



**Australian Government**  
**Australian Industrial Registry**

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

**Ref: FR2005/596**

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

Dear Ms Calvert

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

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

**Legislation**

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

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

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

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

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

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

## Reporting Unit

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

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

## Industrial Registrar's Guidelines

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

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

## Timeline Planner and Checklist

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

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

## Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

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

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

### **The Auditor**

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

### **Informing Your Members**

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

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

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

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

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

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

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

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

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

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

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

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

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2005/596**.

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

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

### **Complying with time limits**

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

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

### **Extensions of Time**

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

### **Reduced Reporting Requirements**

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

### **Contact the Registry**

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

## Information on AIRC Website

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

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

Yours sincerely



For Deputy Industrial Registrar  
27 January 2006



### Documents Checklist

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

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

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

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

Committee Of Management Statement

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

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

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

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

Title of Office held:

Signature:

Date:

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

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



**Certificate of Secretary or other Authorised Officer<sup>1</sup>**

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

<sup>2</sup>Only applicable where a concise report is provided to members

<sup>3</sup>Insert whichever is applicable

**PENNA, Belinda**

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**From:** PENNA, Belinda  
**Sent:** Wednesday, 19 July 2006 2:40 PM  
**To:** 'Jane Calvert'  
**Subject:** RE: 2005 financial report CFMEU FFPD No 2 Branch CR

Dear Jane,

Thank you for lodging your financial report. I note your comment that the originals were to be posted on Mon 3rd July. I have not received them as yet, and I was wondering if the originals contain the Secretary's Certificate, which I did not receive electronically.

regards

*Belinda Penna*  
*NSW Registry Team*  
*Australian Industrial Registry*  
belinda.penna@air.gov.au  
(02) 8374 6618

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**From:** Jane Calvert [mailto:jcalvert@cfmeuforestry.org]  
**Sent:** Friday, 30 June 2006 5:07 PM  
**To:** sydney@air.gov.au  
**Subject:** 2005 financial report CFMEU FFPD No 2 Branch

Please find attached, copies of the full and the concise financial reports for year end December 2005. I will forward the originals and the appropriate covering letter by post on Monday 3rd July.

Sincerely  
Jane Calvert  
Secretary  
CFMEU FFPD  
Vic Forestry Branch No2



CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION



FORESTRY & FURNISHING

PRODUCTS DIVISION

FORESTRY BRANCH

VICTORIA

ABN 30 267 473 953

JANE CALVERT

SECRETARY

Po Box 661  
Carlton South  
Victoria 3053

148-152 Miller St  
West Melbourne  
Victoria 3003

Ph: (03) 9274 9215  
Fax: (03) 9274 9284  
Freecall: 1800 060 556

Email:  
admin@cfmeuforestry.org

Deputy Industrial Registrar  
Australian Industrial Registry  
80 William Street  
East Sydney  
NSW 2011  
**Attention: Belinda Penna**

Dear Ms Penna,

**2005 audited Financial Reports: Victorian Forestry Branch Forestry & Furnishing  
Products Division Construction Forestry Mining & Energy Union**

I have enclosed a hard copy of the financial reports of the Victorian Forestry Branch of the CFMEU FFPD for the year ended 31 December 2005 including:

- General Purpose Financial Report
- General Purpose Concise Financial Report
- Operating Report
- Committee of Management Statement
- Auditor's Report
- Secretary's Certificate.

Other than the Secretary's certificate, all these reports/statements were sent electronically to the registry in July 2006.

The financial reports were presented to the Branch Committee of Management on the 26<sup>th</sup> May 2006, at which time it was resolved that the Operating Report be signed, the Committee of Management Statement be signed and that the General Purpose Concise Financial Report be distributed to members.

The General Purpose Concise Financial Report was distributed to all members by post on 27<sup>th</sup> May 2006.

A complete report was presented to the Branch Committee of Management at a meeting on 27<sup>th</sup> June 2006 and was adopted by the meeting. The reports were sent electronically to the Registry in July. The Secretary's certificate was subsequently completed.

If you require further information or discussion please contact me on (03) 9274 9215.

I advise that we have moved, please take a minute to amend your records.  
148-152 Miller Street  
West Melbourne  
VIC 3003  
Ph: (03) 9274 9215  
Fax: (03) 9274 9284

Sincerely

Jane Calvert  
Secretary  
1<sup>st</sup> December 2006



**Certificate of Secretary or other Authorised Officer**

S268 of Schedule 1B *Workplace relations Act 1996*

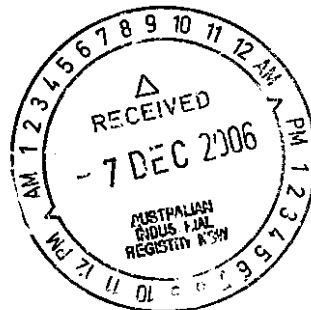
I, **Jane Calvert**, being the *Divisional Branch Secretary of the Construction Forestry Mining & Energy Union Forest & Furnishing Products Division Vic. Forestry Branch* certify:

- 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 27<sup>th</sup> May 2006; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 27<sup>th</sup> June 2006; in accordance with s266 of the RAO Schedule.

*Jane Calvert*

Signature:

Date: 1<sup>st</sup> December 2006



**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 2005**



**CONSTRUCTION FORESTRY MINING ENERGY UNION  
FORESTRY & 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 2005.

**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 loss of the Union for the financial year was \$118,126. 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 3,394.
- (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  
FORESTRY & 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  
Melissa Hodson (appointed 1 January 2005 and resigned 24 February 2006)  
Peter Woodroffe (appointed 1 January 2005 and resigned 24 February 2006)  
Jane Calvert  
Heather Rillo (appointed 1 January 2005)  
Ken Tonkin  
Shaun Waters (appointed 1 January 2005 and resigned 24 February 2006)  
Kevin Wylie  
Karyn Coghetto (appointed 1 January 2005)  
Brett Crellin (appointed 1 January 2005 and resigned 24 February 2006)  
Beverley Graham (appointed 1 January 2005 and resigned 24 February 2006)  
Michael Hooper (appointed 1 January 2005 and resigned 24 February 2006)  
Victor Illuk  
Steven Lohse  
Scott M<sup>c</sup>Gregor (appointed 1 January 2005 and resigned 24 February 2006)  
Seamus McGowan  
Neil Saunders  
Dave Van Leur (resigned 24 February 2006)  
Scott Moreland (resigned 1 January 2005)  
Leisa Mionett (appointed 24 February 2006)  
Danny Maynard (appointed 24 February 2006)  
Josh Ritalick (appointed 24 February 2006)  
Kim Sheppard (appointed 24 February 2006)  
Eddie Humphries (appointed 24 February 2006)  
Craig Power (appointed 24 February 2006)

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


**Adoption of Australian Equivalents to IFRS**


As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

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

I Mullen  
Divisional Branch President

J Calvert  
Divisional Branch Secretary

  
Signature

  
Signature

Melbourne: 29 May 2006

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Revenues	983,941	1,179,560
Administration expense	(59,330)	(57,239)
Affiliation sustentation fees and compulsory levies expense	(215,403)	(198,934)
Borrowing costs expense	(31,811)	(61,594)
Communication expense	(44,191)	(36,699)
Depreciation and amortisation expenses	(24,180)	(24,558)
Employee benefits expense	(529,485)	(459,318)
Motor vehicle expense	(46,789)	(50,938)
Occupancy expense	(83,757)	(55,949)
Bad debts and provisions for doubtful debts	(13,286)	(149,490)
Other expenses	<u>(53,835)</u>	<u>(54,101)</u>
<b>Profit/(loss) before income tax expense</b>	<b>(118,126)</b>	<b>30,740</b>
Income tax expense relating to ordinary activities	<u>-</u>	<u>-</u>
<b>Net profit/(loss) attributable to members</b>	<b><u>(118,126)</u></b>	<b><u>30,740</u></b>

**Discussion and Analysis of Income Statement**

The deficit for the year ended 2005 was \$118,126 compared with a 2004 surplus of \$30,740. This is mainly due to increased cost of building outgoings together with extraordinary Divisional levies and combined with the write off of uncollectible membership contributions.

The accompanying notes form part of these financial statements.



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

**BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	355,226	651,900
Trade and other receivables	217,277	227,015
Other current assets	15,280	22,326
<b>TOTAL CURRENT ASSETS</b>	<u>587,783</u>	<u>901,241</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	887,720	904,458
Financial assets	200,010	206,920
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,087,730</u>	<u>1,111,378</u>
<b>TOTAL ASSETS</b>	<u>1,675,513</u>	<u>2,012,619</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	258,953	530,365
Interest-bearing loans and borrowings	100,612	-
Short-term provisions	216,396	164,576
<b>TOTAL CURRENT LIABILITIES</b>	<u>575,961</u>	<u>694,941</u>
<b>NON CURRENT LIABILITIES</b>		
Interest-bearing loans and borrowings	450,000	550,000
<b>TOTAL NON CURRENT LIABILITIES</b>	<u>450,000</u>	<u>550,000</u>
<b>TOTAL LIABILITIES</b>	<u>1,025,961</u>	<u>1,244,941</u>
<b>NET ASSETS</b>	<u>649,552</u>	<u>767,678</u>
<b>EQUITY</b>		
Reserves	456,646	456,646
Retained profits	192,906	311,032
<b>TOTAL EQUITY</b>	<u>649,552</u>	<u>767,678</u>

**Discussion and Analysis of Balance Sheet**

Total assets decreased by \$337,106 or approximately 16.75% between 2004 and 2005. Total liabilities decreased by \$218,980 or approximately 17.5% mainly due to a decrease in trade and other payables. Total members funds decreased by 15% or \$118,126 from the previous year.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Retained earnings	Asset revaluation reserve	Capital reserve	Total
Balance at 1 January 2004	280,292	359,793	96,853	736,938
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	30,740	-	-	30,740
Transfers to and from reserves	-	-	-	-
<b>Balance at 31 December 2004</b>	<b>311,032</b>	<b>359,793</b>	<b>96,853</b>	<b>767,678</b>
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit/(loss) attributable to members of parent entity	(118,126)	-	-	(118,126)
Revaluation increment (decrement)	-	-	-	-
<b>Balance at 31 December 2005</b>	<b>192,906</b>	<b>359,793</b>	<b>96,853</b>	<b>649,552</b>

**Discussion and Analysis of Changes in Equity**

The loss of retained earnings due to the 2005 deficit of \$118,126 is reflected in the change in equity.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Membership contributions	924,767	880,678
Other revenue	130,058	108,641
Interest received	32,159	30,836
Interest paid	(40,133)	(61,596)
Payments to suppliers & employees	<u>(1,119,396)</u>	<u>(995,099)</u>
Net cash provided by (used in) operating activities	<u>(72,545)</u>	<u>(36,540)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
John Curtin Fund	(224,461)	79,480
Purchase of property, plant & equipment	<u>(280)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>(224,741)</u>	<u>79,480</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	300,000	-
Repayment of borrowings	<u>(299,388)</u>	<u>(150,000)</u>
Net cash provided by (used in) financing activities	<u>612</u>	<u>(150,000)</u>
Net increase/(decrease) in cash held	(296,674)	(107,060)
Cash at beginning of year	<u>651,900</u>	<u>758,960</u>
Cash at end of year	<u>355,226</u>	<u>651,900</u>

**Discussion and Analysis of Statement of Cash Flows**

Cash flows from membership contributions were up 5% to \$924,767 but this was offset by an increase in payments to suppliers and employees of 11% to \$1,119,396.

Cash assets decreased from \$651,900 at the end of 2004 to \$355,226 at the end of 2005.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

**Discussion and Analysis of Recovery of Wages Activity**

The union did not collect any wages on behalf of members throughout 2005.

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 2005**

**NOTE 1: BASIS OF PREPARATION**

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

The Concise Financial Report, including the financial statements and specific disclosures included in the Concise Financial Report, has been derived from the full financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch.

**Financial Reporting Framework**

A full description of the accounting policies adopted by Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch is provided in the 2005 Financial Report. These policies have been consistently applied to all the periods presented, unless otherwise stated.

This is the first Concise Financial Report prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS). AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" has been applied in preparing this financial report. Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

In accordance with the requirements of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

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

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows: -

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

**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 2005**

**NOTE 3: FIRST-TIME ADOPTION OF AIFRS**

**Reconciliation of equity reported under Australian Generally Accepted Accounting Principles "AGAAP" to equity under AIFRS**

There are no adjustments to report for reconciliation of equity position reported under AGAAP to equity under AIFRS at the following dates:

- (a) At the date of transition to AIFRS – 1 January 2004
- (b) At the end of the last annual reporting period under AGAAP – 31 December 2004

**Reconciliation of profit reported under AGAAP to profit under AIFRS**

There are no adjustments to report for reconciliation of profit reported under AGAAP to profit reported under AIFRS for the year ended 31 December 2004

**Reconciliation of cash flow statement for the year ended 31 December 2004 as reported under AGAAP to cash flows under AIFRS**

The adoption of AIFRS has not resulted in any adjustments to the cash flow statement

**Explanation of changes in accounting policy arising on first-time adoption of AIFRS**

First time adoption of AIFRS has not resulted in any changes to financial reports requiring explanation of changes.

**NOTE 4: FINANCIAL STATEMENTS**

The Union will provide a copy of the full financial report for the year ended 31 December 2005, 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 26 May 2006 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 2005:

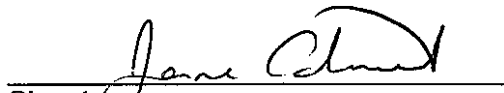
The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of Section 270 of the RAO schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (d) 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.
- (e) there was no recovery of wages activity for the financial year.

I Mullen  
Divisional Branch President

J Calvert  
Divisional Branch Secretary

  
Signature

  
Signature

Melbourne: 29 May 2006

**INDEPENDENT AUDIT REPORT  
CONSTRUCTION FORESTRY MINING ENERGY UNION  
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH**

**Scope**

We have audited the concise financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch for the financial year ended 31 December 2005 as set out on pages 3 to 10, 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 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 2005. Our audit report on the full financial report was signed on 26 May 2006, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial 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*

**MSI RAGG WEIR**  
Chartered Accountants

*L S Wong*

**L S WONG**  
Partner

Melbourne: 30 May 2006



**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 2005**

**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 2005.

**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 loss of the Union for the financial year was \$118,126. 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 3,394.
- (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  
Melissa Hodson (appointed 1 January 2005 and resigned 24 February 2006)  
Peter Woodroffe (appointed 1 January 2005 and resigned 24 February 2006)  
Jane Calvert  
Heather Rillo (appointed 1 January 2005)  
Ken Tonkin  
Shaun Waters (appointed 1 January 2005 and resigned 24 February 2006)  
Kevin Wylie  
Karyn Coghetto (appointed 1 January 2005)  
Brett Crellin (appointed 1 January 2005 and resigned 24 February 2006)  
Beverley Graham (appointed 1 January 2005 and resigned 24 February 2006)  
Michael Hooper (appointed 1 January 2005 and resigned 24 February 2006)  
Victor Illuk  
Steven Lohse  
Scott M<sup>c</sup>Gregor (appointed 1 January 2005 and resigned 24 February 2006)  
Seamus McGowan  
Neil Saunders  
Dave Van Leur (resigned 24 February 2006)  
Scott Moreland (resigned 1 January 2005)  
Leisa Mionett (appointed 24 February 2006)  
Danny Maynard (appointed 24 February 2006)  
Josh Ritalick (appointed 24 February 2006)  
Kim Sheppard (appointed 24 February 2006)  
Eddie Humphries (appointed 24 February 2006)  
Craig Power (appointed 24 February 2006)

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


**Adoption of Australian Equivalents to IFRS**


As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

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

I Mullen  
Divisional Branch President

J Calvert  
Divisional Branch Secretary

  
Signature

  
Signature

Melbourne: 26 May 2006

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
Revenues	3	983,941	1,179,560
Administration expense	4	(59,330)	(57,239)
Affiliation sustentation fees and compulsory levies expense	4	(215,403)	(198,934)
Borrowing costs expense	4	(31,811)	(61,594)
Communication expense		(44,191)	(36,699)
Depreciation and amortisation expenses	4	(24,180)	(24,558)
Employee benefits expense	4	(529,485)	(459,318)
Motor vehicle expense	4	(46,789)	(50,938)
Occupancy expense		(83,757)	(55,949)
Bad debts and provisions for doubtful debts		(13,286)	(149,490)
Other expenses	4	<u>(53,835)</u>	<u>(54,101)</u>
<b>Profit/(loss) before income tax expense</b>	4	(118,126)	30,740
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit/(loss) attributable to members		<u>(118,126)</u>	<u>30,740</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**

**BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	Note	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	355,226	651,900
Trade and other receivables	6	217,277	227,015
Other current assets	7	15,280	22,326
<b>TOTAL CURRENT ASSETS</b>		<u>587,783</u>	<u>901,241</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	887,720	904,458
Financial assets	9	200,010	206,920
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,087,730</u>	<u>1,111,378</u>
<b>TOTAL ASSETS</b>		<u>1,675,513</u>	<u>2,012,619</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	258,953	530,365
Interest-bearing loans and borrowings	11	100,612	-
Short-term provisions	12	216,396	164,576
<b>TOTAL CURRENT LIABILITIES</b>		<u>575,961</u>	<u>694,941</u>
<b>NON CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	11	450,000	550,000
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>450,000</u>	<u>550,000</u>
<b>TOTAL LIABILITIES</b>		<u>1,025,961</u>	<u>1,244,941</u>
<b>NET ASSETS</b>		<u>649,552</u>	<u>767,678</u>
<b>EQUITY</b>			
Reserves		456,646	456,646
Retained profits		192,906	311,032
<b>TOTAL EQUITY</b>		<u>649,552</u>	<u>767,678</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 CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	Retained earnings	Asset revaluation reserve	Capital reserve	Total
Balance at 1 January 2004	280,292	359,793	96,853	736,938
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit attributable to members of parent entity	30,740	-	-	30,740
Revaluation increment (decrement)	-	-	-	-
<b>Balance at 31 December 2004</b>	<b>311,032</b>	<b>359,793</b>	<b>96,853</b>	<b>767,678</b>
Retrospective adjustment upon change in accounting policy	-	-	-	-
Profit/(loss) attributable to members of parent entity	(118,126)	-	-	(118,126)
Revaluation increment (decrement)	-	-	-	-
<b>Balance at 31 December 2005</b>	<b>192,906</b>	<b>359,793</b>	<b>96,853</b>	<b>649,552</b>

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 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Membership contributions		924,767	880,678
Other revenue		130,058	108,641
Interest received		32,159	30,836
Interest paid		(40,133)	(61,596)
Payments to suppliers & employees		<u>(1,119,396)</u>	<u>(995,099)</u>
Net cash provided by (used in) operating activities	18b	<u>(72,545)</u>	<u>(36,540)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
John Curtin Fund		(224,461)	79,480
Purchase of property, plant & equipment		<u>(280)</u>	<u>-</u>
Net cash provided by (used in) investing activities		<u>(224,741)</u>	<u>79,480</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		300,000	-
Repayment of borrowings		<u>(299,388)</u>	<u>(150,000)</u>
Net cash provided by (used in) financing activities		<u>612</u>	<u>(150,000)</u>
Net increase/(decrease) in cash held		(296,674)	(107,060)
Cash at beginning of year		<u>651,900</u>	<u>758,960</u>
Cash at end of year	18a	<u>355,226</u>	<u>651,900</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 RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	<hr/>	<hr/>
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	<hr/>	<hr/>
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	<hr/>	<hr/>

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 2005**

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

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

The financial report of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

**Basis of Preparation**

**First-time Adoption of Australian Equivalents to International Financial Reporting Standards**

Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (IFRS) from 1 January 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The Union has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

**a. Income Tax**

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

**b. 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.

**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 2005**

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

**b. Property, Plant and Equipment continued**

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

**Depreciation**

The depreciable amount of all fixed assets including buildings 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%

**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 and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**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 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**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

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

**f. Revenue continued**

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 Balance Sheet are shown inclusive of GST.

**h. Comparative Figures**

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

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

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows: -

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

	2005	2004
	\$	\$

**NOTE 3: REVENUE**

**Operating activities**

Membership subscriptions	834,369	1,039,480
Interest	31,087	31,439
Office administrative and other services	61,000	79,542
Others	57,485	29,099
	983,941	1,179,560
Total revenue	983,941	1,179,560

**CONSTRUCTION FORESTRY MINING ENERGY UNION  
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ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>NOTE 4: LOSS FROM ORDINARY ACTIVITIES</b>		
Loss from ordinary activities before income tax expense has been determined after:		
<b>EXPENSES</b>		
<b>Administration expense</b>		
Bank charges	1,123	1,902
Consulting fees	1,664	-
Insurance	12,099	11,116
Legal fees	27,695	29,108
Postage and freight	3,324	2,630
Printing and stationery	2,625	1,797
Remuneration of auditor		
- audit	7,900	7,900
- other services	2,070	560
Staff amenities	421	2,226
Subscriptions	409	-
	59,330	57,239
<b>Affiliation, sustentation fees and compulsory levies</b>		
Affiliation fees:		
- Australian Labour Party	14,274	13,400
- Progressive Union	50	-
- Trades and Labour Councils		
- Ballarat	811	1,198
- Geelong	120	120
- Gippsland	(1,282)	1,604
- South West	100	100
- Victorian Trades Hall	7,276	7,025
Sustentation fees:		
- CFMEU Forestry and Furnishing Products Division National Office	166,874	174,110
Compulsory Levies:		
- ACTU Industrial Campaign	10,611	-
- CFMEU Forestry and Furnishing Products Division National Council		
- New South Wales Branch	15,000	-
- Victorian Trades Hall Council		
- campaign levy		
- women's levy	763	744
- juniors levy	423	410
- young unionists levy	383	223
	215,403	198,934
<b>Borrowing costs expense</b>		
Interest paid	31,811	61,594

**CONSTRUCTION FORESTRY MINING ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	2005 \$	2004 \$
<b>NOTE 4: LOSS FROM ORDINARY ACTIVITIES continued</b>		
<b>Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment	17,270	18,558
Amortisation of inscribed stock	6,910	6,000
	24,180	24,558
<b>Employee benefits expense</b>		
Salaries and allowances		
- elected officials	64,631	136,741
- employees	318,534	225,270
Superannuation contributions		
- elected officials	9,322	13,465
- employees	40,275	31,249
Provision for annual leave		
- elected officials	3,279	(3,348)
- employees	11,663	14,631
Provision for long service leave		
- elected officials	2,218	(9,651)
- employees	(9,590)	5,444
Provision for sick leave		
- elected officials	4,854	-
- employees	20,915	-
Provision for recognition of service		
- elected officials	(2,899)	(8,879)
- employees	21,380	8,134
Other		
- fringe benefit tax	10,515	15,106
- health and well being allowance	1,044	-
- payroll tax	22,509	25,499
- Workcover levy	10,835	5,657
	529,485	459,318
<b>Motor vehicle expense</b>		
Rental expense on operating base	8,732	21,990
Other expenses	38,057	28,948
	46,789	50,938
<b>Other expenses</b>		
Conferences and meetings		
- Committee of Management	8,141	7,583
- Executive committee	275	28
Donations:		
- Child Labour Schools company	1,000	-
- West Gippsland Football Club	-	110
Other expenses	44,419	46,380
	53,835	54,101

**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 2005**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	100	100
Cash at bank	285,270	356,709
Cash at bank – John Curtin Fund	69,856	295,091
	<u>355,226</u>	<u>651,900</u>
 <b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Members contributions	99,647	241,242
Sundry debtors	158,805	153,056
Accrued income	2,784	3,657
	<u>261,236</u>	<u>397,955</u>
Less provision for doubtful debts - members contributions	<u>(43,959)</u>	<u>(170,940)</u>
	<u>217,277</u>	<u>227,015</u>
 <b>NOTE 7: OTHER CURRENT ASSETS</b>		
Prepayments	<u>15,280</u>	<u>22,326</u>
 <b>NOTE 8: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
Freehold Land – Swanston Street at committee of management valuation 31 December 2003	<u>360,122</u>	<u>360,122</u>
Buildings – Swanston Street at committee of management valuation 31 December 2003	539,878	539,878
Less accumulated depreciation	<u>(26,994)</u>	<u>(13,534)</u>
Total buildings at committee of management valuation 31 December 2003	<u>512,884</u>	<u>526,344</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u>873,006</u>	<u>886,466</u>
 <b>PLANT AND EQUIPMENT</b>		
Plant and equipment – at cost	127,139	126,644
Less accumulated depreciation	<u>(112,425)</u>	<u>(108,652)</u>
	<u>14,714</u>	<u>17,992</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>887,720</u>	<u>904,458</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 2005**

**NOTE 8: PROPERTY, PLANT AND EQUIPMENT continued**

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.

Ownership of the land and buildings at 500 Swanston Street, Carlton South, is registered in the name of the CFMEU as a Federally Registered Union. The National Executive of the Federal body of the CFMEU resolved that the title to the first floor (Lot 2) be held in trust on behalf of the CFMEU Forest & Furnishing Products Division, No. 2 Victorian Branch and the CFMEU Forestry & Furnishing Products Division, No. 7 Pulp & Paper Workers' Branch equally and that the occupancy, control and care belong exclusively to those bodies.

The National Executive of the Federal body 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	886,466	17,992	904,458
Additions	-	280	280
Adjustments	37	215	252
Amortisation/depreciation expense	(13,497)	(3,773)	(17,270)
<b>Carrying amount at the end of financial year</b>	<b>873,006</b>	<b>14,714</b>	<b>887,220</b>

**2005**  
**\$**

**2004**  
**\$**

**NOTE 9: FINANCIAL ASSETS**

Inscribed stock	212,910	212,910
Less: accumulated amortisation	(12,910)	(6,000)
	<u>200,000</u>	<u>206,910</u>
Shares in unlisted company	10	10
	<u>200,010</u>	<u>206,920</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 2005**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
GST Collected	10,507	3,782
Legal costs payable	24,262	91
Sundry creditors	153,379	231,226
John Curtin Fund	70,805	295,266
	<u>258,953</u>	<u>530,365</u>
<b>NOTE 11: INTEREST BEARING LOANS AND BORROWINGS</b>		
<b>CURRENT</b>		
Bank loan secured	100,612	-
<b>NON CURRENT</b>		
Bank loan secured	-	400,000
John Curtin Fund - unsecured	450,000	150,000
	<u>450,000</u>	<u>550,000</u>
<p>The bank loan is secured by registered first mortgage over the 1<sup>st</sup> Floor of 500 Swanston Street, Carlton South. The guarantor of the loan is CFMEU Forest and Furnishing Products Division National Executive.</p>		
<b>NOTE 12: PROVISIONS</b>		
Employee entitlements:		
Provision for annual leave		
- elected officials	12,643	10,266
- employees	39,413	26,848
	<u>52,056</u>	<u>37,114</u>
Provision for long service leave		
- elected officials	18,851	17,976
- employees	31,946	40,193
	<u>50,797</u>	<u>58,169</u>
Provision for sick leave		
- elected officials	4,531	-
- employees	21,238	-
	<u>25,769</u>	-
Provision for recognition of service		
- elected officials	16,993	21,116
- employees	70,781	48,177
	<u>87,774</u>	<u>69,293</u>
Total Employee Entitlements	<u>216,396</u>	<u>164,576</u>
Number of employees at year end	6	6



**CONSTRUCTION FORESTRY MINING ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**NOTE 13: CONTINGENT LIABILITIES**

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

**NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE**

Following the conclusion of the financial reporting period and prior to the conclusion of this financial report, the property known as 1<sup>st</sup> Floor, (Lot 2), 500 Swanston Street, Carlton South, was sold to the CFMEU Construction and General Division, Victorian Divisional Branch for \$1,225,000 being the Union's share of the proceeds on sale.

On 31<sup>st</sup> January 2006, under authority of a resolution of the National Executive of the CFMEU Forestry & Furnishing Products Division, A.C.N. 117 909 127 Pty Ltd, which is now the registered owner, concluded the purchase of the property known as 152-156 Miller Street, West Melbourne. The National Executive of the CFMEU Forestry & Furnishing Products Division resolved that the occupancy, control and care of the property as beneficial owners, belong exclusively to the CFMEU Forestry & Furnishing Products Division, No. 2 Victorian Branch and the CFMEU Forestry & Furnishing Products Division, No. 7 Pulp & Paper Workers' Branch equally.

**NOTE 15: RELATED PARTY TRANSACTIONS**

The names of committee of management of the Reporting Unit who have held office during the financial year are:

Ian Mullen  
Kim Mason  
Melissa Hodson (appointed 1 January 2005 and resigned 24 February 2006)  
Peter Woodroffe (appointed 1 January 2005 and resigned 24 February 2006)  
Jane Calvert  
Heather Rillo (appointed 1 January 2005)  
Ken Tonkin  
Shaun Waters (appointed 1 January 2005 and resigned 24 February 2006)  
Kevin Wylie  
Karyn Coghetto (appointed 1 January 2005)  
Brett Crellin (appointed 1 January 2005 and resigned 24 February 2006)  
Beverley Graham (appointed 1 January 2005 and resigned 24 February 2006)  
Michael Hooper (appointed 1 January 2005 and resigned 24 February 2006)  
Victor Illuk  
Steven Lohse  
Scott M<sup>c</sup>Gregor (appointed 1 January 2005 and resigned 24 February 2006)  
Seamus McGowan  
Neil Saunders  
Dave Van Leur (resigned 24 February 2006)  
Scott Moreland (resigned 1 January 2005)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$64,631.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$9,322.

**CONSTRUCTION FORESTRY MINING ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**NOTE 15: RELATED PARTY TRANSACTIONS continued**

(b) The aggregate amount of remuneration paid to other persons on the committee of management was as follows: -

- loss of wages \$1,262
- travel \$2,458

(c) Apart from the above, there were no other transactions between the officers of the Reporting Unit other than those relating to their membership of the Reporting Unit and reimbursement by the Reporting Unit in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**NOTE 16: ECONOMIC DEPENDENCE**

The principle source of income for the Reporting Unit is from membership fees. The Reporting Unit is economically dependent upon the membership levels and fees.

**NOTE 17: SEGMENT REPORTING**

The reporting unit operates predominantly in one industry, being the forest and forest product sector. The business operates predominantly in one geographical area being Victoria, Australia.

<b>2005</b>	<b>2004</b>
<b>\$</b>	<b>\$</b>

**NOTE 18: CASH FLOW INFORMATION**

**a. Reconciliation of Cash**

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

Cash on hand	100	100
Cash at bank	285,270	356,709
Cash in special purpose fund assets	69,856	295,091
	355,226	651,900

**b. Reconciliation of Cash Flow from Operations with  
Net Profit/(loss) attributable to members**

Net profit/(loss)	(118,126)	30,740
Amortisation	6,910	6,000
Depreciation	17,270	18,558
Non cash adjustment property, plant & equipment	(252)	-
Loss on sale of fixed assets	-	859
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	136,719	(136,379)
(Increase)/decrease in other current assets	7,046	5,890
Increase/(decrease) in trade and other payables	(46,951)	(133,569)
Increase/(decrease) in provisions	51,820	6,331
Increase/(decrease) in provision for doubtful debt	(126,981)	165,030
Cash flows from operations	(72,545)	(36,540)

**CONSTRUCTION FORESTRY MINING ENERGY UNION  
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ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**NOTE 18: CASH FLOW INFORMATION continued**

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

The Union has a loan facility amounting to \$100,612 (2004: \$400,000). At 31 December 2005 \$100,612 of this facility was used (2004: \$400,000). Interest rates are variable.

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

**NOTE 19: 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:

2005	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 \$	
<b>Financial Assets</b>							
Cash at bank	5	5.5	344,994	-	-	10,232	355,226
Receivables	6	-	-	-	-	217,277	217,277
Investments	9	10.25	200,000	-	-	10	200,010
<b>Total Financial Assets</b>			<b>544,994</b>	<b>-</b>	<b>-</b>	<b>227,519</b>	<b>772,513</b>
<b>Financial Liabilities</b>							
Payables	10	-	-	-	-	258,953	258,953
Bank loan	11	7.2	-	100,612	-	-	100,612
Non bank loan	11	5.0	-	-	450,000	-	450,000
<b>Total Financial Liabilities</b>			<b>-</b>	<b>100,612</b>	<b>450,000</b>	<b>258,953</b>	<b>809,565</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>544,994</b>	<b>(100,612)</b>	<b>(450,000)</b>	<b>(31,434)</b>	<b>(37,052)</b>

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 \$	
<b>Financial Assets</b>							
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
<b>Total Financial Assets</b>			<b>858,710</b>	<b>-</b>	<b>-</b>	<b>227,125</b>	<b>1,085,835</b>
<b>Financial Liabilities</b>							
Payables	10	-	-	-	-	530,365	530,365
Bank loans	11	7.0	-	-	400,000	-	400,000
Non bank loan	11	5.0	-	-	150,000	-	150,000
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>550,000</b>	<b>530,365</b>	<b>1,080,365</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>858,710</b>	<b>-</b>	<b>(550,000)</b>	<b>(303,240)</b>	<b>5,470</b>

**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 2005**

	2005 \$	2004 \$
<b>NOTE 19: FINANCIAL INSTRUMENTS continued</b>		
<b>a. Reconciliation of Net Financial Assets to Net Assets</b>		
Net Financial assets as above	(37,052)	5,470
Non-Financial assets and liabilities		
Prepayments	7            15,280	22,326
Property, plant and equipment	8            887,720	904,458
Employee entitlements	12           (216,396)	(164,576)
	649,552	767,678
Net assets per balance sheet		

**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 balance sheet 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**

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 balance sheet and in the notes to the financial statements.

**NOTE 20: FIRST-TIME ADOPTION OF AIFRS**

**Reconciliation of equity reported under Australian Generally Accepted Accounting Principles "AGAAP" to equity under AIFRS**

There are no adjustments to report for reconciliation of equity position reported under AGAAP to equity under AIFRS at the following dates:

- (a) At the date of transition to AIFRS – 1 January 2004
- (b) At the end of the last annual reporting period under AGAAP – 31 December 2004

**Reconciliation of profit reported under AGAAP to profit under AIFRS**

There are no adjustments to report for reconciliation of profit reported under AGAAP to profit reported under AIFRS for the year ended 31 December 2004

**Reconciliation of cash flow statement for the year ended 31 December 2004 as reported under AGAAP to cash flows under AIFRS**

The adoption of AIFRS has not resulted in any adjustments to the cash flow statement

**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 2005**

**NOTE 20: FIRST-TIME ADOPTION OF AIFRS continued**

**Explanation of changes in accounting policy arising on first-time adoption of AIFRS**

First time adoption of AIFRS has not resulted in any changes to financial reports requiring explanation of changes. Accounting policies adopted by the union are explained in Note 1.

**NOTE 21: 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**

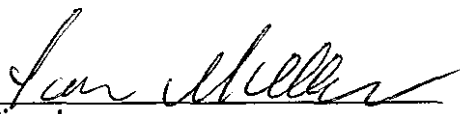
On 26 May 2006 the Committee of Management of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2005:

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

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of Section 270 of the RAO schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (d) 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.
- (e) there was no recovery of wages activity for the financial year.

I Mullen  
Divisional Branch President

J Calvert  
Divisional Branch Secretary

  
Signature

  
Signature

Melbourne: 26 May 2006

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING ENERGY UNION FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH

#### Scope

##### The financial report and committee's responsibility

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of receipts and payments for recovery of wages activity, accompanying notes to the financial statements, and committee of management certificate of the Construction Forestry Mining Energy Union Forest & Furnishing Products Division Victorian Forestry No 2 Branch (Reporting Unit) for the year ended 31 December 2005.

The reporting unit's committee of management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 and Accounting Standards. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

##### Audit Approach

We conducted an independent audit in order to express an opinion to the members of the reporting unit. Our audit was conducted in accordance with Australian Auditing Standards and Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and whether it properly and fairly reports all information in relation to recovery of wages activity. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the reporting unit's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

##### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT continued**

**TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING ENERGY UNION  
FOREST & FURNISHING PRODUCTS DIVISION VICTORIAN FORESTRY NO 2 BRANCH**

**Audit Opinion**

In our opinion, the financial report of the Reporting Unit:

- (a) presents a true and fair view in accordance with the provisions of the Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Reporting Unit as at 31 December 2005 and the results of its operations and its cash flows for the year then ended.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, including;
  - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  - (ii) any donations or other contributions deducted from recovered money.

*MSI Raggweir*

**MSI RAGG WEIR**  
Chartered Accountants

*L S Wong*

**L S WONG**  
Partner

Melbourne: 26 May 2006





**Australian Government**  
**Australian Industrial Registry**

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Ms Jane Calvert  
Secretary, Victorian Forestry Divisional Branch  
Forestry & Furnishing Products Division  
Construction, Forestry, Mining and Energy Union  
PO Box 661  
CARLTON SOUTH VIC 3053

Dear Ms Calvert

**Re: Lodgement of Financial Statements and Accounts – Forestry & Furnishing  
Products Division, Victorian Branch – for year ending 31 December 2005 (FR2005/596)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 7 December 2006.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink that reads 'Stephen Kellett'.

Stephen Kellett  
for Deputy Industrial Registrar

12 December 2006