



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Ref: FR2004/710-[105N-VICT]

Ms Jane Calvert
Divisional Branch Secretary
CFMEU FFPD
Victorian Divisional Branch
PO Box 661
CARLTON SOUTH VIC 3053

Dear Ms Calvert

Financial Return - year ending 31 December, 2004

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

New legislation

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

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

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

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

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

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

Reporting Unit

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

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

Industrial Registrar’s Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/710**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

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

Information on AIRC Website

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

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

Yours sincerely



for Deputy Industrial Registrar
20 January 2005

Attachment B

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
Does the certificate state that the documents are copies of those presented to the Second Meeting?		

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

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

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

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

³*Insert whichever is applicable*



CFMEU



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION



FORESTRY &

FURNISHING

PRODUCTS DIVISION

FORESTRY BRANCH

VICTORIA

ABN 30 267 473 953

JANE CALVERT

SECRETARY

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Carlton South

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500 Swanston Street

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Ph: (03) 9348 1888

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admin@cfmeuforestry.org

Deputy Industrial Registrar
Level 8
Terrace towers
80 William St
East Sydney
NSW 2011
Attention: Belinda Penna
30th June 2005

Dear Ms Penna,

RE: FR2004/710

Please find enclosed the relevant financial reporting documents for the CFMEU FFPD Vic. Forestry #2 Branch for the financial year 2004.

If you require further information I can be contacted on ph (03) 9348 1888, mb 0419346531 or by email jcalvert@cfmeuforestry.org.

Sincerely

Jane Calvert
Secretary
CFMEU FFPD Vic. Forestry Branch



Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B *Workplace relations Act 1996*

I, **Jane Calvert**, being the *Divisional Branch Secretary* of the *Construction Forestry Mining & Energy Union Forest & Furnishing Products Division Vic. Forestry Branch* certify:

- that the documents lodged herewith are copies of the full report, and the concise report, referred to in s268 of the RAO Schedule; and
- that the concise report was provided to members on 1st June 2005; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 20th June 2005; in accordance with setion 266 of the RAO Schedule.

Signature: _____

Jane Calvert

Date: 30th June 2005



**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004**

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT

In accordance with Section 254 of the Workplace Relations Act 1996, the Committee of Management present their Operating Report on the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 31 December 2004.

Principal Activities

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

- Promoting the interests of Victorian Forest and Forest Products workers
- Implementing the decisions of the Divisional Branch Committee of Management, National Divisional Executive and National Divisional Conference
- Implementing the union's organising & industrial agenda, including direct assistance and strategic advice to members, assistance to members on planning and resourcing campaigns, bargaining, training and development of shop stewards and officials.
- Support and representation of individual member grievances, advice on legal and legislative matters.
- Lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to Forest and Forest Products workers.
- Management of the Unions financial and membership systems.

Operating Result

The operating profit of the Union for the financial year was \$30,740. No provision for tax was necessary as the Union is exempt from income tax.

Significant Changes

No significant changes in the Union's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Rule 11 of the Union's rules and Section 194 of the Workplace Relations Act 1996, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

Superannuation Officeholders

Jane Calvert is an officer of the Union, and Director of the Superannuation Trustee Company: Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd).

Other Prescribed Information

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

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 3,335.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 6.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT continued

Other Prescribed Information continued

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name

Ian Mullen	
Kim Mason	
Ken Tonkin	
Jane Calvert	
Neil Saunders	
Steve Lohse	
Dave Van Leur	
Kevin Wylie	
Victor Illuk	
Scott M ^c Gregor	
Mick Hooper	
Brett Crellin	
Scott Moreland	
Ricky Owen	resigned effective 31 st December 2004
Sunserra Verhoeven	resigned effective 31 st December 2004
Wayne M ^{ac} Coll	resigned effective 31 st December 2004
Yorick Piper	resigned effective 26 th July 2004

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management:

For Committee of Management: J Calvert
Title of Office held: Branch Secretary

Signature

Melbourne: 18 May 2005

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
Revenues from ordinary activities	1,179,560	1,109,391
Administration expense	(57,239)	(167,427)
Affiliation sustentation fees and compulsory levies expense	(198,934)	(209,352)
Borrowing costs expense	(61,594)	(68,063)
Communication expense	(36,699)	(38,632)
Depreciation and amortisation expenses	(24,558)	(12,483)
Employee benefits expense	(459,318)	(408,021)
Motor vehicle expense	(50,938)	(55,230)
Occupancy expense	(55,949)	(71,750)
Provisions for doubtful debts	(149,490)	-
Other expenses from ordinary activities	<u>(54,101)</u>	<u>(60,395)</u>
Profit from ordinary activities before income tax expense	30,740	18,038
Income tax expense relating to ordinary activities	<u>-</u>	<u>-</u>
Net profit from ordinary activities after income tax expense	30,740	18,038
Total changes in equity	<u>30,740</u>	<u>18,038</u>

Discussion and Analysis of Financial Performance.

The operating result of the Union for the year was a net profit of \$30,740.

The significant variations in 2004 from the previous years are on the one hand higher income, depreciation and employee benefit costs and on the other lower administration costs, and occupancy costs.

For the first time this year we have reported the dues income on an accrual basis which increased revenue by \$219,311. Some of these accounts may not be whole of year payees (eg: labour hire, casuals and members who have left the industry), so we have made provision to write-off an estimated amount of \$149,490. This write-off will not be ongoing beyond one year.

The accompanying notes form part of these financial statements.

CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	2004	2003
	\$	\$
CURRENT ASSETS		
Cash assets	651,900	758,960
Receivables	227,015	255,667
Other	22,326	28,216
TOTAL CURRENT ASSETS	<u>901,241</u>	<u>1,042,843</u>
NON-CURRENT ASSETS		
Property, plant and equipment	904,458	923,875
Other financial assets	206,920	212,920
TOTAL NON-CURRENT ASSETS	<u>1,111,378</u>	<u>1,136,795</u>
TOTAL ASSETS	<u>2,012,619</u>	<u>2,179,638</u>
CURRENT LIABILITIES		
Payables	530,365	734,454
Interest-bearing liabilities	-	150,000
Provisions	164,576	158,246
TOTAL CURRENT LIABILITIES	<u>694,941</u>	<u>1,042,700</u>
NON CURRENT LIABILITIES		
Interest-bearing liabilities	550,000	400,000
TOTAL NON CURRENT LIABILITIES	<u>550,000</u>	<u>400,000</u>
TOTAL LIABILITIES	<u>1,244,941</u>	<u>1,442,700</u>
NET ASSETS	<u>767,678</u>	<u>736,938</u>
EQUITY		
Retained profits	311,032	280,292
Reserves	456,646	456,646
TOTAL EQUITY	<u>767,678</u>	<u>736,938</u>

Discussion and Analysis of Financial Position.

There is little significant change in the financial position for this year compared with the previous year, other than a slight increase in total equity due to the net profit of \$30,740 for the year. Cash assets are down but current liabilities are also down.

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Grant income	-	50,000
Membership contributions	880,678	809,430
Other revenue	108,641	186,226
Interest received	30,836	27,176
Interest paid	(61,596)	(68,063)
Payments to suppliers & employees	<u>(995,099)</u>	<u>(876,854)</u>
Net cash provided by (used in) operating activities	<u>(36,540)</u>	<u>127,915</u>
CASH FLOW FROM INVESTING ACTIVITIES		
John Curtin Fund	79,480	47,370
Purchase of property, plant & equipment	<u>-</u>	<u>(800)</u>
Net cash provided by (used in) investing activities	<u>79,480</u>	<u>46,570</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings	<u>(150,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(150,000)</u>	<u>-</u>
Net increase/(decrease) in cash held	(107,060)	174,485
Cash at beginning of year	<u>758,960</u>	<u>584,475</u>
Cash at end of year	<u>651,900</u>	<u>758,960</u>

The accompanying notes form part of these financial statements.

Discussion and Analysis of Statement of Cash Flows.

There was a decrease in cash held for the year by the Union of \$107,060. This was due to the Union repaying the bank an amount of \$150,000 during the year. This repayment of \$150,000 was lent from the John Curtin Fund.

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

Note 1: Statement of Significant Accounting Policies

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Report and the Workplace Relations Act 1996.

The financial statements, specific disclosure and other information included in the concise financial report are derived from and are consistent with the full financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and investing activities of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch as the full financial report.

With the new legislation some changes in accounting policies have occurred as a result of the amendments to Schedule 1B of the Workplace Relations Act 1996 (RAO).

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

This subsection is a civil penalty provision under section 305.

Note 3: Financial Statements

The Union will provide a copy of the full financial report for the year ended 31 December 2004, free of charge to any member who requests it.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 16 May 2005 the Committee of Management of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004:

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) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: J Calvert
Title of Office held: Branch Secretary

Signature: 

Melbourne: 18 May 2005

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS VICTORIAN FORESTRY NO 2 BRANCH**

Scope

We have audited the concise report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch for the year ended 31 December 2004, as set out on pages 1 to 7 in order to express an opinion on it to the members of the Union. The Union's Committee of Management is responsible for the concise financial report.

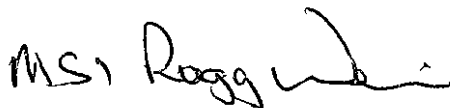
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch for the year ended 31 December 2004. Our audit report on the full financial report was signed on 15 April 2005.

Our procedures in respect of the audit of the concise report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards AASB 1039: Concise Financial Reports.


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

Audit Opinion

In our opinion, the concise financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch complies with Accounting Standard AASB 1039: Concise Financial Reports.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER
Melbourne: 18 May 2005

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004**

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT

In accordance with Section 254 of the Workplace Relations Act 1996, the Committee of Management present their Operating Report on the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 31 December 2004.

Principal Activities

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

- Promoting the interests of Victorian Forest and Forest Products workers
- Implementing the decisions of the Divisional Branch Committee of Management, National Divisional Executive and National Divisional Conference
- Implementing the union's organising & industrial agenda, including direct assistance and strategic advice to members, assistance to members on planning and resourcing campaigns, bargaining, training and development of shop stewards and officials.
- Support and representation of individual member grievances, advice on legal and legislative matters.
- Lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to Forest and Forest Products workers.
- Management of the Unions financial and membership systems.

Operating Result

The operating profit of the Union for the financial year was \$30,740. No provision for tax was necessary as the Union is exempt from income tax.

Significant Changes

No significant changes in the Union's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Rule 11 of the Union's rules and Section 194 of the Workplace Relations Act 1996, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

Superannuation Officeholders

Jane Calvert is an officer of the Union, and Director of the Superannuation Trustee Company: Timber Industry Superannuation Scheme Pty Ltd (TISS Pty Ltd).

Other Prescribed Information

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

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 3,335.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 6.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT continued

Other Prescribed Information continued

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name

Ian Mullen

Kim Mason

Ken Tonkin

Jane Calvert

Neil Saunders

Steve Lohse

Dave Van Leur

Kevin Wylie

Victor Illuk

Scott M^cGregor

Mick Hooper

Brett Crellin

Scott Moreland

Ricky Owen

resigned effective 31st December 2004

Sunserra Verhoeven

resigned effective 31st December 2004

Wayne M^{ac}Coll

resigned effective 31st December 2004

Yorick Piper

resigned effective 26th July 2004

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Management:

For Committee of Management: J Calvert

Title of Office held: Branch Secretary

Signature

Melbourne: 18 May 2005

**CONSTRUCTION FORESTRY MINING ENERGY UNION
 FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
 ABN 30 267 473 953**

**STATEMENT OF FINANCIAL PERFORMANCE
 FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 \$	2003 \$
Revenues from ordinary activities	3	1,179,560	1,109,391
Administration expense		(57,239)	(167,427)
Affiliation sustentation fees and compulsory levies expense		(198,934)	(209,352)
Borrowing costs expense		(61,594)	(68,063)
Communication expense		(36,699)	(38,632)
Depreciation and amortisation expenses	4	(24,558)	(12,483)
Employee benefits expense		(459,318)	(408,021)
Motor vehicle expense		(50,938)	(55,230)
Occupancy expense		(55,949)	(71,750)
Provisions for doubtful debts		(149,490)	-
Other expenses from ordinary activities		<u>(54,101)</u>	<u>(60,395)</u>
Profit from ordinary activities before income tax expense	4	30,740	18,038
Income tax expense relating to ordinary activities	1(a)	<u>-</u>	<u>-</u>
Net profit from ordinary activities after income tax expense		<u>30,740</u>	<u>18,038</u>
Total changes in equity	13	<u>30,740</u>	<u>18,038</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	651,900	758,960
Receivables	6	227,015	255,667
Other	7	22,326	28,216
TOTAL CURRENT ASSETS		<u>901,241</u>	<u>1,042,843</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	904,458	923,875
Other financial assets	9	206,920	212,920
TOTAL NON-CURRENT ASSETS		<u>1,111,378</u>	<u>1,136,795</u>
TOTAL ASSETS		<u>2,012,619</u>	<u>2,179,638</u>
CURRENT LIABILITIES			
Payables	10	530,365	734,454
Interest-bearing liabilities	11	-	150,000
Provisions	12	164,576	158,246
TOTAL CURRENT LIABILITIES		<u>694,941</u>	<u>1,042,700</u>
NON CURRENT LIABILITIES			
Interest-bearing liabilities	11	550,000	400,000
TOTAL NON CURRENT LIABILITIES		<u>550,000</u>	<u>400,000</u>
TOTAL LIABILITIES		<u>1,244,941</u>	<u>1,442,700</u>
NET ASSETS		<u>767,678</u>	<u>736,938</u>
EQUITY			
Retained profits	13	311,032	280,292
Reserves	14	456,646	456,646
TOTAL EQUITY		<u>767,678</u>	<u>736,938</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Grant income		-	50,000
Membership contributions		880,678	809,430
Other revenue		108,641	186,226
Interest received		30,836	27,176
Interest paid		(61,596)	(68,063)
Payments to suppliers & employees		<u>(995,099)</u>	<u>(876,854)</u>
Net cash provided by (used in) operating activities	17b	<u>(36,540)</u>	<u>127,915</u>
CASH FLOW FROM INVESTING ACTIVITIES			
John Curtin Fund		79,480	47,370
Purchase of property, plant & equipment		<u>-</u>	<u>(800)</u>
Net cash provided by (used in) investing activities		<u>79,480</u>	<u>46,570</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		<u>(150,000)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(150,000)</u>	<u>-</u>
Net increase/(decrease) in cash held		(107,060)	174,485
Cash at beginning of year		<u>758,960</u>	<u>584,475</u>
Cash at end of year	17a	<u>651,900</u>	<u>758,960</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report has been prepared on an accruals basis and is based on historical costs 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 is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Union to have an independent valuation every three years, with annual appraisals being made by the committee of management.

The revaluation of freehold land and buildings has not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

Plant and equipment

Plant and equipment is measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. 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 assets are:

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

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

c. Leases

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

d. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

e. Cash

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

f. Revenue

Revenue from membership is recognised on an accrual basis for the financial year ended 31 December 2004 rather than on a cash basis as previously recorded. The effect of this change has been to increase members contributions by \$219,311.

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).

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of 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.

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.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

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

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

	2004 \$	2003 \$
NOTE 3: REVENUE		
Operating activities		
Membership subscriptions	1,039,480	819,869
Interest	31,439	27,786
Grant funds received	-	50,000
Office administrative and other services	79,542	179,579
Others	29,099	32,157
	<u>1,179,560</u>	<u>1,109,391</u>
Total revenue		

NOTE 4: LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax expense has been determined after:

EXPENSES

Affiliation, sustentation fees and compulsory levies

Affiliation fees:

- Australian Labour Party	13,400	36,835
- Trades and Labour Councils		
- Ballarat	1,198	182
- Geelong	120	89
- Gippsland	1,604	-
- North East and Border	-	(175)
- South West	100	105
- Victorian Trades Hall	7,025	5,066
- Victorian Left Union	-	50

Susentation fees:

- CFMEU Forestry and Furnishing Products Division National Office	174,110	166,371
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Compulsory Levies:

- Victorian Trades Hall Council		
- campaign levy		
- women's levy	744	541
- juniors levy	410	288
- young unionists levy	223	-

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
NOTE 4: LOSS FROM ORDINARY ACTIVITIES continued		
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	18,558	12,483
Amortisation of inscribed stock	6,000	-
Employee benefits expense		
Salaries and allowances		
- elected officials	136,741	117,419
- employees	225,270	206,434
Superannuation contributions		
- elected officials	13,465	16,576
- employees	31,249	23,563
Provision for annual leave		
- elected officials	(3,348)	(4,934)
- employees	14,631	3,237
Provision for long service leave		
- elected officials	(9,651)	2,519
- employees	5,444	1,048
Provision for recognition of service		
- elected officials	(8,879)	5,941
- employees	8,134	(343)
Other		
- fringe benefit tax	15,106	8,595
- payroll tax	25,499	19,202
- Workcover levy	5,657	8,764
Included in administration / other expenses		
Conferences and meetings		
- Committee of Management	7,583	6,386
- Executive committee	28	-
Donations:		
- Australian Labor Party - Lara	-	500
- Woodworkers Orbost	-	250
- West Gippsland Football Club	110	-
Professional services:		
Remuneration of auditor		
- audit	7,900	7,100
- other services	560	1,695
Rental expense on operating lease	21,990	27,373
NOTE 5: CASH ASSETS		
Cash on hand	100	100
Cash at bank	356,709	393,248
Cash at bank – John Curtin Fund	295,091	365,612
	651,900	758,960

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004 \$	2003 \$
NOTE 6: RECEIVABLES		
CURRENT		
GST input tax credits	-	39,416
Members contributions	241,242	60,990
Sundry debtors	153,056	157,917
Accrued income	3,657	3,254
	397,955	261,577
Less provision for doubtful debts		
- sundry debtors	-	(5,910)
- members contributions	(170,940)	-
	227,015	255,667
 NOTE 7: OTHER		
Prepayments	22,326	28,216
 NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
Freehold Land – Swanston Street at committee of management valuation 31 December 2004	360,122	360,122
Buildings – Swanston Street at committee of management valuation 31 December 2004	539,878	539,878
Less accumulated depreciation	(13,534)	-
Total buildings at committee of management valuation 31 December 2004 (1995)	526,344	539,878
TOTAL LAND AND BUILDINGS	886,466	900,000
PLANT AND EQUIPMENT		
Plant and equipment – at cost	126,644	170,735
Less accumulated depreciation	(108,652)	(146,860)
	17,992	23,875
TOTAL PROPERTY, PLANT AND EQUIPMENT	904,458	923,875

The amount disclosed as Freehold Land - Swanston Street and Buildings - Swanston Street totalling \$900,000 represents the CFMEU Forest & Furnishing 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 31 December 2003.

The revaluation of freehold land and buildings was based on the assessment of their current market value. The independent valuation was carried out at 16 June 2003 by Mr D Neale AAPI. The committee of management has used this valuation to revalue the freehold land and buildings at 31 December 2003.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued

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 & Furnishing 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.

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

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings \$	Plant and equipment \$	Total \$
Balance at the beginning of year	900,000	23,875	923,875
Additions	-	-	-
Disposals	-	(859)	(859)
Amortisation/depreciation expense	(13,534)	(5,024)	(18,558)
Carrying amount at the end of financial year	886,466	17,992	904,458

2004 \$	2003 \$
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NOTE 9: OTHER FINANCIAL ASSETS

Inscribed stock	212,910	212,910
Less: accumulated amortisation	(6,000)	-
	<u>206,910</u>	<u>212,910</u>
Shares in unlisted company	10	10
	<u>206,920</u>	<u>212,920</u>

NOTE 10: PAYABLES

GST Collected	3,782	56,589
Legal costs payable	91	39,007
Sundry creditors	231,226	273,072
John Curtin Fund	295,266	365,786
	<u>530,365</u>	<u>734,454</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 11: INTEREST BEARING LIABILITIES		
CURRENT		
Bank loan secured	-	150,000
NON CURRENT		
Bank loan secured	400,000	400,000
John Curtin Fund - unsecured	150,000	-
	<u>550,000</u>	<u>550,000</u>

The bank loan is secured by registered first mortgage over the 1st Floor of 500 Swanston Street, Carlton South. The guarantor of the loan is CFMEU Forest and Furnishing Products Division National Executive.

NOTE 12: PROVISIONS

Employee entitlements:

Provision for annual leave		
- elected officials	10,266	13,614
- employees	26,848	12,218
	<u>37,114</u>	<u>25,832</u>
Provision for long service leave		
- elected officials	17,976	27,627
- employees	40,193	34,749
	<u>58,169</u>	<u>62,376</u>
Provision for recognition of service		
- elected officials	21,116	29,995
- employees	48,177	40,043
	<u>69,293</u>	<u>70,038</u>
Total Employee Entitlements	<u>164,576</u>	<u>158,246</u>
Number of employees at year end	6	8

NOTE 13: RETAINED PROFITS

Total retained profits at the beginning of the financial year	280,292	262,254
Total changes in retained profits recognised in the statement of financial performance	<u>30,740</u>	<u>18,038</u>
Total equity at the end of the financial year	<u>311,032</u>	<u>280,292</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
NOTE 14: RESERVES		
Asset Revaluation Reserve	359,793	359,793
Capital reserve	<u>96,853</u>	<u>96,853</u>
	<u>456,646</u>	<u>456,646</u>
a. Asset Revaluation Reserve		
Movement during the year		
Opening Balance	359,793	(186,695)
Revaluation increment on freehold land and building	-	546,488
Closing balance	<u>359,793</u>	<u>359,793</u>

The asset revaluation reserve records revaluation of non-current assets.

NOTE 15: OPERATING LEASE COMMITMENTS

Being for rent of motor vehicles		
Payable		
not later than 1 year	15,720	32,441
later than 1 year but not later than 5 years	<u>11,790</u>	<u>45,016</u>
Total Lease Liability	<u>27,510</u>	<u>77,457</u>

NOTE 16: SEGMENT REPORTING

The Union operates predominantly in one industry, being the forest and forest products sector. The business operates predominantly in one geographical area being Victoria, Australia.

2004	2003
\$	\$

NOTE 17: CASH FLOW INFORMATION

a. Reconciliation of Cash

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

Cash on hand	100	100
Cash at bank	356,709	393,248
Cash in special purpose fund assets	<u>295,091</u>	<u>365,612</u>
	<u>651,900</u>	<u>758,960</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 17: CASH FLOW INFORMATION continued

b. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax

Net profit	30,740	18,038
Amortisation	6,000	-
Depreciation	18,558	12,483
Loss on sale of fixed assets	859	-
Changes in assets and liabilities:		
(Increase)/decrease in accrued income	(403)	(610)
(Increase)/decrease in prepayments	5,890	2,220
(Increase)/decrease in sundry debtors and members	(135,976)	(110,753)
Increase/(decrease) in sundry creditors	(133,569)	199,069
Increase/(decrease) in provision for annual leave	11,283	(1,697)
Increase/(decrease) in provision for long service leave	(4,207)	3,566
Increase in provision for doubtful debt	165,030	-
Increase/(decrease) in provision for recognition of service	(745)	5,599
Cash flows from operations	(36,540)	127,915

c. Credit Stand-by Arrangement and Loan Facilities

The Union has a loan facility amounting to \$400,000 (2003: \$550,000). At 31 December 2004 \$400,000 of this facility was used (2003: \$550,000). Interest rates are variable.

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

NOTE 18: FINANCIAL INSTRUMENTS

a. Interest Rate Risk

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 those financial assets and financial liabilities, is as follows:

2004	Note	Weighted Floating Average Interest Rate		Fixed Interest Rate Maturing			TOTAL
		Effective Interest Rate	Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing within 1 year	
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	5	5.5	651,800	-	-	100	651,900
Receivables	6	-	-	-	-	227,015	227,015
Investments	9	10.25	206,910	-	-	10	206,920
Total Financial Assets			858,710	-	-	227,125	1,085,835
Financial Liabilities							
Payables	10	-	-	-	-	530,365	530,365
Bank loan	11	7.0	-	-	400,000	-	400,000
Non bank loan	11	5.0	-	-	150,000	-	150,000
Total Financial Liabilities			-	-	550,000	530,365	1,080,365
Net Financial Assets/ (Liabilities)			858,710	-	(550,000)	(303,240)	5,470

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 18: FINANCIAL INSTRUMENTS continued

2003	Note	Weighted Floating Average Interest Rate		Fixed Interest Rate Maturing			TOTAL
		Effective Interest Rate	Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing within 1 year	
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	5	2.95	758,860	-	-	100	758,960
Receivables	6	-	-	-	-	255,667	255,667
Investments	9	10.25	212,910	-	-	10	212,920
Total Financial Assets			<u>971,770</u>	<u>-</u>	<u>-</u>	<u>255,777</u>	<u>1,227,547</u>
Financial Liabilities							
Payables	10	-	-	-	-	734,454	734,454
Bank loans	11	13.95	-	150,000	400,000	-	550,000
Total Financial Liabilities			<u>-</u>	<u>150,000</u>	<u>400,000</u>	<u>734,454</u>	<u>1,284,454</u>
Net Financial Assets/(Liabilities)			<u>971,770</u>	<u>(150,000)</u>	<u>(400,000)</u>	<u>(478,677)</u>	<u>(56,907)</u>
						2004	2003
						\$	\$

a.

Reconciliation of Net Financial Assets to Net Assets

Net Financial assets as above		5,470	(56,907)
Non-Financial assets and liabilities			
Prepayments	7	22,326	28,216
Property, plant and equipment	8	904,458	923,875
Employee entitlements	12	(164,576)	(158,246)
Net assets per statement of financial position		<u>767,678</u>	<u>736,938</u>

b. **Credit Risk**

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

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

NOTE 19: ENTITY DETAILS

The registered office is:
Level 1
500 Swanston Street
CARLTON SOUTH VIC 3053

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 16 May 2005 the Committee of Management of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2004:

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) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: J Calvert
Title of Office held: Branch Secretary

Signature:



Melbourne: 18 May 2005

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

Scope

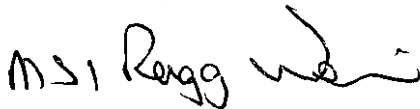
We have audited the financial report of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch (reporting unit) for the year ended 31 December 2004, as set out on pages 1 to 17. The reporting unit's Committee of Management is responsible for 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 reporting unit.

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 Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) in Australia, the Workplace Relations Act 1996 and other statutory requirements, so as to present a view which is consistent with our understanding of the reporting unit's financial position and performance as represented by the results of its operations and its cash flows.

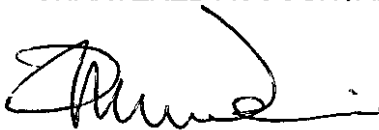
In our opinion the audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial report presents fairly in accordance with the provision of the Workplace Relations Act 1996 and Australian Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of the reporting unit as at 31 December 2004 and the results of its operation and its cash flows for the year then ended.



MSI RAGG WEIR
CHARTERED ACCOUNTANTS



TREVOR M. WEIR
PARTNER

Melbourne: 18 May 2005



AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION

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

Ms Jane Calvert
Divisional Branch Secretary
CFMEU FFPD
Victorian Divisional Branch
PO Box 661
CARLTON SOUTH VIC 3053

Financial Return - year ending 31 December 2004 (FR2004/710)

The documents lodged in the Registry on 6 July 2005 have been filed.

When the Branch prepares its next financial return could you please note the following:

Operating Report

Under the heading "Rights of Members" the reference to "Section 194 of the Workplace Relations Act 1996" is incorrect. The reference should be to "Section 174 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996)." Although the RAO Schedule is part of the Act, it has its own separate numbering sequence from the main body of the Act.

The copy of the operating report lodged is unsigned. Please ensure a signed copy is lodged in future.

Note 2 to the Financial Statements (p.7)

The text inserted and the reference to "Section 274" of the Act is incorrect. Section 272(5) of the RAO Schedule now specifies the contents of the required notice, the text of which is now also different.

Committee of Management Statement (p.17)

Paragraph (e)(iv) states "the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit". This statement appears to misconstrue the issue which the committee is asked to address; that is, whether the financial records of the Branch, as a reporting unit, have been kept, as far as practicable, in a consistent way to each of the other reporting units of the CFMEU.

Presentation of the Full Report to Meeting of Committee of Management

I have enclosed a copy of a letter to the Divisional Secretary of the Division for your information. As you will note, the Registry considers that unless the Division alters its rules, it and its branches and sub-branches (as "reporting units" under the legislation) will be required to present their full reports to a general meeting of members. For the year ending 31 December 2004, the Registry will accept that presentation to a committee of management meeting is sufficient

If you have any questions, please contact me on (02) 8374 6666.

Yours sincerely,

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

Peter McKerrow
for Deputy Industrial Registrar

21 July 2005

Enc.



Australian Government
Australian Industrial Registry

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

Mr Trevor Smith
Divisional Secretary
CFMEU - Forestry, Furnishing, Building Products & Manufacturing Division
Level 1, 125 Port Road
HINDMARSH SA 5007

Dear Mr Smith

Financial Return - year ending 31 December 2004 (FR2004/671)

I refer to the copies of the full report of the Division lodged in the Registry on 22 Jun 2005. The documents have been filed.

As foreshadowed in the recent phone discussion with an officer of the Registry, I note that the full report was presented to the Division's committee of management on 10 June 2005. As you know, s266(1) of the RAO Schedule provides that a reporting unit must present the full report to a general meeting of members within the time specified. If the rules of a reporting unit provide for the matters specified in s266(3), the reporting unit may instead, present the report to a meeting of its committee of management.

In assessing whether a reporting unit's rules provide for those matters the Registry has taken the view that the reference to "members" in s266(3) should not be confined only to "financial members" of a reporting unit. I note that sub-rule 40(c) of the Division's rules provides for a petition to call a meeting to consider the full report but requires that those signing the petition be "financial members".

In coming to this view, the Registry has taken into account the absence of any legislative definition of the term "member". We have also considered the general objects of the RAO Schedule in s5 which include encouraging members' participation in the affairs of their organisation and high standards of financial and other forms of accountability by organisations to members.

I note that the alteration which inserted sub-rule 40(c) in the Division's rules was certified in matter R2003/361 on 5 February 2004.

As there is no decision of any Court on this provision and in the circumstances I am prepared to accept that the Division has on this occasion satisfied its financial reporting obligations. The Division should however amend this provision when next considering alterations to its rules.

As other reporting units of the Division lodge their financial returns in the Registry, I will draw their attention to this matter if relevant and provide them with a copy of this letter for their information.

If you have any questions please contact Peter McKerrow or me on (02) 8374 6666.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barry Jenkins'.

Barry Jenkins
Deputy Industrial Registrar

5 July 2005