



FAIR WORK
AUSTRALIA

7 February 2011

Mr Barry Disken
Financial Controller, Forestry and Furnishing Products Division
CFMEU
148-152 Miller Street
WEST MELBOURNE VIC 3003



Dear Mr Disken

**Re: Lodgement of Financial Statements and Accounts – various –
for year ending 31 December 2008**

I refer to the financial statements and accounts for the following reporting entities, which were lodged with Fair Work Australia on 3 February 2011:

National (Divisional) Office (FR2008/565)

New South Wales Branch (FR2008/573)

South Australia Branch (FR2008/533)

Tasmania Branch (FR2008/568)

Victoria Branch (FR2008/541)

Western Australia Branch (FR2008/553)

The documents comply with the legislative requirements and have been filed.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Fair Work Australia

**CERTIFICATE BY SECRETARY OR PRESCRIBED
DESIGNATED OFFICER**

S268 Fair Work (Registered Organisations) Act 2009

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Victorian Forestry No 2 Branch for the year ended 31 December 2008.

- are copies of the documents provided to members from 20 December 2010.
- were subsequently presented to a meeting in accordance with section 266, being a meeting committee of management held on 2 February 2011.



National Secretary
Construction, Forestry, Mining & Energy Union
Forestry, Furnishing Building and Manufacturing Division

Date 2 February 2011

RECEIVED
3-2-11

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS
AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry Mining Energy Union Forestry, Furnishing, Building Products Division - Victorian Forestry No 2 Branch ('Union / Reporting Unit'), presents the Operating Report of the Reporting Unit for the financial year ended 31 December 2008.

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 \$95,151 (2007: \$380,083). 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.

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

Except for the above 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 Rule 11 of the Union's rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, 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).

As of 1 July 2008, the Timber Industry Superannuation Scheme and Pulp and Paper Workers Superannuation Fund merged with the FIRST Superannuation Fund to form a combined entity known as FIRST Superannuation Fund.

No other officer or member of the Union acts:

- (i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

OPERATING REPORT continued

Other Prescribed Information

In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

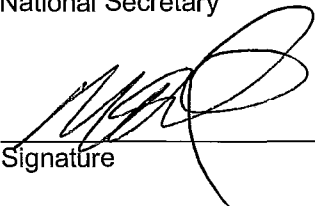
- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 1,838.
- (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 7.
- (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	Position
Kim Mason	Divisional Branch President
Ian Mullen	Divisional Branch Senior Vice President
Danny Maynard	Divisional Branch Vice President (resigned 31 December 2008)
Jane Calvert	Divisional Branch Secretary
Heather Rillo	Divisional Branch Trustee (AA) (resigned 31 December 2008)
Ken Tonkin	Divisional Branch Trustee (resigned 31 December 2008)
Karyn Coghetto	Divisional Committee of Management (AA)
Kerryn Doll	Divisional Committee of Management (AA)
Ian Fullerton	Divisional Committee of Management
Eddie Humphries	Divisional Committee of Management (resigned 31 December 2008)
Victor Illuk	Divisional Committee of Management
Steven Lohse	Divisional Committee of Management (resigned 31 December 2008)
Craig Power	Divisional Committee of Management
Josh Ritalick	Divisional Committee of Management (resigned 31 December 2008)
Neil Saunders	Divisional Committee of Management (resigned 31 December 2008)
Kim Sheppard	Divisional Committee of Management (resigned 20 June 2008)
Kevin Wylie	Divisional Committee of Management (resigned 31 December 2008)

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:

M O'Connor
National Secretary



Signature

J Calvert
National President



Signature

Melbourne: 17 November 2010

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
Revenue	3	895,888	845,928
Administration expense	4	(96,319)	(259,916)
Affiliation sustentation fees and compulsory levies expense	4	(188,221)	(223,253)
Borrowing costs expense	4	(22,500)	(29,079)
Communication expense		(29,632)	(36,777)
Depreciation and amortisation expenses	4	(6,223)	(2,046)
Employee benefits expense	4	(496,655)	(653,189)
Motor vehicle expense	4	(48,458)	(30,879)
Bad debts and provisions for doubtful debts		(27,807)	62,161
Other expenses	4	<u>(75,224)</u>	<u>(53,033)</u>
(Loss) before income tax expense		(95,151)	(380,083)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
(Loss) attributable to members		<u>(95,151)</u>	<u>(380,083)</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	332,355	597,124
Trade and other receivables	6	183,482	220,082
Other current assets	7	<u>6,963</u>	<u>17,164</u>
TOTAL CURRENT ASSETS		<u>522,800</u>	<u>834,370</u>
NON-CURRENT ASSETS			
Trade and other receivables	6	1,022,957	1,022,957
Property, plant and equipment	8	31,886	6,763
Financial assets	9	<u>10</u>	<u>10</u>
TOTAL NON-CURRENT ASSETS		<u>1,054,853</u>	<u>1,029,730</u>
TOTAL ASSETS		<u>1,577,653</u>	<u>1,864,100</u>
CURRENT LIABILITIES			
Trade and other payables	10	573,987	703,969
Short-term provisions	12	<u>156,312</u>	<u>217,626</u>
TOTAL CURRENT LIABILITIES		<u>730,299</u>	<u>921,595</u>
NON CURRENT LIABILITIES			
Borrowings	11	<u>450,000</u>	<u>450,000</u>
TOTAL NON CURRENT LIABILITIES		<u>450,000</u>	<u>450,000</u>
TOTAL LIABILITIES		<u>1,180,299</u>	<u>1,371,595</u>
NET ASSETS		<u>397,354</u>	<u>492,505</u>
EQUITY			
Reserves		456,646	456,646
Retained profits/ (accumulated losses)		<u>(59,292)</u>	<u>35,859</u>
TOTAL EQUITY		<u>397,354</u>	<u>492,505</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Retained earnings/ (accumulated losses) \$	Asset realisation reserve \$	Capital reserve \$	Total \$
Balance at 1 January 2007	415,942	359,793	96,853	872,588
Loss attributable to members of parent entity	(380,083)	-	-	(380,083)
Balance at 1 January 2008	35,859	359,793	96,853	492,505
Loss attributable to members of parent entity	(95,151)	-	-	(95,151)
Balance at 31 December 2008	(59,292)	359,793	96,853	397,354

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Membership contributions		844,923	806,766
Other revenue		34,910	71,678
Interest received		17,216	26,887
Interest paid		(22,500)	(2,079)
Payments to suppliers & employees		<u>(1,107,972)</u>	<u>(997,693)</u>
Net cash provided by / (used in) operating activities	18b	<u>(233,423)</u>	<u>(94,441)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant & equipment		-	(3,640)
Purchase of motor vehicle		(31,346)	(6,591)
Proceeds from the sale of motor vehicle		<u>-</u>	<u>5,455</u>
Net cash provided by/ (used in) investing activities		<u>(31,346)</u>	<u>(4,776)</u>
Net increase/(decrease) in cash held		(264,769)	(99,217)
Cash at beginning of year		<u>597,124</u>	<u>696,341</u>
Cash at end of year	18a	<u>332,355</u>	<u>597,124</u>

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING 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 2008**

	2008 \$	2007 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
Total receipts	-	-
Payments		
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	-	-
	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-

The accompanying notes form part of these financial statements.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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 Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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. Revenue

Revenue from membership is recognised on a receipt basis.

This is a change in accounting policy from the previous years when revenue has been recognised on an accruals basis.

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

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

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. Impairment of Assets

At each reporting date, the Union review the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

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. 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 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.

The depreciation rates used for each class of assets are:

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

g. 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.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

h. Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Union becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Derecognition

Financial assets are derecognised where the contractual rights to cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at nominal value.

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

i. 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.

Cash flows are presented in the cash flow statement on a gross basis, except for GST component of investing and financing activities, which are disclosed as operating cash flows.

j. Comparative Figures

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

k. Critical Accounting Estimates and Judgements

The committee of management members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

Key Estimates

The committee of management members assesses impairment at each reporting date by evaluating conditions specific to the union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

Key Judgements

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
NOTE 3: REVENUE		
Operating activities		
Membership subscriptions	844,923	747,391
Interest	16,055	26,859
Office administrative and other services	30,000	55,000
Others	4,910	16,678
	<u>895,888</u>	<u>845,928</u>
Total revenue		

NOTE 4: LOSS FROM ORDINARY ACTIVITIES

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

EXPENSES

Administration expense

Bank charges	1,587	1,356
Consulting fees	-	1,055
Insurance	12,620	14,412
Legal fees	475	34,133
National Office administration charges	60,000	203,640
Postage and freight	1,620	1,126
Printing and stationery	8,431	3,514
Remuneration of auditor		
- audit	10,270	-
- other services	-	-
Staff amenities	1,316	680
	<u>96,319</u>	<u>259,916</u>

From the year ended 31 December 2007, audit fees were paid for on behalf of this Branch by the Construction, Forestry, Mining and Energy Union National Office.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
NOTE 4: LOSS FROM ORDINARY ACTIVITIES continued		
Affiliation, sustentation fees and compulsory levies		
Affiliation fees:		
- Australian Labour Party	8,085	8,085
- Trades and Labour Councils		
- Ballarat	959	608
- Geelong	172	130
- South West	25	100
- Victorian Trades Hall	8,281	7,904
Sustentation fees:		
- CFMEU Forestry and Furnishing Products Division National Office	168,985	174,412
Compulsory Levies:		
- CFMEU Forestry and Furnishing Products Division National Office		
- ACTU Industrial Campaign	-	30,350
- Victorian Trades Hall Council		
- campaign levy	857	828
- women's levy	481	460
- young unionists levy	376	376
	188,221	223,253
 Borrowing costs expense		
Interest paid	22,500	29,079
 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	6,223	2,046

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
NOTE 4: LOSS FROM ORDINARY ACTIVITIES continued		
Employee benefits expense		
Salaries and allowances		
- elected officials	73,507	67,067
- employees	310,408	416,213
Superannuation contributions		
- elected officials	11,665	9,200
- employees	53,171	45,290
Provision for annual leave		
- elected officials	(14,529)	6,001
- employees	1,033	8,672
Termination payments		
- employees	67,039	89,803
Provision for long service leave		
- elected officials	(9,761)	7,587
- employees	545	(21,464)
Provision for sick leave		
- elected officials	(3,338)	975
- employees	2,699	(5,469)
Provision for RDO		
- elected officials	550	5,277
- employees	(435)	4,072
Provision for recognition of service		
- elected officials	(21,253)	7,339
- employees	(16,825)	(23,593)
Other		
- fringe benefit tax	10,513	833
- health and well being allowance	-	273
- payroll tax	26,098	25,547
- Work cover levy	5,568	9,566
	496,655	653,189
Motor vehicle expense		
Rental expense on operating lease	2,626	833
Other expenses	45,832	30,046
	48,458	30,879

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
NOTE 4: LOSS FROM ORDINARY ACTIVITIES continued		
Other expenses		
Conferences and meetings		
- Committee of Management	7,858	2,285
- Other	286	-
Donations:		
- Ballarat Trades Hall	-	336
- Sponsorship of Carter Holt Harvey Myrtleford Members	-	534
Other expenses	67,081	49,878
	<u>75,225</u>	<u>53,033</u>
 NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	230,575	499,282
Cash at bank – John Curtin Fund	101,780	97,842
	<u>332,355</u>	<u>597,124</u>
 NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Owing by CFMEU FFPD National Office	25,991	25,191
Owing by CFMEU FFPD New South Wales Divisional Branch	57	9,087
Owing by CFMEU Pulp & Paper Workers' Branch	2,080	2,080
Owing by CFMEU FFPD Tasmanian Divisional Branch	2,688	2,688
Owing by CFMEU FFTS Victorian Divisional Branch	707	29,131
Sundry debtors	150,063	127,188
GST Receivable	1,502	23,162
Accrued income	394	1,555
	<u>183,482</u>	<u>220,082</u>
 NON CURRENT		
Sundry debtors	1,022,957	1,022,957
 NOTE 7: OTHER CURRENT ASSETS		
Prepayments	6,963	17,164

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

PLANT AND EQUIPMENT		
Plant and equipment – at cost	60,965	60,965
Less accumulated depreciation	<u>(56,126)</u>	<u>(54,202)</u>
TOTAL PLANT AND EQUIPMENT	4,839	6,763
MOTOR VEHICLE		
Motor Vehicle – at cost	31,346	-
Less accumulated depreciation	<u>(4,299)</u>	<u>-</u>
TOTAL MOTOR VEHICLE	27,047	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	31,886	6,763

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	Motor Vehicle \$	Plant and equipment \$	Total \$
Balance at the beginning of year	-	6,763	6,763
Additions	31,346	-	31,346
Amortisation/depreciation expense	<u>(4,299)</u>	<u>(1,924)</u>	<u>(6,223)</u>
Carrying amount at the end of financial year	27,047	4,839	31,886
		2008	2007
		\$	\$

NOTE 9: FINANCIAL ASSETS

Shares in unlisted company	<u>10</u>	<u>10</u>
----------------------------	-----------	-----------

NOTE 10: TRADE AND OTHER PAYABLES

Owing to CFMEU Forestry & Furnishing Products Division National office	51,728	101,436
Owing to CFMEU Pulp & Paper Workers' Branch	8,292	8,948
Sundry creditors		
- Owing to John Curtin Fund	207,115	130,869
- Other	204,866	363,936
John Curtin Fund	<u>101,986</u>	<u>98,780</u>
	573,987	703,969

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
NOTE 11: BORROWINGS		
NON CURRENT		
John Curtin Fund - unsecured	<u>450,000</u>	<u>450,000</u>
 NOTE 12: PROVISIONS		
Employee entitlements:		
Provision for annual leave		
- elected officials	10,556	25,085
- employees	<u>24,436</u>	<u>23,403</u>
	<u>34,992</u>	<u>48,488</u>
Provision for long service leave		
- elected officials	29,923	39,684
- employees	<u>15,321</u>	<u>14,776</u>
	<u>45,244</u>	<u>54,460</u>
Provision for sick leave		
- elected officials	8,517	11,855
- employees	<u>17,336</u>	<u>14,637</u>
	<u>25,853</u>	<u>26,492</u>
Provision for RDO		
- elected officials	5,827	5,277
- employees	<u>3,637</u>	<u>4,072</u>
	<u>9,464</u>	<u>9,349</u>
Provision for recognition of service		
- elected officials	21,852	43,105
- employees	<u>18,907</u>	<u>35,732</u>
	<u>40,759</u>	<u>78,837</u>
Total Employee Entitlements	<u>156,312</u>	<u>217,626</u>
Number of employees at year end	<u>7</u>	<u>7</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION
AND RELATED PARTY TRANSACTIONS**

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

Name	Position
Kim Mason	Divisional Branch President
Ian Mullen	Divisional Branch Senior Vice President
Danny Maynard	Divisional Branch Vice President (resigned 31 December 2008)
Jane Calvert	Divisional Branch Secretary
Heather Rillo	Divisional Branch Trustee (AA) (resigned 31 December 2008)
Ken Tonkin	Divisional Branch Trustee (resigned 31 December 2008)
Karyn Coghetto	Divisional Committee of Management (AA)
Kerryn Doll	Divisional Committee of Management (AA)
Ian Fullerton	Divisional Committee of Management
Eddie Humphries	Divisional Committee of Management (resigned 31 December 2008)
Victor Illuk	Divisional Committee of Management
Steven Lohse	Divisional Committee of Management (resigned 31 December 2008)
Craig Power	Divisional Committee of Management
Josh Ritalick	Divisional Committee of Management (resigned 31 December 2008)
Neil Saunders	Divisional Committee of Management (resigned 31 December 2008)
Kim Sheppard	Divisional Committee of Management (resigned 20 June 2008)
Kevin Wylie	Divisional Committee of Management (resigned 31 December 2008)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$73,507 (2007: \$67,067). The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$11,665 (2007: \$9,200).
- (b) The aggregate amount of remuneration paid to other persons on the committee of management was as follows: -
- | | |
|-----------------|--------------------------|
| - loss of wages | \$2,184 (2007: \$1,019). |
|-----------------|--------------------------|
- (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.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 14: EVENTS SUBSEQUENT TO REPORTING DATE

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

NOTE 15: CONTINGENT LIABILITIES

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

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.

2008	2007
\$	\$

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 at bank	230,575	499,282
Cash in special purpose fund assets	101,780	97,842
	<u>332,355</u>	<u>597,124</u>

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
NOTE 18: CASH FLOW INFORMATION continued		
b. Reconciliation of Cash Flow from Operations with (Loss) attributable to members		
(Loss)	(95,151)	(380,083)
Depreciation	6,223	2,046
Loss on sale of fixed assets	-	351
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	36,600	98,147
(Increase)/decrease in other current assets	10,201	2,964
Increase/(decrease) in trade and other payables	(129,982)	263,562
Increase/(decrease) in provisions	(61,314)	(10,601)
Increase/(decrease) in provision for doubtful debt	-	(70,827)
	<u>(233,423)</u>	<u>(94,441)</u>
c. Credit Stand-by Arrangement and Loan Facilities		
There are no credit or loan facilities.		
d. There were no non-cash financing or investing activities during the period.		
e. Net cash outflows relating to another reporting unit of the organisation are as follows:		
CFMEU – Forest & Forestry Products Division National Office	(255,433)	(270,889)
CFMEU – Forest & Forestry Products Division WA Branch	(12,735)	(351)
CFMEU – Pulp & Paper Workers' Branch	(1,209)	(2,333)
CFMEU – Forest & Forestry Products Division – NSW Branch	2,912	(837)
CFMEU – Forest & Forestry Products Division – TAS Branch	(238)	-
CFMEU – Forest & Forestry Products Division – SA Branch	(7,586)	(10,165)
	<u>(274,289)</u>	<u>(284,575)</u>

NOTE 19: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The Union does not have any derivative instruments at 31 December 2008.

i. Treasury Risk management

A finance committee consisting of senior committee members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

a. Financial Risk Management Policies continued

The committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the senior committee members. Risk management policies are approved and reviewed by the committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

ii. Financial Risks

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest Rate Risk

The Union is not exposed to any interest rate risk.

Liquidity Risk

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

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, net of any provisions for impairment of those assets, 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 receivable or group of receivables under financial instruments entered into by the association.

b. Financial Instrument Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlements terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, amounts may not reconcile to the balance sheet.

2008	Note	Weighted Floating	Fixed Interest Rate Maturing				TOTAL
		Average Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing		
		Effective Interest Rate					
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	5	3.83	322,223	-	-	10,132	332,355
Receivables	6	-	-	-	-	1,206,439	1,206,439
Investments	9	-	-	-	-	10	10
Total Financial Assets			322,223	-	-	1,216,581	1,538,804
Financial Liabilities							
Payables	10	-	-	-	-	573,987	573,987
Borrowings	11	5.0	-	-	450,000	-	450,000
Total Financial Liabilities			-	-	450,000	573,987	1,023,987
Net Financial Assets/ (Liabilities)			322,223	-	(450,000)	642,594	514,817

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 19: FINANCIAL RISK MANAGEMENT continued

2007	Note	Weighted Average	Floating	Fixed Interest Rate Maturing			TOTAL
		Effective Interest Rate	Interest Rate	Within 1 Year	1 to 5 Years	Non-interest bearing	
		%	\$	\$	\$	\$	\$
Financial Assets							
Cash at bank	5	4.2	586,992	-	-	10,132	597,124
Receivables	6	-	-	-	-	1,243,039	1,243,039
Investments	9	-	-	-	-	10	10
Total Financial Assets			586,992	-	-	1,253,181	1,840,173
Financial Liabilities							
Payables	10	-	-	-	-	703,969	703,969
Borrowings	11	5.0	-	-	450,000	-	450,000
Total Financial Liabilities			-	-	450,000	703,969	1,153,969
Net Financial Assets/(Liabilities)			586,992	-	(450,000)	549,212	686,204

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.

Sensitivity Analysis

Interest Rate Risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance sheet date. This sensitivity analysis demonstrated the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2008, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	Profit \$	Equity \$
Year ended 31 December 2008		
+/- 2% in interest rates basis points	6,647	6,647
Year ended 31 December 2007		
+/- 2% in interest rates basis points	11,942	11,942

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 20: CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS

No details have been disclosed of Australian Accounting Standards issued or amended but not yet effective for the current financial year and which have not been adopted in the preparation of the financial statements at the reporting date.

As mentioned in Note 14 to the financial statements, separate financial reports of the Reporting Unit will no longer be required subsequent to 31 December 2008.

NOTE 21: ENTITY DETAILS

The registered office is:
148-152 Miller Street
WEST MELBOURNE VIC 3003

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

COMMITTEE OF MANAGEMENT CERTIFICATE

On 17 November 2010 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Victorian Forestry No 2 Branch (“Union/Reporting Unit”) passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2008:

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 General Manager of Fair Work Australia;
- (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; and
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager of Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
 - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.



M. O'Conner – National Secretary



J. Calvert – National President

Melbourne: 17 November 2010

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION - VICTORIAN FORESTRY NO 2 BRANCH

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union, Forestry, Furnishing, Building Products and Manufacturing Division – Victorian Forestry No 2 Branch (the reporting unit), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

Committee of management's responsibility for the financial report

The reporting unit's committee of management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION FORESTRY MINING ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION - VICTORIAN FORESTRY NO 2 BRANCH

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Basis for Qualified Audit Opinion

Included in the balance sheet are amounts owing from a debtor of \$1,022,957. We have been unable to satisfy ourselves regarding the accuracy of the amount or its recoverability as financial statements for this debtor are not available for our examination.

Qualified Auditor's Opinion

In our opinion, except for the effects of such adjustments if any as might have been determined to be necessary had we been able to satisfy ourselves on the sundry debtor of \$1,022,957 referred to above, the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:
 - (i) presenting fairly the reporting unit's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, 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 RAGG WEIR
Chartered Accountants



L.S. WONG
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne: 17 November 2010

COMPILATION REPORT

TO CONSTRUCTION FORESTRY MINING ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION - VICTORIAN FORESTRY NO 2 BRANCH

Scope

On the basis of the information provided by the Committee of Management of Construction Forestry Mining Energy Union Forestry, Furnishing, Building Products and Manufacturing Division - Victorian Forestry No 2 Branch (Reporting Unit) we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction Forestry Mining Energy Union Forestry, Furnishing, Building Products and Manufacturing Division - Victorian Forestry No 2 Branch for the year ended 31 December 2008 as set out on pages 29 and 30.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Committee of Management. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Committee of Management.

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

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

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

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne:

17 November 2010

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
OPERATING INCOME		
Membership contributions	844,923	747,391
Interest received	16,055	26,859
Office administrative and other services	30,000	55,000
Sundry income	4,910	16,678
	<hr/>	<hr/>
TOTAL OPERATING INCOME	895,888	845,928
	<hr/>	<hr/>
LESS OPERATING EXPENDITURE		
Affiliation fees		
- Australian Labour Party	8,085	8,085
- CFMEU FFPD National Office	168,985	174,412
- Trades & Labour Council:		
Ballarat	959	608
Geelong	172	130
South West	25	100
- Victorian Trades Hall Council	9,995	7,904
Bad debts	27,807	2,228
Bank charges	1,587	1,356
Computer expenses	7,265	15,829
Conference expenses	-	1,794
Consulting fee	-	1,055
Depreciation	6,223	2,046
Donations	-	870
Fringe benefits tax	10,513	833
Health and well being allowances	-	273
Insurances	12,620	14,413
Interest paid	22,500	29,079
Journal expenses	1,355	105
Levies paid	-	32,014
Loss on sale of fixed asset	-	351
Meeting expenses:		
- Committee of Management	7,858	2,285
- Other	286	1,019
Members benefits	155	257
Motor vehicle expenses	45,832	30,046
National Office administration charges	60,000	203,640
Payroll tax	26,098	25,547
Postage & freight	1,620	1,126
Printing & stationery	8,431	3,514

This statement should be read in conjunction with the attached compilation report on page 28.

**CONSTRUCTION FORESTRY MINING ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION -
VICTORIAN FORESTRY NO 2 BRANCH
ABN 30 267 473 953**

**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
EXPENDITURE (continued)		
Professional services:		
- Accountancy & audit fees	10,270	-
- Legal fees	475	34,133
Provision for annual leave	(13,496)	14,673
Provision for doubtful debt	-	(64,388)
Provision for long service leave	(9,216)	(13,875)
Provision for sick leave	(639)	(4,494)
Provision for RDO	115	9,349
Provision for recognition of service	(38,078)	(16,254)
Rental of motor vehicles	2,626	833
Repairs & maintenance	15,582	10,999
Salaries:		
- elected officials	73,507	67,067
- employees	310,408	338,212
Staff amenities	1,316	679
Sundry expenses	4,592	17,589
Superannuation:		
- elected officials	11,665	9,200
- employees	53,171	45,290
Telephone	21,012	20,843
Termination Payments		
- employees	67,039	89,803
Trainee organisers	-	78,000
Training and seminars	1,042	390
Travelling expenses	45,709	17,477
WorkCover	5,568	9,566
	<hr/>	<hr/>
TOTAL OPERATING EXPENDITURE	991,039	1,226,011
	<hr/>	<hr/>
PROFIT / (LOSS) FOR YEAR	(95,151)	(380,083)
	<hr/>	<hr/>

This statement should be read in conjunction with the attached compilation report on page 28.



CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION

FORESTRY &
FURNISHING
PRODUCTS
DIVISION

National Office
ABN 91 691 430 210

148 - 152 Miller Street
WEST MELBOURNE
VICTORIA 3003

PH: (03) 9274 9200
FAX: (03) 9274 9284

Freecall: 1800 060 558

Email: admin@cfmeuffpd.org

23rd December 2009
Stephen Kellett
Statutory Services Branch
AIR
L 8, Terrace Towers
80 Williams St
East Sydney
NSW 2011
By email: stephen.kellett@airc.gov.au

Dear Stephen,

Lodgement of Financial Statements & Accounts for the years ended 31 December 2007 and 31 December 2008, FFPD Division & Branches & Sub Branches; Fair Work (Registered Organisations) Act 2009

As you are aware these reports have been delayed because of the major organisational restructure we have undertaken. We are still finalising the reports but here is an update on progress.

2007

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra, Sydney, Burnie, Boyer, Wesley Vale and Tasmania

These reports are well advanced and we expect to be able to lodge them in March 2010.

2008

In relation to the following entities:

- FFPD National Office; FFPD Branches of NSW, Vic Forestry, Sth Australian, Tasmanian, Western Australian and PPW; PPW Sub Branches of Maryvale, Melbourne, Millicent, Nowra and Sydney.

We expect to be able to lodge these reports in June 2010.

We will keep you informed of our progress.

In the meantime please contact me if you need further information or wish to discuss this matter.

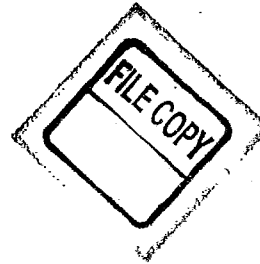
Sincerely

Jane Calvert
CFMEU FFPD
National President
(03) 9274 9200
email jcalvert@cfmeuffpd.org



Fair Work
Australia

Mr Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
148-152 Miller Street
WEST MELBOURNE VIC 3003



Dear Mr O'Connor,

**Lodgment of outstanding Financial Statements and Accounts – FFPD Division and
Branches - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule) –
for years ended 31 December 2007 and 31 December 2008**

I write to seek your formal advice in relation to the outstanding financial returns for the above years.

I understand from a conversation on the telephone in May with Mr Barry Disken that extended delays in lodgment were resulting from the Division's auditors' requirements for their preparation.

I would greatly appreciate it if I could be advised in writing of the circumstances affecting the preparation of the reports and broadly when you anticipate being in a position to lodge them.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

7 July 2009



Australian Government
Australian Industrial Registry

12 January 2009

Mr Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053



Dear Mr O'Connor

Lodgment of Financial Statements and Accounts for year ended 31 December 2008 – FFPD Division and Branches - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

The financial year of the Forestry, Furnishing, Building Products and Manufacturing Division of the Construction, Forestry, Mining and Energy Union and its Branches has recently ended. This is a courtesy letter to remind the Division of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements. As I understand from discussions last year that Mr Disken is co-ordinating the preparation and lodgement of the financial returns for the reporting units of the previous Divisional structure, I have written to him also.

Our records show that the following financial returns for the various reporting units under the previous Divisional structure are required to be prepared in respect of the financial year ended 31 December 2008:

- (1) the FFPD Divisional Office (FR2008/565);
- (2) the Queensland FFTS Divisional Branch (FR2008/577);
- (3) the Victorian FFTS Divisional Branch (FR2008/635);
- (4) the NSW Divisional Branch (FR2008/573);
- (5) the South Australian Divisional Branch (FR2008/533);
- (6) the Tasmanian Divisional Branch (FR208/568);
- (7) the Victorian Divisional Branch (FR2008/541);
- (8) the West Australian Divisional Branch (FR2008/553);
- (9) the Pulp and Paper Workers' Divisional Branch (FR2008/537);
- (10) the Pulp & Paper Workers' Maryvale Sub-Branch (FR2008/564);
- (11) the Pulp & Paper Workers' Melbourne Sub-Branch (FR2008/552);
- (12) the Pulp & Paper Workers' Millicent Sub-Branch (FR2008/540);

(13) the Pulp & Paper Workers' Nowra Sub-Branch (FR2008/539);

(14) the Pulp & Paper Workers' Sydney Sub-Branch (FR2008/538);

(15) the Pulp & Paper Workers' Tasmanian Sub-Branch (FR2008/645).

The time frame for completing the audit, presentation and lodgment of the above returns will expire - unless a one month extension under s265(5) is granted - on 14 July 2009. The Registry is aware that the 2007 financial returns for most of the above reporting units are still in process and their late lodgement may impact on the 2008 audits so applications for extensions may be helpful if the Division considers them appropriate.

You will naturally be familiar with the general requirements under the RAO Schedule but I direct your attention in any case to our website at <http://www.airc.gov.au/registered/FR/information.htm>,

The presentation of the full reports to appropriate meetings – as they can be arranged given the structural and office changes effective from January 2009 - in accordance with s266 should occur after copies of the report have been distributed, published, internet-posted or otherwise provided in accordance with s265(5) to the members of the respective former branches and sub-branches.

If you need any further information or assistance or wish to discuss the returns at any time in the coming months, please do not hesitate to contact me on 0429 462 979 or by email at stephen.kellett@airc.gov.au.

Yours sincerely,



Stephen Kellett
Statutory Services Branch



Australian Government
Australian Industrial Registry

12 January 2009

Mr Barry Disken
Financial Controller, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053



Dear Mr Disken

Lodgment of Financial Statements and Accounts for year ended 31 December 2008 – FFPD Division and Branches - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

The financial year of the Forestry, Furnishing, Building Products and Manufacturing Division of the Construction, Forestry, Mining and Energy Union and its Branches has recently ended. This is a courtesy letter to remind the Division of the obligations imposed by the RAO Schedule regarding the preparation of financial accounts and statements. As I understand from our discussion last year you are co-ordinating the preparation and lodgment of the financial returns for the reporting units of the previous Divisional structure, I am writing to you as well as to the Divisional Secretary.

Our records show that the following financial returns are required to be prepared in respect of the financial year ended 31 December 2008:

- (1) the FFPD Divisional Office (FR2008/565);
- (2) the Queensland FFTS Divisional Branch (FR2008/577);
- (3) the Victorian FFTS Divisional Branch (FR2008/635);
- (4) the NSW Divisional Branch (FR2008/573);
- (5) the South Australian Divisional Branch (FR2008/533);
- (6) the Tasmanian Divisional Branch (FR208/568);
- (7) the Victorian Divisional Branch (FR2008/541);
- (8) the West Australian Divisional Branch (FR2008/553);
- (9) the Pulp and Paper Workers' Divisional Branch (FR2008/537);
- (10) the Pulp & Paper Workers' Maryvale Sub-Branch (FR2008/564);
- (11) the Pulp & Paper Workers' Melbourne Sub-Branch (FR2008/552);
- (12) the Pulp & Paper Workers' Millicent Sub-Branch (FR2008/540);

(13) the Pulp & Paper Workers' Nowra Sub-Branch (FR2008/539);

(14) the Pulp & Paper Workers' Sydney Sub-Branch (FR2008/538);

(15) the Pulp & Paper Workers' Tasmanian Sub-Branch (FR2008/645).

The time frame for completing the audit, presentation and lodgment of the above returns will expire - unless a one month extension under s265(5) is granted - on 14 July 2009. The Registry is aware that the 2007 financial returns for most of the above reporting units are still in process and their late lodgment may impact on the 2008 audits so applications for extensions may be helpful if the Division considers them appropriate.

You will naturally be familiar with the general requirements under the RAO Schedule but I direct your attention in any case to our website at <http://www.airc.gov.au/registered/FR/information.htm>,

The presentation of the full reports to appropriate meetings – as they can be arranged given the structural and office changes effective from January 2009 - in accordance with s266 should occur after copies of the report have been distributed, published, internet-posted or otherwise provided in accordance with s265(5) to the members of the respective former branches and sub-branches.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to orgs@airc.gov.au. Alternatively, you may wish to send the documents by fax to (02) 9380 6990.

If you need any further information or assistance or wish to discuss the returns at any time in the coming months, please do not hesitate to contact me on 0429 462 979 or by email at stephen.kellett@airc.gov.au.

Yours sincerely,



Stephen Kellett
Statutory Services Branch