



**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: FR2005/586**

Mr David Kirner  
Branch Secretary  
CFMEU FFPD  
South Australian Branch  
Level 1, 125 Port Road  
HINDMARSH SA 5007

Dear Mr Kirner

**Financial Return - year ending 31 December, 2005**

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

**Legislation**

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

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

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

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

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

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

## Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation is divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

## Industrial Registrar's Guidelines

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

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

## Timeline Planner and Checklist

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

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

## Three Reports

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

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

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

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

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

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

### **First Meeting (Committee of Management)**

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

### **The Auditor**

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

### **Informing Your Members**

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

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

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

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

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

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

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

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

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

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

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

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

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2005/586**.

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

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

### **Complying with time limits**

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

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

### **Extensions of Time**

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

### **Reduced Reporting Requirements**

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

### **Contact the Registry**

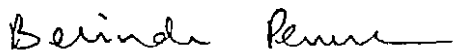
We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

## Information on AIRC Website

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

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

Yours sincerely



For Deputy Industrial Registrar  
27 January 2006



**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?   |   |
| <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.

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:

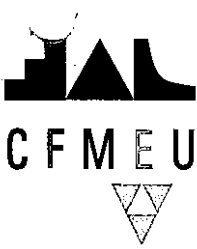
<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(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*



**CONSTRUCTION  
FORESTRY  
MINING  
ENERGY  
UNION**

ABN 72 880 539 797

**FORESTRY & FURNISHING  
PRODUCTS DIVISION**

**Branch Secretary**

**David Kimer**

**SA Branch Office**

**Level 1**

**125 Port Road**

**HINDMARSH SA 5007**

**Ph: (08) 8424 3040**

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**Outside Australia**

**International Code**

**Ph: 61 8 8424 3040**

**Fax: 61 8 8424 3011**

Mr. P. Kinne  
Deputy Industrial Registrar  
Australian Industrial Registry  
Level 8, Terrace Towers  
East Sydney NSW 2001

**Certificate of Secretary**

I David Kimer being the SA Branch Secretary of the Construction Forestry Mining & Energy Union – Forestry Furnishing Building Products and Manufacturing Division certify:

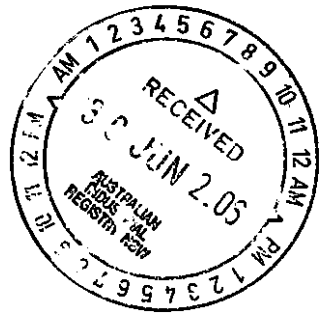
That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and

That the full report was provided to members on 31<sup>st</sup> May 2006; and

That the full report was presented to the Committee of Management of the reporting unit on 26th June 2006; in accordance with section 266 of the RAO Schedule.

*David Kimer*  
.....  
**D. Kimer**

Date: 28 / 6 / 2006



**FORESTRY, FURNITURE  
BUILDING PRODUCTS &  
MANUFACTURING  
DIVISION**

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION SA DIVISIONAL BRANCH

FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31ST DECEMBER, 2005

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Prepared by:

**Major, May & Associates**  
**Chartered Accountants**

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**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
FORESTRY FURNITURE BUILDING PRODUCTS  
& MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

**OPERATING REPORT**

This Operating Report covers the activities of the Union, for the financial year ended 31<sup>st</sup> December, 2005, the results of those activities and any significant changes in the nature of those activities during the year.

**1. Principal Activities of the Union**

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

- Implementation of the decisions of the Committee of Management.
- Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, and the training and development of officials.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other unions' rules applications where they impact on membership of the CFMEU.
- The administration of awards.
- Management of information technology and strategic membership system designs to support organising.

Where appropriate, the Union has assisted in the implementation of relevant decisions via the variation of awards.

The Union has also been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to CFMEU members.

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**OPERATING REPORT (CONT)**

**2. The Union's Financial Affairs**

Significant changes in the financial affairs of the Union include an increase in income from Members' Contributions, and a corresponding increase in expenditure on Sustentation Fees. A substantial increase in Salaries and On-costs resulted in a large increase in total expenses, but a profit on the sale of Trades Hall, in which the Branch owned several Strata Titled Units resulted in a surplus of \$24,166 (2004 deficit \$72,585) for the Branch.

**3. Right of Members to Resign**

All Members of the Union have the right to resign from the Union in accordance with Rule 11 of the Union Rules, (and Section 174 of the Workplace Relations Act); namely, by providing written notice addressed and delivered to the Secretary of the relevant Branch, including via email.

**4. Superannuation Trustees**

David Kirner is an officer of the Union and is a Trustee and Member of the Board of Directors of the FIRST Superannuation Fund.

David Kirner is an officer of the Union and is a Trustee and Member of the Board of Directors of BIRST.

David Kirner is an officer of the Union and is a Trustee and Member of the Board of TISS Superannuation Fund.

**5. Membership of the Union**

There were 2,454 (2004: 2,535) members of the union as at 31<sup>st</sup> December, 2005.

**6. Employees of the Union**

As at 31<sup>st</sup> December, 2005, the Union employed 7 full time employees and 3 part time employees with a total number of 8 employees on a fulltime equivalent basis.

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FORESTRY FURNITURE BUILDING PRODUCTS  
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SA DIVISIONAL BRANCH**

**OPERATING REPORT (CONT)**

**7. Committee of Management**

The following people were members of the Committee of Management during the year ended 31<sup>st</sup> December, 2005:

| <b>Name</b>      | <b>Period of Appointment</b> |
|------------------|------------------------------|
| David Kirner     | 1/1/05 – 31/12/05            |
| Brad Coates      | 1/1/05 – 31/12/05            |
| Tom Kenny        | 1/1/05 – 31/12/05            |
| Maree Gale       | 1/1/05 – 31/12/05            |
| Tony Howlett     | 1/1/05 – 31/12/05            |
| Laurence Barbary | 1/1/05 – 31/12/05            |
| Max Adlam        | 1/1/05 – 31/12/05            |
| Kylie Little     | 1/1/05 – 31/12/05            |
| Andrew Sampson   | 1/1/05 – 31/12/05            |
| Greg Muhovics    | 1/1/05 – 31/12/05            |
| Scott Harvey     | 1/1/05 – 31/12/05            |
| Peter Nelson     | 1/1/05 – 31/12/05            |
| John Hocking     | 1/1/05 – 31/3/05             |
| Leslie Birch     | 1/1/05 – 31/12/05            |
| Rosita Basa      | 8/3/05 – 31/12/05            |
| Michael Miles    | 8/3/05 – 31/12/05            |
| Peter Simmonds   | 8/3/05 – 31/12/05            |



**D KIRNER  
SECRETARY**

*26<sup>th</sup> May*, 2006

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& MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

**COMMITTEE OF MANAGEMENT'S STATEMENT**

On the 26<sup>th</sup> May, 2006 the Committee of Management (COM) of the Union passed the following resolution to the general purpose financial report (GPFR) of the Union for the year ended 31<sup>st</sup> December, 2005.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31<sup>st</sup> December, 2005;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31<sup>st</sup> December, 2005 and since the end of the financial year:
  - (i) meetings of the COM were held in accordance with the rules of the organisation and the rules of the COM;
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union;
  - (iii) the financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003;
  - (iv) the financial records of the Union have been kept, as far as practicable, in a manner similar to each of the other branches of the organisation;
  - (v) no information has been sought by any member of the Union or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.

For the COM

  
\_\_\_\_\_  
**D KIRNER  
SECRETARY**

26<sup>th</sup> May, 2006

**CONSTRUCTION, FORESTRY,  
MINING & ENERGY UNION  
FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

**AUDITOR'S REPORT TO THE MEMBERS  
For the Year Ended 31st December, 2005**

**[m]<sup>2</sup>**

**SCOPE**

We have audited the Accounts, being the Statement of Financial Position, Statement of Accumulated Funds, Statement of Financial Performance, Notes to and Forming part of the Accounts and Statement of Cash Flows of the Construction, Forestry, Mining & Energy Union, Forestry Furniture Building Products & Manufacturing Division, SA Divisional Branch ('the Branch'), for the year ended 31st December, 2005.

The Committee of Management is responsible for the preparation and presentation of the Accounts and the information they contain.

We have conducted an independent audit of these Accounts in order to express an opinion on them to the Members of the Branch.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Accounts are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the 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 respects, the Accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the 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.

**AUDIT OPINION**

In our opinion:-

- (1) There were kept by the Branch, in respect of the year ended 31st December, 2005, satisfactory accounting records detailing the sources and nature of the Income of the Branch (including Income from Members) and the nature and purposes of the Expenditure.



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**FORESTRY FURNITURE BUILDING PRODUCTS  
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**AUDITOR'S REPORT TO THE MEMBERS (cont.)**

- (2) The attached Accounts and Statements are properly drawn up:-
- (a) in accordance with the Workplace Relations Act, 1996, as amended;
  - (b) so as to give a true and fair view of;
    - (i) the state of affairs of the Branch as at 31st December, 2005; and
    - (ii) the Income and Expenditure and Surplus of the Branch for the year ended on that date;
  - (c) in accordance with applicable Accounting Standards; and
  - (d) so as to comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (3) We received from the Officers and Employees of the Branch all the information and explanations which we required for the purposes of our audit.

**MAJOR, MAY & ASSOCIATES**  
**Chartered Accountants**



**ANDREW MAY ACA, BA (Acc)**  
**Registered Company Auditor**  
**Partner**

Signed at Adelaide this *30<sup>th</sup>* day of *May*, 2006.

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION SA DIVISIONAL BRANCH

### STATEMENT OF FINANCIAL POSITION As at 31st December, 2005

|                                  | Notes | <u>2005</u> | <u>2004</u> |
|----------------------------------|-------|-------------|-------------|
|                                  |       | \$          | \$          |
| ACCUMULATED FUNDS                |       |             |             |
| Asset Revaluation Reserve        |       | -           | 187,788     |
| Accumulated Surplus              |       | 199,047     | 174,881     |
|                                  |       | <hr/>       | <hr/>       |
| TOTAL FUNDS                      |       | \$ 199,047  | \$ 362 669  |
|                                  |       | <hr/>       | <hr/>       |
| These Funds are represented by:- |       |             |             |
| CURRENT ASSETS                   |       |             |             |
| Commonwealth Bank Accounts       | 5     | 325,509     | 122,927     |
| Sundry Petty Cash Floats         | 4     | 1,130       | 1,130       |
| Accounts Receivable              |       | 15,573      | 16,386      |
| Prepayments                      |       | 4,777       | 21,007      |
|                                  |       | <hr/>       | <hr/>       |
| TOTAL CURRENT ASSETS             |       | 346,989     | 161,450     |
|                                  |       | <hr/>       | <hr/>       |
| CURRENT LIABILITIES              |       |             |             |
| Other Creditors & Accruals       | 8     | 54,869      | 97,401      |
| Provision for Annual Leave       | 1(d)  | 42,549      | 29,784      |
| Provision for Sick Leave         | 1(d)  | 40,371      | 31,522      |
| Provision for Long Service Leave | 1(d)  | 57,097      | 54,905      |
| Hire Purchase Liability          |       | -           | 5,502       |
| Less: Unexpired Interest         |       | -           | (1,166)     |
|                                  |       | <hr/>       | <hr/>       |
| TOTAL CURRENT LIABILITIES        |       | 194,886     | 217,948     |
|                                  |       | <hr/>       | <hr/>       |
| NET WORKING CAPITAL              |       | 152,103     | (56,498)    |
|                                  |       | <hr/>       | <hr/>       |
| TOTAL FIXED ASSETS               | 6     | 46,944      | 419,167     |
|                                  |       | <hr/>       | <hr/>       |
| NET ASSETS                       |       | \$ 199,047  | \$ 362,669  |
|                                  |       | <hr/>       | <hr/>       |

To be read in conjunction with the notes to accounts.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

**FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

**STATEMENT OF ACCUMULATED FUNDS  
For the Year Ended 31st December, 2005**

|   | <u>2005</u>       | <u>2004</u>       |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Operating Surplus/(Deficit)                 | 24,166            | (72,585)          |
| WWF Equity Introduced                       | -                 | 40,542            |
| Add Accumulated Surplus at 1st January      | 174,881           | 206,924           |
| <b>ACCUMULATED SURPLUS AT 31ST DECEMBER</b> | <u>\$ 199,047</u> | <u>\$ 174,881</u> |

To be read in conjunction with the notes to accounts.

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## FORESTRY FURNITURE BUILDING PRODUCTS AND MANUFACTURING DIVISION SA DIVISIONAL BRANCH

### STATEMENT OF FINANCIAL PERFORMANCE For the Year Ended 31st December, 2005

|   | Notes | <u>2005</u>      | <u>2004</u>    |
|---|-------|------------------|----------------|
|   |       | \$               | \$             |
| <b>INCOME</b>                               |       |                  |                |
| Members' Contributions                      |       | 776,840          | 731,646        |
| Representation Fees                         |       | 128,133          | 76,594         |
| Surplus on Sale of Trades Hall Strata Units |       | 113,704          | -              |
| Interest Received                           |       | 4,714            | 3,116          |
| Sundry Income                               | 9     | 34,683           | 39,228         |
|   |       | <u>1,058,074</u> | <u>850,584</u> |
| <b>TOTAL INCOME</b>                         |       |                  |                |
| <br><b>EXPENDITURE</b>                      |       |                  |                |
| Accommodation & Travel                      |       | 22,136           | 13,273         |
| Advertising                                 |       | 22               | 967            |
| Affiliation Fees                            |       | 32,741           | 17,949         |
| Audit & Accountancy Fees                    |       | 3,850            | 4,140          |
| Bad Debts or Loans Written Off              |       | -                | 11,754         |
| Bank Charges                                |       | 2,305            | 2,575          |
| Cleaning                                    |       | 2,077            | 2,476          |
| Commissions Paid                            |       | 5,288            | 4,073          |
| Computer Expenses                           |       | 6,631            | 10,491         |
| Conference & Travelling Expenses            |       | 12,938           | 4,658          |
| Debt Collection                             |       | 3,844            | 6,428          |
| Depreciation                                |       | 13,526           | 17,568         |
| Dispute Costs                               |       | 750              | 1,876          |
| Fringe Benefits Tax                         |       | 4,549            | 8,100          |
| Hire Purchase Finance Charges               |       | 1,854            | 1,603          |
| Insurance                                   |       | 10,841           | 7,537          |
| Legal Expenses                              |       | 1,849            | 2,518          |
| Light & Power                               |       | 4,073            | 3,717          |
| Motor Vehicle Expenses                      |       | 23,702           | 21,738         |
| Office & Sundry Expenses                    |       | 8,468            | 10,751         |
| Photocopier Expenses                        |       | 6,368            | 6,587          |
| Postage & Freight                           |       | 8,822            | 9,076          |

To be read in conjunction with the notes to accounts.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

**FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE (cont.)  
For the Year Ended 31st December, 2005**

|                                       | <u>2005</u>      | <u>2004</u>        |
|---------------------------------------|------------------|--------------------|
|                                       | \$               | \$                 |
| Printing & Stationery                 | 15,474           | 15,192             |
| Provision for Motor Vehicle Purchase  | -                | (39,152)           |
| Provision to Purchase Units           | -                | (20,000)           |
| Rates & Taxes                         | 1,453            | 6,419              |
| Relocation Costs                      | -                | 20,285             |
| Rent                                  | 36,159           | 23,894             |
| Salaries & On Costs                   |                  |                    |
| Salaries & Allowances Officials       | 292,691          | 242,774            |
| Salaries & Allowances Others          | 187,308          | 195,375            |
| Superannuation                        | 52,799           | 53,998             |
| Payroll Tax                           | 29,865           | 39,304             |
| Workcover                             | 8,225            | 8,691              |
| Provision for Annual Leave            | 12,765           | 5,397              |
| Provision for Long Service Leave      | 2,192            | 6,061              |
| Provision for Sick Leave              | 8,849            | (554)              |
| Salaries re Workcover Grant           | <u>13,501</u>    | <u>-</u>           |
| Total Salaries & On Costs             | 608,195          | 551,046            |
| Staff Training                        | 9,070            | 2,127              |
| Strata Title Unit Maintenance         | 2,633            | 10,000             |
| Subscriptions & Memberships           | 1,052            | 456                |
| Sustentation Fees                     | 152,671          | 153,236            |
| Telephone & Facsimile                 | 30,566           | 29,811             |
| <b>TOTAL EXPENDITURE</b>              | <u>1,033,908</u> | <u>923,169</u>     |
| <b>SURPLUS/(DEFICIT) FOR THE YEAR</b> | <u>\$ 24,166</u> | <u>(\$ 72,585)</u> |

To be read in conjunction with the notes to accounts.

# CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

## FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION SA DIVISIONAL BRANCH

### STATEMENT OF CASH FLOWS For the year ended 31st December, 2005

|  | Notes | <u>2005</u>      | <u>2004</u>      |
|--|-------|------------------|------------------|
|  |       | \$               | \$               |
| <b>CASH FROM OPERATING ACTIVITIES</b>        |       |                  |                  |
| Members' Contributions                       |       | 776,840          | 731,647          |
| Representation Fees                          |       | 128,133          | 76,594           |
| Payments to Suppliers and Employees          |       | (1,027,788)      | (892,591)        |
| Other Income                                 |       | 30,186           | 49,295           |
| Interest Received                            |       | 4,714            | 3,115            |
| <b>NET CASH USED BY OPERATING ACTIVITIES</b> | 11    | <u>(87,915)</u>  | <u>(31,940)</u>  |
| <b>CASH FROM INVESTING ACTIVITIES</b>        |       |                  |                  |
| WWF Equity Introduced                        |       | -                | 40,543           |
| Proceeds from Sale of Motor Vehicle          |       | 13,373           | -                |
| Proceeds from Sale of Strata Title Units     |       | 294,628          | -                |
| Payment for Plant & Equipment                |       | (17,504)         | (9,100)          |
| <b>NET CASH FROM INVESTING ACTIVITIES</b>    |       | <u>290,497</u>   | <u>31,443</u>    |
| <b>NET INCREASE/(DECREASE) IN CASH HELD</b>  |       | 202,582          | (497)            |
| Cash at Beginning of Year                    | 10    | 124,057          | 124,554          |
| <b>CASH AT END OF YEAR</b>                   | 10    | <u>\$326,639</u> | <u>\$124,057</u> |

To be read in conjunction with the notes to accounts.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**  
**FORESTRY FURNITURE BUILDING PRODUCTS**  
**AND MANUFACTURING DIVISION**  
**SA DIVISIONAL BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**  
For the Year Ended 31st December, 2005

**Note 1. Accounting Methods**

The Accounts are prepared under the Historical Cost Convention and in accordance with the Accounting Standards jointly issued by the Australian Professional Accounting Bodies. In particular:-

- (a) The Accounts have not been adjusted to record either changes in the general purchasing power of the dollar or in the prices of specific assets.
- (b) Provision is made for depreciation of Fixed Assets at rates considered appropriate to the useful lives of such assets.
- (c) 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.
- (d) Provision for Employees' Benefits, in the form of Annual Leave, Long Service Leave and Sick Leave, has been made on the basis of all employees' terms of employment. Long Service Leave is accrued from the commencement of employment, and on the basis of historical data the total Provision is classified as a current liability. It has been agreed that Maternity Leave will be expensed as it is taken, rather than creating an additional Provision

**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 Section 272 of Schedule 1B, 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.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

**FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)  
For the Year Ended 31st December, 2005

**Note 2. Information to be Provided to Members or Registrar (cont.)**

- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)."

**Note 3. Merger of Bodies**

On 1st March 2002, the CFMEU, Federated Furnishing Trades Society, Union Division, SA Branch, merged its operations with the CFMEU, Forestry and Forest Products Division, SA Branch, to form the CFMEU, Forestry Furniture Building Products and Manufacturing Division, SA Divisional Branch.



## CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

### FORESTRY FURNITURE BUILDING PRODUCTS AND MANUFACTURING DIVISION SA DIVISIONAL BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)  
For the Year Ended 31st December, 2005

**Note 4. Sundry Petty Cash Floats**

|                                | <u>2005</u>     | <u>2004</u>     |
|--------------------------------|-----------------|-----------------|
|                                | \$              | \$              |
| Petty Cash - Adelaide Office   | 550             | 550             |
| Petty Cash - South East Office | 300             | 300             |
| Contributions Float            | 180             | 180             |
| Cab Charge Bond                | 100             | 100             |
|                                | <u>\$ 1,130</u> | <u>\$ 1,130</u> |

**Note 5. Cash at Bank**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Cheque Account                 | 72,032           | 17,439           |
| Cash Management (L.S.L.)       | 23,587           | 24,064           |
| Term Deposit                   | 171,461          | 38,517           |
| Workers' Welfare Fund Accounts | 49,570           | 42,818           |
| Trust Account                  | 8,859            | 89               |
|                                | <u>\$325,509</u> | <u>\$122,927</u> |

**Note 6. Fixed Assets**

| <b>(At Valuation</b>                    | <b>7)</b>    |                |
|---|--------------|----------------|
| Strata Title Units 19 & 20 (80% Equity) | 7 -          | 187,928        |
| Strata Title Unit 21                    | 7 -          | 33,680         |
| Strata Title Unit 22                    | 7 -          | 33,680         |
| Strata Title Unit 23                    | 7 -          | 55,945         |
| Strata Title Unit 25                    | 7 -          | 55,945         |
|   | -            | <u>367,178</u> |
| Office Furniture & Equipment at Cost    | 42,939       | 119,889        |
| Less : Provision for Depreciation       | (36,511)     | (114,612)      |
|   | <u>6,428</u> | <u>5,277</u>   |

## CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

### FORESTRY FURNITURE BUILDING PRODUCTS AND MANUFACTURING DIVISION SA DIVISIONAL BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)  
For the Year Ended 31st December, 2005

**Note 6. Fixed Assets (cont.)**

|                                   | \$               | \$                |
|-----------------------------------|------------------|-------------------|
| Motor Vehicles                    | 94,761           | 115,090           |
| Less : Provision for Depreciation | (54,245)         | (68,378)          |
|                                   | 40,516           | 46,712            |
| <b>TOTAL FIXED ASSETS</b>         | <b>\$ 46,944</b> | <b>\$ 419,167</b> |

**Note 7. Strata Title Valuation**

The Division's 80% equity in Strata Title Units 19 and 20, 50% equity in Unit 25, and ownership of Unit 21, all at Trades Hall, were previously carried in the accounts at cost. During 2004, the Division acquired the remaining 50% equity in Unit 25, and also acquired full equity in Units 22 & 23. The sale of Trades Hall was completed in August 2005, the Asset Revaluation Reserve that was created last year has been reversed, and the actual profit on the sale of the Units has now been recognised.

**Note 8. Other Creditors & Provisions**

|                             | <u>2005</u> | <u>2004</u> |
|-----------------------------|-------------|-------------|
|                             | \$          | \$          |
| Trade & Sundry Creditors    | 24,252      | 102,304     |
| Payroll Liabilities Payable | 23,020      | -           |
| Net GST Payable             | 7,597       | (4,903)     |
|                             | \$ 54,869   | \$ 97,401   |

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)  
For the Year Ended 31st December, 2005

|                |                       |             |             |
|----------------|-----------------------|-------------|-------------|
| <b>Note 9.</b> | <b>Sundry Income</b>  |             |             |
|                |                       | <u>2005</u> | <u>2004</u> |
|                |                       | \$          | \$          |
|                | Reimbursements - TISS | 1,188       | 1,190       |
|                | - WELL                | 904         | 6,326       |
|                | - FIRST               | 2,083       | -           |
|                | - BIRST               | 4,000       | -           |
|                | Rent Received         | -           | 13,578      |
|                | Workcover Grant       | 16,273      |             |
|                | Other                 | 10,235      | 18,134      |
|                |                       | <hr/>       | <hr/>       |
|                |                       | \$ 34,683   | \$ 39,228   |

**Note 10. Reconciliation of Cash**

For the purpose of the Statement of Cash Flows, Cash includes Cash on Hand, and in At Call Deposits with Banks or Financial Institutions, net of Bank Overdrafts.

|              |             |             |
|--------------|-------------|-------------|
|              | <u>2005</u> | <u>2004</u> |
|              | \$          | \$          |
| Cash at Bank | 325,509     | 122,927     |
| Cash on Hand | 1,130       | 1,130       |
|              | <hr/>       | <hr/>       |
|              | \$326,639   | \$124,057   |

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION**

**FORESTRY FURNITURE BUILDING PRODUCTS  
AND MANUFACTURING DIVISION  
SA DIVISIONAL BRANCH**

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)  
For the year ended 31st December, 2005

**Note 11. Reconciliation of Cash Flow from Operations with Net Deficit**

|  | <u>2005</u>       | <u>2004</u>       |
|--|-------------------|-------------------|
|  | \$                | \$                |
| <b>Net Surplus/(Deficit)</b>             | 24,166            | (72,585)          |
| <b>Add Non Cash Flows in Net Surplus</b> |                   |                   |
| Depreciation                             | 13,526            | 17,568            |
| Employee Leave Provisions                | 23,806            | 10,904            |
| Profit on Sale of Assets                 | (118,055)         | -                 |
| Other Provisions                         | -                 | (59,152)          |
| <b>Changes in Assets and Liabilities</b> |                   |                   |
| (Increase)/Decrease in Receivables       | (813)             | 21,821            |
| (Increase)/Decrease in Prepayments       | 16,230            | (21,007)          |
| Increase/(Decrease) in Creditors         | (46,775)          | 70,511            |
| <b>CASH FLOW USED BY OPERATIONS</b>      | <u>(\$87,915)</u> | <u>(\$31,940)</u> |



**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](mailto:sydney@air.gov.au)

Mr Dave Kirner  
Branch Secretary  
CFMEU FFPD  
South Australian Branch  
Level 1, 125 Port Road  
HINDMARSH SA 5007

Dear Mr Kirner

**Re: Lodgement of Financial Statements and Accounts for the CFMEU FFPD South  
Australian Divisional Branch for the year ending 31 December 2005 (FR2005/586)**

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 30 June 2006.

Thank you for your attention to this matter. The documents have been filed, and may be viewed on the internet at [www.e-airc.gov.au/105nsat/financial](http://www.e-airc.gov.au/105nsat/financial).

I would like to take this opportunity to advise you that for financial years beginning after 1 November 2004 information about any recovery of wages activity undertaken by the branch is required to be disclosed in the financial statements, and various declarations to be made in the Committee of Management Statement.

Further information is contained in the Industrial Registrars' Reporting Guidelines, which can be found at [www.airc.gov.au/organisations/rao/rao\\_253\\_a.pdf](http://www.airc.gov.au/organisations/rao/rao_253_a.pdf)

Yours sincerely,

A handwritten signature in cursive script that reads 'Belinda Penna'.

Belinda Penna  
for Deputy Industrial Registrar

30 June 2006