities of the Pulp & Paper Workers' (No.7) Branch (Nowra Sub Branch) of the Forestry & Forest Products Division of the Construction, Forestry, Mining & Energy Union for the year ended 31st December 2006, the result of those activities and the significant changes in nature of those activities during the year.

1. Principal Activities of the Nowra Sub Branch

The principal activities of the Sub Branch over the year were:-

- Implementation of the decisions of the Sub Branch Committee of Management
- Conduct Meetings of Members
- Representation of members in matters involving their employment
- Participation in dispute resolution processes, including referring matters to the Pulp & Paper Workers' Branch Federal Office
- Participation in negotiations for agreements pertaining to members' terms and conditions of employment

2. Nowra Sub Branch Financial Affairs

The net deficit for the year from activities of the Sub Branch amounted to \$12,081.

There were no significant changes to the financial affairs during the year.

3. 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 Sub-Branch, including via email.

4. Superannuation Trustees

No officer or member is a Trustee of any superannuation entity or a director of any company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

5. Membership of the Sub Branch

At 31st December 2006, the membership of the Sub Branch was 85.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

6. Future Years

The likely developments in the operation of the Union and the expected results of those operations in financial years subsequent to the year ended 31st December 2006 are as follows:

The Union will continue to monitor its performance and intends to make improvements consistent with the conservative use of available funds.

7. After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in financial years subsequent to the financial year ended 31st December 2006.

8. Committee of Management

The following persons were members of the Sub Branch Committee of Management during the year ended 31st December 2006.


Name	Period of Appointment
G. Walker	1.1.06 to 31.12.06
J. Evans	1.1.06 to 31.12.06
C. Mitchell	1.1.06 to 31.12.06
R. Coutts	1.1.06 to 31.12.06
D. McConville	1.1.06 to 31.12.06
P. Ryan	1.1.06 to 31.12.06
R. Marshall	1.1.06 to 31.12.06
G. Stevens	1.1.06 to 31.12.06
M. Cordero	1.1.06 to 31.12.06
V. Ducret	1.1.06 to 31.12.06

10. Accounting Standards

As a result of the introduction of International Financial Reporting Standards (IFRS), the Union's financial report has been prepared in accordance with those standards. Refer to the Notes to the Financial Statements for more information.

11. Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31st December 2006 as required under Section 307C of the Corporations Act 2001 is set out on page 4.

Signed: 

Garry Walker, Secretary

Dated: 16.7.07

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE COMMITTEE OF MANAGEMENT
CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH
A.B.N. 92 053 158 270

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2006, there have been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BOOTH PARTNERS

Certified Practising Accountants

.....
Partner: Allan Barnes

Nowra

6th June 2007

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

INDEPENDENT AUDIT REPORT

To the members of the Construction Forestry Mining and Energy Union, Forests and Forest Products Division, No 7 Pulp and Paper Workers' Branch, Nowra Sub Branch.

SCOPE

We have audited the financial accounts of the Construction Forestry Mining and Energy Union, Forests and Forest Products Division, No 7 Pulp and Paper Workers' Branch, Nowra Sub Branch for the year ended 31st December 2006. The Union's Committee of Management and Accounting Officer are responsible for the preparation and presentation of the financial accounts and the information they contain. We have conducted an independent audit of these financial accounts in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Accounting Standards to provide reasonable assurance as to whether the financial accounts are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial accounts and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material aspects, the financial accounts are presented fairly in accordance with Australian accounting concepts and standards and statutory requirements so as to present a true and fair view of the Construction Forestry Mining and Energy Union, Forests and Forest Products Division, No 7 Pulp and Paper Workers' Branch, Nowra Sub Branch which is consistent with our understanding of its financial position and the results of its operations.

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

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

INDEPENDENT AUDIT REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2006

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 5 of the financial report, has not been changed as at the date of providing our audit opinion.

REPORT

We have received all the information and explanations required for the purposes of our audit.

In our opinion:

- i) There were kept by the Union in respect of the year under review, satisfactory records detailing the sources and nature of income in the Union (including income from members) and the nature and purposes of the expenditure, and
- ii) The attached accounts and statements including the Certificates of the Committee of Management and the Accounting Officer are prepared in accordance with section Schedule 1B (The Registration and Accountability of Organisations Schedule) of the Workplace Relations (Registration and Accountability of Organisations) Regulation 2003 and the reporting and guidelines of the Industrial Registrar determined under Section 255 of the RAO Schedule. The accounts have been prepared from the records of the Union and are properly drawn up so as to give a true and fair view of:
 - (a) the financial affairs of the Union as at the year ended 31st December 2006.
 - (b) the income and expenditure of the Union for the year ended on that date;

and are in accordance with Statements of Accounting Concepts and applicable Accounting Standards.

BOOTH PARTNERS

Certified Practising Accountants



.....
Registered Under Section 1278
of the Corporations Law

Dated: 6th June 2007

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH**

**STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2006**

	2006	2005
INCOME		
Union Dues	50,106	76,795
Interest Received	194	431
Recoveries - Legal Disbursements	1,900	2,000
	52,200	79,226
TOTAL INCOME	52,200	79,226
 EXPENDITURE		
Audit & Accountancy Fees - Accounting Standards	1,200	1,500
Audit & Accountancy Fees - Other Services	1,000	1,000
Bank Charges	11	12
Capitation Fees - Federal Office	27,087	44,015
Catering	-	704
Christmas Dinner	1,119	3,190
Donations and Sponsorship	-	900
Executive Expenses - Travelling, Accommodation & Car Hire	12,578	6,695
Executive Expenses - Loss of Wages	4,103	5,338
Federal Office Mortality Fund	-	1,914
Honoraria	4,500	4,500
Insurance	257	250
Legal Costs and Disbursements	4,264	4,539
Legal Costs - AMCOR Demerger	-	9,409
Postage, Stationery & Advertising	220	44
Special Levy - CFMEU Workers	4,237	30,000
Support Fund	3,705	3,945
Telephone - Reimbursements	-	-
	64,281	117,955
TOTAL EXPENDITURE	64,281	117,955
EXCESS EXPENDITURE OVER INCOME		
Transferred to Accumulated Funds	(\$12,081)	(\$38,729)

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
 FORESTS AND FOREST PRODUCTS DIVISION
 NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
	\$	\$
Cash Flows from Operating Activities:		
Receipts from Members	50,106	76,795
Interest Received	194	431
Recoveries - Legal Disbursements	-	2,000
Payments to Federal Office, Executive Committee & Suppliers	(40,197)	(121,007)
	10,103	(41,781)
Net Cash Provided by (Used in) Operating Activities	10,103	(41,781)
Net Increase (Decrease) in Cash Held	10,103	(41,781)
Cash at Beginning of Financial Year	24,066	65,847
CASH AT END OF FINANCIAL YEAR	34,169	24,066

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
 FORESTS AND FOREST PRODUCTS DIVISION
 NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

BALANCE SHEET
 AS AT 31ST DECEMBER 2006

	2006	2005
ACCUMULATED FUNDS		
Balance at Beginning of Year	30,117	68,846
Less: Excess Expenditure over Income	(12,081)	(38,729)
TOTAL ACCUMULATED FUNDS	\$18,036	\$30,117
Represented by:		
CURRENT ASSETS		
General Account - Shoalhaven		
Community Credit Union	19,350	14,470
Savings Account - Shoalhaven		
Community Credit Union	14,817	9,594
AMCOR Levy Fund - S'haven Paper		
Mill E'ees Credit Union Ltd	2	2
Net GST Receivable	1,297	6,051
	35,466	30,117
Less:		
CURRENT LIABILITIES		
Creditor - CFMEU Federal Office	17,430	-
	17,430	-
NET ASSETS	\$18,036	\$30,117

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
 FORESTS AND FOREST PRODUCTS DIVISION
 NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

STATEMENT OF INCOME AND EXPENDITURE
 AS AT 31ST DECEMBER 2006

	2006	2005
GENERAL ACCOUNT- SHOALHAVEN COMMUNITY CREDIT UNION		
INCOME		
Union Dues	50,106	76,795
Interest Received - Credit Union		
General Account	130	201
Recoveries - Legal Disbursements	1,900	2,000
	52,136	78,996
EXPENDITURE		
Audit & Accountancy Fees - Accounting Standards	1,200	1,500
Audit & Accountancy Fees - Other Services	1,000	1,000
Bank Charges	11	12
Capitation Fees - Federal Office	27,087	44,015
Catering	-	704
Christmas Dinner	1,119	3,190
Donations and Sponsorship	-	900
Executive Expenses - Travelling, Accommodation & Car Hire	12,578	6,695
Executive Expenses - Loss of Wages	4,103	5,338
Federal Office Mortality Fund	-	1,914
Honoraria	4,500	4,500
Insurance	257	250
Legal Costs and Disbursements	4,264	4,539
Postage, Stationery & Advertising	220	44
Telephone - Reimbursements	3,705	3,945
	60,044	78,546
EXCESS INCOME OVER EXPENDITURE	(\$7,908)	\$450

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

STATEMENT OF INCOME AND EXPENDITURE
AS AT 31ST DECEMBER 2006

	2006	2005
SAVINGS ACCOUNT- SHOALHAVEN COMMUNITY CREDIT UNION		
INCOME		
Interest Received - Credit Union Savings Account	64	230
EXPENDITURE		
Special Levy - CFMEU Workers Support Fund	4,237	30,000
	<u>4,237</u>	<u>30,000</u>
EXCESS EXPENDITURE OVER INCOME	<u><u>(\$4,173)</u></u>	<u><u>(\$29,770)</u></u>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

STATEMENT OF INCOME AND EXPENDITURE
AS AT 31ST DECEMBER 2006

	2006	2005
<hr/>		
LITIGATION ACCOUNT-SHOALHAVEN COMMUNITY CREDIT UNION		
EXPENDITURE		
Legal Costs - AMCOR Demerger	-	9,409
	<hr/>	<hr/>
	-	9,409
	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING AND ENERGY UNION
FORESTS AND FOREST PRODUCTS DIVISION
NO 7 PULP AND PAPER WORKERS' BRANCH - NOWRA SUB BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
AS AT 31ST DECEMBER 2006

1 STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board, and the provisions of the Workplace Relations Act 1996, the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 and the reporting guidelines of the Industrial Registrar determined under Section 255 of the RAO schedule.

The statements are also prepared on a cash basis from the records of the union. 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.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these statements:

Basis of Preparation

Australian Equivalents to International Financial Reporting Standards

The Union has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Comparative Figures

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

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 expense.

Investments

Investments are brought to account at cost. The carrying amount of investments is reviewed annually to ensure it is not in excess of the recoverable amount of the investments. Dividends and interest are brought to account when received.

PARTNERS

A.W. Barnes, CPA
A. Federici, CPA
D.J. Murphy, CPA
D. James, PNA
K.M. Wallace, CPA

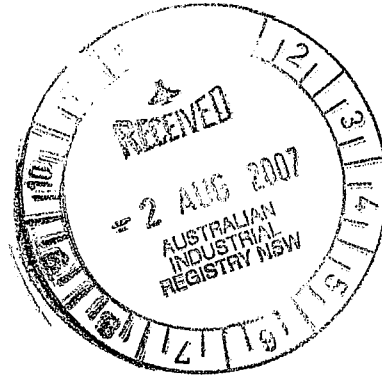
OFFICE

52 Osborne Street,
NOWRA NSW 2541

AWB:kc

4 June 2007

The Committee of Management
Construction Forestry Mining & Energy Union
Forests and Forest Products Division
No. 7 Pulp and Paper Workers' Branch
Nowra Sub Branch
PO Box 77
BOMADERRY NSW 2541



Dear Sirs

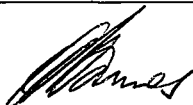
We advise having completed our audit of the books and records for the year ended 31st December 2006 and wish to report the following matters arising from the performance of our audit tests:-

1. The GST discrepancy reported in the previous year was rectified in the Business Activity Statement for the quarter ended 31 March 2006. At 31 December 2006 an amount of \$71 was under remitted to the Australian Taxation Office.
2. As mentioned in last year's report, it is apparent from the minute book that payments are being approved for payment at committee meetings held after the payment has been made. From a management perspective, we appreciate that it may be difficult to organise meetings in advance of payment; however, from an internal control perspective, we suggest that the existing practice be reviewed. In addition, the rules of the Union provide that any expenditure has to be approved prior to being incurred by the Union. We note that a cheque requisition system was introduced during the year and recommend that this practice be continued. To be effective, all requisitions should be signed and dated by the persons responsible for authorising the expenditure.
3. There was a significant delay in the remittance of per capita fees for the September and December quarters of 2006. We noted that the invoices raised by CFMEU Federal Office for these quarters were dated 31 December 2006 and the amounts owing have been reported as a current liability in the balance sheet of the Nowra Sub Branch

No other material irregularities were noted in the performance of our audit tests and the matters raised in this letter have been discussed with your Accounting Officer Mr Garry Walker.

Yours faithfully
BOOTH PARTNERS

Per:



ALL CORRESPONDENCE TO:

P.O. Box 1055, NOWRA NSW 2541 • Phone: (02) 4421 4344 • Fax: (02) 4421 2960 • Email: mail@boothco.com.au

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Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Garry Walker
Secretary, Nowra Sub-Branch, Pulp and Paper Workers' Branch
Construction, Forestry, Mining and Energy Union
C/- 3 Boultonwood Avenue
NOWRA NSW 2541

Dear Mr Walker

Re: Lodgement of Financial Statements and Accounts – Pulp and Paper Workers' Branch, Nowra Sub-Branch – for year ending 31 December 2006 (FR2006/578)

I am writing to you about the above financial statements and accounts which were lodged in the Registry on 2 August 2007.

I understand you had a brief discussion by phone with Mrs Belinda Penna from the Registry on 3 August about the documents. Belinda advised me that you are currently on leave but asked me to contact you about them. Unfortunately I do not have your correct phone number. However I will explain in this letter what I would like you to advise if possible and if you can contact me briefly when it is convenient for you, I will be able to phone you back immediately and answer directly any questions you might have.

Clarify dates

In the Certificate of Secretary which you signed and dated "22.6.07" you certified that the full report was provided to the members on "22.6.07".

However the Committee of Management Statement was dated "13.7.07" and the Operating Report was dated "16.7.07", in other words about three weeks later, which makes it seem that the members would not have received these documents.

I would therefore ask you to advise the Registry in a brief letter two things.

- (1) whether – and if so, when - the Sub-Branch members were provided with copies of those two documents;
- (2) the date of the meeting at which, as you advised Belinda, Committee members 'okayed' the documents.

Your written clarification can then be placed on the file and added to the record.

Please ring me on 0429 462 979 in daytime hours at your convenience so I can assist you in any way I can.

Yours sincerely,

SK

Stephen Kellett
for Deputy Industrial Registrar

28 August 2007

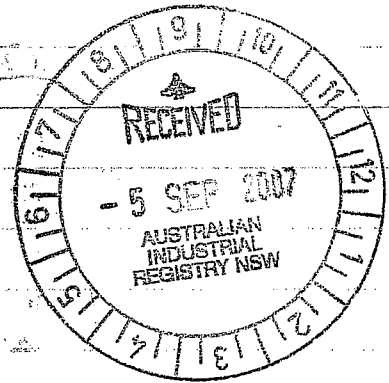
Dear Stephens.

This letter is to confirm members were supplied with all documents lodged from 22 June 07 (FIRST MEETING).

Documents were then presented at a second meeting in accordance with Sec 266 on 13 July 07

Your Truly
Jerry Walker
5 Sep 07

MOBILE 0402263599





Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Garry Walker
Secretary, Nowra Sub-Branch, Pulp and Paper Workers' Branch
Construction, Forestry, Mining and Energy Union
C/- 3 Boultonwood Avenue
NOWRA NSW 2541

Dear Mr Walker

Re: Lodgement of Financial Statements and Accounts – Pulp and Paper Workers' Branch, Nowra Sub-Branch – for year ending 31 December 2006 (FR2006/578)

Thank you for the information you provided in our telephone discussion on 4 September 2007. Your letter clarifying the dates on which the documents were supplied to your members and were presented to a second meeting in accordance with s266 of the RAO Schedule was received in the Registry on 5 September 2007.

The documents have now been filed and there is no further action required in respect of the 2006 financial return.

Some time early in 2008, the Registry will send you a routine reminder about the steps you will need to take to prepare the financial statements and report for the year ending 31 December 2007. The reminder will contain details about the timing and dating of the various documents and meetings. I encourage you to contact any of us here at the Registry if you have any questions at that time, as we are only too pleased to assist in any way we can in clarifying the requirements.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S. Kellett', written over a horizontal line.

Stephen Kellett
for Deputy Industrial Registrar

10 September 2007