



AUSTRALIAN INDUSTRIAL REGISTRY

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

Ref: FR2002/832-[105N-VICT]

Ms J Calvert
Divisional Branch Secretary
Victorian Branch
FFPD
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

Re: CFMEU - FFPD - Victorian Branch (No.2 Branch)
Financial Reporting Obligations under *Workplace Relations Act 1996*

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation.

Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna
E-mail: belinda.penna@air.gov.au
17 February 2003



AUSTRALIAN INDUSTRIAL REGISTRY

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

Our ref: FR2002/832

Ms Jane Calvert
Divisional Branch Secretary
Victorian No.2 Branch
CFMEU FFPD
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

Re: Victorian No.2 Branch - CFMEU FFPD
Outstanding Financial Documents - *Workplace Relations Act 1996*

There is no record of lodgement in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2002.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgement of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice *by Monday 17 November 2003* as to when each of the following steps is expected to be completed:-

1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgement of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you wish to discuss this letter please contact me on (02) 8374 6618.

Yours sincerely

Belinda Penna
for Deputy Industrial Registrar

31 October 2003



AUSTRALIAN INDUSTRIAL REGISTRY

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

Mr John Maitland
National Secretary
Construction Forestry Mining and Energy Union
Level 2
15 Wentworth Avenue
SYDNEY NSW 2000

Dear Mr Maitland

Financial Reporting Obligations - various CFMEU Divisions and Branches

A number of branches of your organisation are yet to meet their reporting obligations under the Workplace Relations Act 1996 (the Act) for the financial year ending 31 December 2002. I would appreciate your assistance in ensuring that each does so without further delay.

The relevant branches and details are:

CFMEU - Mining and Energy Division - on 31 October 2003 the Registry sought by 17 November 2003 written advice from Mr Watson, General Secretary of the Division as to when the various steps in the financial reporting process would be completed and the financial documents lodged. No response has been received to this letter. In the normal course of events lodgement of the financial documents would have been expected by 31 October 2003.

CFMEU - Forest and Forest Products Victorian Division No2 Branch - on 31 October 2003 the Registry sought by 17 November 2003 written advice from Ms Calvert, Divisional Branch Secretary as to when the various steps in the financial reporting process would be completed and the financial documents lodged. No response has been received to this letter. In the normal course of events lodgement of the financial documents would have been expected by 31 October 2003.

CFMEU - Construction and General Division Victorian Branch - on 31 October 2003 the Registry sought by 17 November 2003 written advice from Mr Kingham, Branch Secretary as to when the various steps in the financial reporting process would be completed and the financial documents lodged. No response has been received to this letter. In the normal course of events lodgement of the financial documents would have been expected by 31 October 2003.

CFMEU - Mining and Energy Division - Tasmanian District Branch - on 31 October 2003 the Registry sought by 17 November 2003 written advice from Mr Hogan, District Secretary as to when the various steps in the financial reporting process would be completed and the financial documents lodged. No response has been received to this letter. In the normal course of events lodgement of the financial documents would have been expected by 31 October 2003.

CFMEU - FFPD - Boyer Sub-Branch of Pulp & Paper Workers Branch (No. 7 Branch)

In response to the Registry's letter of 31 October 2003 seeking advice by 17 November 2003 as to when the sub-branch's financial return for the year ending 31 December 2002 would be lodged, the Vice President and Acting Secretary/Treasurer Mr Stephen Zvilis responded by e-mail on 20 November 2003 outlining the steps the sub-branch had so far taken to meet its obligations. The Registry appreciates Mr Zvilis' response. However, the sub-branch's return has not yet been lodged.

The Registry wrote to Mr Zvilis again on 2 February 2004 seeking further information by 23 February 2004.

The following two organisations are of particular concern due to their previous delay or failure in meeting reporting requirements for past financial years. In particular:

CFMEU - Mining and Energy Division - South Australia District Branch - on 31 October 2003 the Registry sought by 17 November 2003 written advice from Mr Murray, District Secretary as to when the various steps in the financial reporting process would be completed and the financial documents lodged. No response has been received to this letter. In the normal course of events lodgement of the financial documents would have been expected by 31 October 2003.

This organisation lodged its financial return for the year ending 31 December 2001 in the Registry on 18 July 2003 substantially after it was due. This followed persistent and prolonged attempts by registry officers to contact officers responsible for its preparation and lodgement to remind them of the organisation's obligations.

CFMEU - FFPD Myrtelford Sub-branch of Pulp & Paper Workers Branch (No. 7 Branch) Victoria -

This organisation has failed to lodge its financial return for the financial years ending 31 December 2001 and 2002. The 2001 return is therefore substantially overdue. In the normal course of events the 2002 return should have been lodged by now.

The Registry has initiated regular contact with this organisation in relation to both returns and has been verbally informed on a number of occasions they are being prepared. However neither has been lodged.

As you would appreciate, the financial reporting provisions of the Act are an important means of ensuring organisations are accountable to their members and operate effectively. The Registry is seeking to improve the level of compliance generally with these provisions. The timely lodgement of financial returns is essential.

The Registry also appreciates that unforeseen problems may arise in the preparation of financial reporting documents from time to time which may cause delay in meeting these requirements. The Workplace Relations Act therefore provides for the Registrar to grant extensions of time to complete certain steps in the financial return process including lodgement of the return.

If an organisation is experiencing difficulties of this nature, its secretary should inform the Registry of the nature of the difficulty, indicate why it will affect its capacity to lodge on time and the period of any expected delay. This contact can be initiated by phone to the Registry and preferably then confirmed by letter or email formally requesting the Registrar to grant an extension of time if necessary.

I would appreciate your response to these matters. If you would like to discuss any of them please phone me on 8374 6509.

Yours sincerely



Peter McKerrow
Assistant Manager, NSW Registry

3 February 2004



**Construction Forestry Mining Energy Union
NATIONAL OFFICE**

National Secretary: John Maitland
Phone: (+61 2) 9267 3393
Fax: (+61 2) 9267 2460

1st Floor
265 Sussex Street
SYDNEY NSW AUSTRALIA 2000

Postal Address: Q1641 Q. V. B. Post Office, Sydney NSW AUSTRALIA 1230

M2004-007
20 February 2004

Deputy Industrial Registrar
Australian Industrial Registry
Level 8
80 William St
East Sydney 2010

by fax: 9380 6990

attention Peter McKerrow

Dear Sir

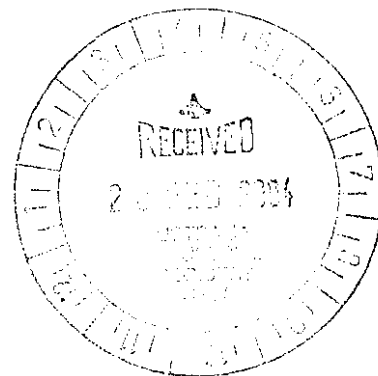
I am receipt of your correspondence dated 3 February 2004 concerning the financial reporting obligations of various CFMEU Divisions and Divisional Branches.

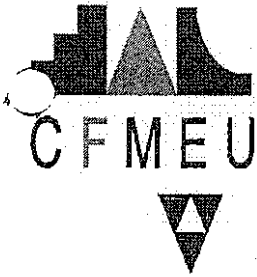
Please note that I have communicated with these offices and am awaiting information which shall be forwarded to you as a matter of urgency.

I must apologise for the delay in responding, as your correspondence was left sitting unattended in the wrong office and which I only received yesterday.

Yours faithfully

Rick Fowler
Executive Officer





CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

AIRC
Registry
Level 8
Terrace Towers
80 William St
East Sydney
NSW 2011
Fax: (02) 9380 6990
Attention: Peter McKerrow

Dear Peter,

I understand that the Registry has not received our Branch Audit for the year ending December 2002.

Please accept my apologies and find enclosed a copy of the relevant Financial Report.


No loans, grants or donations, exceeding \$1,000, were made during the period.

The accounts were subject of a resolution at a committee of management meeting held on the 4th April 2003, the report was then circulated to members and presented to a second committee of management meeting, held on the 27th June 2003.

Please contact me on (mb) 0419 346 531 or (office) (03) 93481888 or (email) cfmeuforestry@bigpond.com if you need to discuss this matter further.

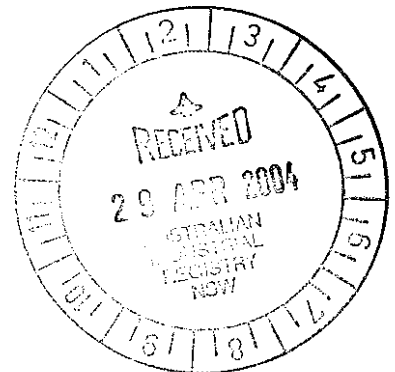
Yours sincerely

Jane Calvert
Divisional Branch Secretary
CFMEU FFPD
Vic. Forestry No. 2 Branch
27th April 2004

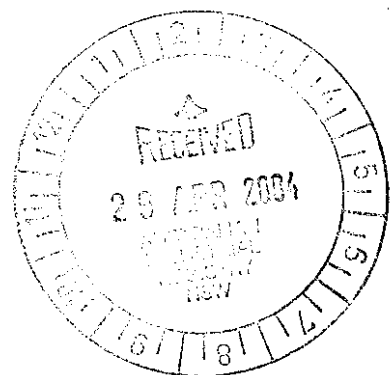


FORESTRY DIVISION
NO. 2 VIC BRANCH
JANE CALVERT
DIV. BRANCH SECRETARY
PO BOX 661
CARLTON SOUTH 3053
1st FLOOR
500 SWANSTON STREET
CARLTON SOUTH
VICTORIA 3053

PH: (03) 9348 1888
FAX: (03) 9349 1511
FREECALL: 1800 060 556



**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2002**



**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

	NOTE	2002 \$	2001 \$
Revenues from ordinary activities	3	1,011,334	846,883
Administration expense		(100,315)	(71,699)
Affiliation fees and levies expense		(175,372)	(160,802)
Borrowing cost expense		(38,507)	(41,476)
Communication expense		(35,128)	(46,739)
Depreciation expense	4	(14,874)	(18,551)
Employee benefits expense		(383,260)	(458,890)
Motor vehicle expense		(91,830)	(111,276)
Occupancy expense		(32,278)	(36,652)
Other expenses from ordinary activities		<u>(73,838)</u>	<u>(35,102)</u>
Profit/(loss) from ordinary activities before income tax expenses	4	65,932	(134,304)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit/(loss)		<u>65,932</u>	<u>(134,304)</u>
Total changes in equity	14	<u>\$ 65,932</u>	<u>\$ (134,304)</u>

The accompanying notes form part of this financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
 ABN 30 267 473 953
 STATEMENT OF FINANCIAL POSITION
 AS AT 31ST DECEMBER, 2002**

	NOTE	2002 \$	2001 \$
CURRENT ASSETS			
Cash asset	6	266,059	129,899
Receivables	7	144,304	112,755
Other	8	<u>30,436</u>	<u>38,830</u>
TOTAL CURRENT ASSETS		<u>440,799</u>	<u>281,484</u>
NON CURRENT ASSETS			
Property, plant & equipment	9	389,070	403,944
Other financial assets	10	<u>531,336</u>	<u>490,296</u>
TOTAL NON CURRENT ASSETS		<u>920,406</u>	<u>894,240</u>
TOTAL ASSETS		<u>1,361,205</u>	<u>1,175,724</u>
CURRENT LIABILITIES			
Payables	11	488,015	387,397
Interest bearing liabilities	12	550,000	550,000
Provisions	13	<u>150,778</u>	<u>131,847</u>
TOTAL CURRENT LIABILITIES		<u>1,188,793</u>	<u>1,069,244</u>
TOTAL LIABILITIES		<u>1,188,793</u>	<u>1,069,244</u>
NET ASSETS		<u>\$ 172,412</u>	<u>\$ 106,480</u>
EQUITY			
Retained profits	14	262,254	196,322
Reserves	15	<u>(89,842)</u>	<u>(89,842)</u>
TOTAL EQUITY		<u>\$ 172,412</u>	<u>\$ 106,480</u>

The accompanying notes form part of these financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
 ABN 30 267 473 953
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31ST DECEMBER, 2002**

	NOTE	INFLOW (OUTFLOW) 2002 \$	INFLOW (OUTFLOW) 2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Grant income		101,027	37,578
Membership contributions		749,945	707,280
Other revenue		168,316	63,135
Interest received		22,572	28,016
Interest paid		(37,122)	(39,017)
Payments to suppliers & employees		<u>(878,578)</u>	<u>(886,968)</u>
CASH FLOWS PROVIDED/(USED) BY OPERATING ACTIVITIES	18 (b)	<u>126,160</u>	<u>(89,976)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
John Curtin Fund		51,040	26,736
Proceeds on sale of investments		<u>10,000</u>	<u>10,125</u>
CASH FLOWS PROVIDED/(USED) BY INVESTING ACTIVITIES		<u>61,040</u>	<u>36,861</u>
NET INCREASE/(DECREASE) IN CASH HELD		187,200	(53,115)
Cash at beginning of reporting period		<u>397,275</u>	<u>450,390</u>
CASH AT END OF REPORTING PERIOD	18(a)	<u>\$ 584,475</u>	<u>\$ 397,275</u>

The accompanying notes form part of this financial report.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

Note 1 – Statement of Significant Accounting Policies

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirement of the Workplace Relations Act 1996.

The financial report has been prepared on an accruals basis and is based on historical cost and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

(a) *Income Tax*

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

(b) *Property, Plant and Equipment*

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

Plant and equipment are measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Assets	Depreciation Rate
Building improvements	2.5%
Plant and equipment	7.5% - 40%

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002**

Note 1 – Summary of Significant Accounting Policies (cont.)

(c) *Leases*

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

(d) *Employee Entitlements*

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave which will be settled after one year, have been measured at their nominal amount.

Annual leave has been calculated for all employees and officials on the basis of their terms of employment.

(e) *Cash*

For the purposes of the Statement of Cash Flows, cash includes cash on hand, at banks and on deposit.

(f) *Revenue*

Revenue from membership subscriptions is recognised on a cash basis.

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

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

Note 2 – Information To Be Provided To Members Or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274, which read as follows:-

(1) *Application for Information*

A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

Note 2 – Information To Be Provided To Members Or Registrar (cont.)

(2) *Provision of Information*

An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.

(3) *Function of Registrar*

A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

Penalty : \$1,000

	2002 \$	2001 \$
Note 3 – Revenue		
Revenues from operating activities		
Membership subscriptions	756,765	713,219
Revenues from outside the operating activities		
Interest received	22,356	27,042
Grant funds received	86,624	43,488
Office administrative and other services	97,466	39,000
Sitting fees	738	4,021
Others	<u>47,385</u>	<u>20,113</u>
Revenue from ordinary activities	<u>\$1,011,334</u>	<u>\$ 846,883</u>

Note 4 – Profit from ordinary activities

Net gain and expenses

Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
 ABN 30 267 473 953
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

	2002 \$	2001 \$
Note 4 – Profit from ordinary activities (cont.)		
Expenses		
Borrowing costs	38,507	41,476
Depreciation of property, plant and equipment	14,874	18,551
Remuneration of auditor:		
– audit services	6,895	7,470
– other services	-	-
 Note 5 - Donations		
Woodworkers Orbost	<u>-</u>	<u>250</u>
	<u>\$ -</u>	<u>\$ 250</u>
 Note 6 – Current Assets - Cash Assets		
Cash on hand	100	100
Cash at bank	<u>265,959</u>	<u>129,799</u>
	<u>\$ 266,059</u>	<u>\$ 129,899</u>
 Note 7 – Current Assets - Receivables		
GST input tax credits	25,082	11,411
Sundry debtors	122,488	98,484
Accrued income	<u>2,644</u>	<u>2,860</u>
	150,214	112,755
Less provision for doubtful debts	<u>5,910</u>	<u>-</u>
	<u>\$ 144,304</u>	<u>\$ 112,755</u>
 Note 8 – Current Assets – Other		
Prepayments	<u>\$ 30,436</u>	<u>\$ 38,830</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
 ABN 30 267 473 953
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2002**

	2002 \$	2001 \$
Note 9 – Non-current Assets – Property, Plant and Equipment		
<i>Land and Buildings:</i>		
Freehold Land - Swanston Street at committee of management valuation 1995	<u>167,578</u>	<u>167,578</u>
Buildings - Swanston Street at committee of management valuation 1995	174,677	174,677
less accumulated depreciation	<u>(30,569)</u>	<u>(26,202)</u>
Total buildings at committee of management valuation 1995	<u>144,108</u>	<u>148,475</u>
TOTAL LAND AND BUILDINGS	<u>311,686</u>	<u>316,053</u>
<i>Plant and Equipment:</i>		
Plant and equipment - at cost	169,935	169,935
Less accumulated depreciation	<u>(140,188)</u>	<u>(131,125)</u>
	<u>29,747</u>	<u>38,810</u>
Plant and equipment - at committee of management valuation 1995	57,745	57,745
Less accumulated depreciation	<u>(10,108)</u>	<u>(8,664)</u>
	<u>47,637</u>	<u>49,081</u>
TOTAL PLANT AND EQUIPMENT	<u>77,384</u>	<u>87,891</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>\$ 389,070</u>	<u>\$ 403,944</u>

The amount disclosed as Freehold Land - Swanston Street and Buildings - Swanston Street totalling \$342,255 represents the CFMEU Forest & Forest Products Division No. 2 Victorian Branch's-half share of First Floor, 500 Swanston Street, Carlton South. The amount represents the valuation adopted by the Committee of Management at 31st December, 1995 (refer Note 15).

Ownership of the whole property at 500 Swanston Street, Carlton South, is registered in the name of the Union as the Federally registered organisation. The National Executive of the Federal body of the Union has resolved that they are holding Lot 2 (the title to the First Floor) on behalf of the CFMEU Forest & Forest Products Division No. 2 Victorian Branch and the CFMEU Pulp & Paper Workers Division No. 7 Branch equally and that the care, custody and control of the property contained in Lot 2 shall vest with each Branch and shall confer on the No. 2 Branch and the No. 7 Branch exclusive occupancy of the First Floor.

Upon the Federal Executive passing such a resolution acknowledging care, custody and control in the CFMEU Forest & Forest Products Division No. 2 Victorian Branch it also acknowledges that the Victorian Branch shall be responsible for the mortgage loan on the property of an amount of \$550,000.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
 ABN 30 267 473 953
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

**Note 9 – Non-current Assets – Property, Plant
 and Equipment (cont.)**

Movements in carrying amounts

	Land and Buildings \$	Plant and equipment \$	Total \$
Balance at the beginning of year	316,053	87,891	403,944
Additions	-	-	-
Disposal	-	-	-
Amortisation/depreciation expense	<u>(4,367)</u>	<u>(10,507)</u>	<u>(14,874)</u>
Carrying amount at the end of financial year	<u>311,686</u>	<u>77,384</u>	<u>389,070</u>
		2002	2001
		\$	\$

**Note 10 – Non-Current Assets –
 Other Financial Assets**

Inscribed stock	212,910	212,910
John Curtin Fund	318,416	267,376
Shares in unlisted company	10	10
Term deposit	<u>-</u>	<u>10,000</u>
	<u>\$ 531,336</u>	<u>\$ 490,296</u>
Amounts realisable within one year	318,416	277,376
Amounts not realisable within one year	<u>212,920</u>	<u>212,920</u>
	<u>\$ 531,336</u>	<u>\$ 490,296</u>

Note 11 – Current Liabilities – Payables

GST Collected	56,020	28,161
Sundry creditors	113,579	91,860
John Curtin Fund	<u>318,416</u>	<u>267,376</u>
	<u>\$ 488,015</u>	<u>\$ 387,397</u>

**Note 12 – Current Liabilities –
 Interest Bearing Liabilities**

Bank loan secured	<u>\$ 550,000</u>	<u>\$ 550,000</u>
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**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

	2002 \$	2001 \$
Note 13 – Current Liabilities – Provisions		
Employee entitlements		
- Provision for annual leave	27,529	26,804
- Provision for long service leave	58,810	52,065
- Provision for recognition of service	<u>64,439</u>	<u>52,978</u>
	<u>\$ 150,778</u>	<u>\$ 131,847</u>

Note 14 – Equity

Total equity at the beginning of the financial year	196,322	330,626
Total changes in equity recognised in the statement of financial performance	<u>65,932</u>	<u>(134,304)</u>
Total equity at the end of the financial year	<u>\$ 262,254</u>	<u>\$ 196,322</u>

Note 15 – Reserves

Asset revaluation reserve	(186,695)	(186,695)
Capital reserve	<u>96,853</u>	<u>96,853</u>
	<u>\$ (89,842)</u>	<u>\$ (89,842)</u>

Note 16 – Operating Lease Commitments

Being for rent of motor vehicles Payable:		
- not later than 1 year	14,411	69,562
- later than 1 year but not later than 5 years	<u>6,717</u>	<u>19,388</u>
	<u>\$ 21,128</u>	<u>\$ 89,950</u>

Note 17 – Segment Reporting

The Union operates predominantly in one industry, being forestry sector. The business operates predominantly in one geographical area being Victoria, Australia.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

	2002 \$	2001 \$
Note 18 – Cash Flow Information		
<i>(a) Reconciliation of Cash</i>		
Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:-		
Cash on hand	100	100
Cash at bank	232,990	49,126
Cash in special purpose fund assets	318,416	267,376
Deposits at call	<u>32,969</u>	<u>80,673</u>
	<u>\$ 584,475</u>	<u>\$ 397,275</u>
<i>(b) Reconciliation of Net Cash Provided by Operating Activities to Net Profit/ (Loss)</i>		
Net profit/(loss)	65,932	(134,304)
Depreciation	14,874	18,551
Movement in assets and liabilities:		
- (Increase)/decrease in accrued income	216	974
- (Increase)/decrease in prepayments	8,394	3,653
- (Increase) in sundry debtors	(37,675)	(26,563)
- Increase/(decrease) in creditors	49,578	18,956
- Increase in provision for annual leave	725	694
- Increase in provision for long service leave	6,745	8,376
- Increase in provision for doubtful debt	5,910	-
- Increase in provision for recognition of service	<u>11,461</u>	<u>19,687</u>
Cash Flows Provided/(Used) by Operations	<u>\$ 126,160</u>	<u>\$ (89,976)</u>
<i>(c) Credit stand-by arrangement with bank.</i>		
Credit facility	550,000	550,000
Amount utilised	<u>550,000</u>	<u>550,000</u>
Unused credit facility	<u>\$ -</u>	<u>\$ -</u>

The credit facility is a commercial bill with the bank.

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

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO.2 VICTORIAN BRANCH
ABN 30 267 473 953
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

Note 19 – Financial Instruments

(a) Interest Rate Risk Exposures

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

2002	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate			Non- interest bearing	TOTAL
				Within 1 Year	Within 1 to 5 Years	Maturing		
		2002 %	2002 \$	2002 \$	2002 \$	2002 \$	2002 \$	
Financial Assets								
Cash	6	2.95	265,959	-	-	100	266,059	
Receivables	7	-	-	-	-	144,304	144,304	
Investments	10	5.63	531,336	-	-	-	531,336	
Total Financial Assets			797,295	-	-	144,404	941,699	
Financial Liabilities								
Payables	11	-	-	-	-	488,015	488,015	
Bank loans	12	5.76	-	550,000	-	-	550,000	
Total Financial Liabilities			-	550,000	-	488,015	1,038,015	
Net Financial Assets/(Liabilities)			797,295	(550,000)	-	(343,611)	(96,316)	
2001	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate			Non- interest bearing	TOTAL
				Within 1 Year	Within 1 to 5 Years	Maturing		
		2001 %	2001 \$	2001 \$	2001 \$	2001 \$	2001 \$	
Financial Assets								
Cash	6	2.95	129,799	-	-	100	129,899	
Receivables	7	-	-	-	-	112,755	112,755	
Investments	10	4.25	490,296	-	-	-	490,296	
Total Financial Assets			620,095	-	-	112,855	732,950	
Financial Liabilities								
Payables	11	-	-	-	-	387,397	387,397	
Bank loans	12	5.21	-	550,000	-	-	550,000	
Total Financial Liabilities			-	550,000	-	387,397	937,397	
Net Financial Assets/(Liabilities)			620,095	(550,000)	-	(274,542)	(204,447)	

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
 ABN 30 267 473 953
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31ST DECEMBER, 2002 (Cont.)**

	2002	2001
	\$	\$
Note 19 – Financial Instruments (cont.)		
(a) Interest Rate Risk Exposures (cont.)		
Reconciliation of Net Financial Assets to Net Assets		
Net Financial assets as above	(96,316)	(204,447)
Non-Financial assets and liabilities		
Prepayments	8 21,817	38,830
Plant and equipment	9 389,070	403,944
Employee entitlements	13 <u>(150,778)</u>	<u>(131,847)</u>
Net assets per statement of financial position	<u>\$ 163,793</u>	<u>\$ 106,480</u>

(b) Credit Risk Exposures

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

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

(c) Net Fair Values of Financial Assets and Liabilities

For all financial assets and liabilities listed in Note 19(a) above, the net fair value approximates their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
ACCOUNTING OFFICER'S CERTIFICATE**

I, Jane Calvert, being the officer responsible for keeping the accounting records of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch certify that as at 31st December, 2002, the number of members of the organisation was 2870.

In my opinion:-

- (i) the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2002;
- (ii) a record has been kept of all monies paid by, or collected from members, and all monies so paid or collected have been credited to the bank account to which those monies are to be credited, in accordance with the rules of the organisation;
- (iii) before any expenditure was incurred, approval of the incurring of the expenditure was obtained in accordance with the rules of the organisation;
- (iv) with regard to funds of the organisation raised by compulsory levies or voluntary contributions from members, or funds other than the general fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated;
- (v) no loans or other financial benefits, other than remuneration in respect of their full time employment with the organisation, were made to persons holding office in the organisation; and
- (vi) the register of members of the organisation was maintained in accordance with the Act.

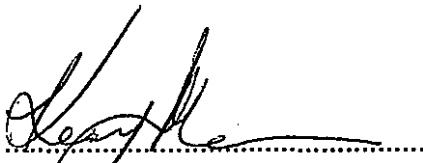

.....
JANE CALVERT - SECRETARY

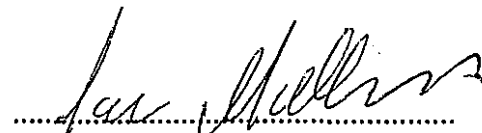
Melbourne: 4th April, 2003

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
COMMITTEE OF MANAGEMENT CERTIFICATE**

We, Kim Mason and Ian Mullen being two members of the Committee of Management of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch, do state on behalf of the Committee and in accordance with a resolution passed by the Committee, that:-

- (i) in the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the organisation as at 31st December, 2002;
- (ii) in the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31st December, 2002, in accordance with the rules of the organisation;
- (iii) to the knowledge of any member of the Committee, there have been, during the financial year to which the accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under sub section 274 (2) of the Workplace Relations Act 1996), or copies of those records or documents, or copies of the rules of the organisation, have not been furnished, or made available, to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto, or the rules of the organisation; and
- (iv) the organisation has complied with sub sections 279 (1) and (6) of the Act in relation to the financial accounts in respect of the year ended 31st December, 2001, and the Auditor's Report thereon.


.....
KIM MASON


.....
IAN MULLEN

Melbourne: 4th April, 2003



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HAWTHORN
P.O. BOX 325, HAWTHORN
VICTORIA 3122 - AUSTRALIA
TEL: (03) 9819 4011 FAX: (03) 9819 6780
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EMAIL: raggweir@raggweir.com.au

- 16 -

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
INDEPENDENT AUDITOR'S REPORT**

To the Members of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch:

Scope

We have audited the financial report of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch for the year ended 31st December, 2002, as set out on pages 1 to 15. The Union's Committee of Management and Accounting Officer is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, 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 financial report is presented fairly, in accordance with Accounting Standards, Workplace Relations Act 1996, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and its cash flows.


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

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
INDEPENDENT AUDITOR'S REPORT (cont.)**

Audit Opinion

In our opinion:-

- (a) There were kept by the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch, in respect of the year ended 31st December, 2002, satisfactory accounting records, including:
- (i) record of the sources and nature of the income of the organisation (including income from members); and
 - (ii) records of the nature and purpose of the expenditure of the organisation.
- (b) The attached accounts and statements are prepared in accordance with Section 273 of the Workplace Relations Act 1996, and are properly drawn up so as to give a true and fair view of:
- (i) the financial position of the Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch as at 31st December, 2002; and
 - (ii) the financial performance and profit of the Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch for the year ended on that date.
- (c) We have received all the information and explanation we requested for the purposes of our audit.
- (d) The financial report is drawn up in accordance with applicable Accounting Standards and other mandatory professional reporting requirements.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER

Melbourne: 4th April, 2003

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
COMPILATION REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

To Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch

Scope

On the basis of the information provided by the Committee of Management of Construction Forestry Mining Union Forest & Forest Products Division No.2 Victorian Branch we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report of Construction Forestry Mining Energy Union Forest & Forest Products Division No.2 Victorian Branch for the period ended 30 June 2002 comprising the attached Profit and Loss Statement as set out on page 19 and 20.

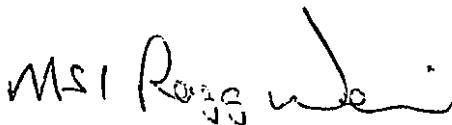
The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the Union's Constitution and are appropriate to meet the needs of the Committee of Management for the purpose of complying with the Union's Constitution.

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

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

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



MSI RAGG WEIR
CHARTERED ACCOUNTANTS

Melbourne: 4th April, 2003

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2002**

	2002 \$	2001 \$
OPERATING INCOME		
Membership contributions	756,765	713,219
Grants received	86,624	43,488
Interest received	22,356	27,042
Office administrative and other services	97,466	39,000
Sitting fees	738	4,021
Sundry income	<u>47,385</u>	<u>20,113</u>
TOTAL OPERATING INCOME	<u>1,011,334</u>	<u>846,883</u>
LESS OPERATING EXPENDITURE		
Affiliation fees		
- Australian Labour Party	13,720	12,880
- CFMEU National Office	150,687	137,334
- Progressive Union	-	45
- Trades & Labour Council:		
Ballarat	608	996
Geelong	91	444
Gippsland	(200)	-
Goulburn Valley	-	680
North East and Border	175	509
South West	246	491
- Victorian Trades Hall Council	8,608	6,368
Bank charges	1,675	4,727
Buildings outgoings	27,681	31,940
Campaign expenses	40,362	6,842
Cleaning	4,597	4,712
Computer expenses	3,188	8,208
Conference expenses	2,086	3,034
Consulting fee – Safety Report	23,870	-
Depreciation	14,874	18,551
Donations	-	250
Fringe benefits tax	9,777	14,970
Insurances	7,090	7,925
Interest paid	38,507	41,476
Levies paid	1,437	1,055
Meeting expenses		
- Committee of Management	6,187	5,341
- Executive Committee	138	-
- Other	1,522	1,210
Motor vehicle expenses	27,407	42,613
Payroll tax	16,830	21,273
Postage & freight	4,664	838
Printing & stationery	25	2,612

**CONSTRUCTION FORESTRY MINING ENERGY UNION -
FOREST & FOREST PRODUCTS DIVISION NO. 2 VICTORIAN BRANCH
ABN 30 267 473 953
STATEMENT OF INCOME AND EXPENDITURE FOR
THE YEAR ENDED 31ST DECEMBER, 2002 (cont.)**

	2002 \$	2001 \$
OPERATING EXPENDITURE (cont.)		
Professional services		
- Accountancy & audit fees	6,895	7,470
- Legal fees	53,907	46,520
Provision for annual leave	725	694
Provision for doubtful debt	5,372	-
Provision for long service leave	6,745	8,376
Provision for recognition of service	11,461	19,687
Rental of motor vehicles	64,423	68,663
Repairs & maintenance	898	470
Salaries:		
- officials	239,933	288,586
- employees	48,451	52,312
Staff amenities	2,322	1,242
Subscriptions	677	635
Sundry expenses	807	926
Superannuation	36,173	42,524
Telephone	31,940	38,531
Training and seminars	11,095	1,729
Travelling expenses	4,591	14,880
Unfair dismissals	150	150
WorkCover	<u>12,985</u>	<u>10,468</u>
TOTAL OPERATING EXPENDITURE	<u>945,402</u>	<u>981,187</u>
NET PROFIT/(LOSS) FOR YEAR	<u>\$ 65,932</u>	<u>\$ (134,304)</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

Ms Jane Calvert
Secretary
Vic Forestry No 2 Branch
CFMEU FFPD
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Financial Statements - Construction, Forestry, Mining and Energy Union- Forestry
Division - Victorian Forestry No.2 Branch - for year ending 31 December 2002
(FR2002/832)**

I refer to the financial statements which were lodged in the Registry on 29 April 2004. I would appreciate your clarification of the following matter:

Date of supply of report to members

I note that the financial report was circulated to members following the committee of management meeting of 4 April 2003 and was presented to the second meeting on 27 June 2003. Could you please confirm the date on which the report was circulated to members.

Lodgement in Registry

I note that there was an interval of 8 months between the presentation of the financial statements to the second meeting and lodgement in the Registry. As you would be aware, certain time limits apply to the various stages of the financial reporting process. I have enclosed a brief description of these timelines and the reporting process for your information. You will note that paragraph H sets out the requirement that copies of accounts and the auditor's report should be lodged within 14 days of the second meeting.

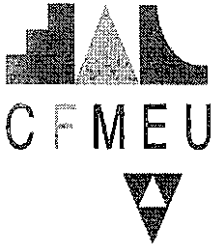
If you have any queries regarding this letter please do not hesitate to contact me on (02) 8374 6506.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dean Superina', written over a horizontal line.

Dean Superina
for Deputy Industrial Registrar

13 May 2004



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Deputy Industrial Registry
Australian Industrial registry
L8 Terrace Towers
80 Williams Street
East Sydney
NSW 2011

Attention: Belinda Penna

Dear Deputy Industrial Registry,

Re: FR2002/832

Clarification was sought in relation to the above financial report via a letter from Dean Superina earlier this year.

Please be advised that the accounts and auditors report were circulated to members in the first week of June 2003.

Thank you also for drawing my attention to the time limits applying to various stages for the financial reporting process, I have again noted these and will ensure that we keep within those requirements in future.

Please contact me if you require further information or clarification on (03) 93481888 or (mb) 0419 346 531.

Sincerely

**Jane Calvert
Secretary
CFMEU FFPD
Vic Forestry Branch**

FORESTRY DIVISION
NO. 2 VIC BRANCH
JANE CALVERT
DIV. BRANCH SECRETARY
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Ms Jane Calvert
Secretary
Vic Forestry Branch
CFMEU FFPD
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Financial Statements - Construction, Forestry, Mining and Energy Union -
Forestry Division - Victorian Forestry No 2 Branch - for year ending 31
December 2002 (FR2002/832)**

Thank you for your email dated 2 July 2004 which provides the date/s the financial documents for the year ended 31 December 2002 were supplied to members.

The financial documents have now been filed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dean Superina', written over a horizontal line.

Dean Superina
for Deputy Industrial Registrar

5 July 2004