



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: FR2004/714-[105N-WAT]

Mr Gary Jaeschke
Divisional Branch Secretary
CFMEU FFPD
Western Australian Divisional Branch
107 Radium Street
WELSHPOOL WA 6016

Dear Mr Jaeschke

Financial Return - year ending 31 December, 2004

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

New legislation

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

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

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

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

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

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

Reporting Unit

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

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

Industrial Registrar’s Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/714**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

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

Information on AIRC Website

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

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

Yours sincerely



for Deputy Industrial Registrar
20 January 2005

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ / 	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ / 	<i>within 6 months of end of financial year</i> <i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Attachment B

Documents Checklist

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

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

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

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

Committee Of Management Statement

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

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

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

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

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

³*Insert whichever is applicable*



27th June 2005

**FORESTRY & FURNISHING
PRODUCTS DIVISION**

TO BUILD, STRENGTHEN & MAINTAIN A UNION THAT PROTECTS & IMPROVES THE QUALITY OF LIFE FOR WORKERS

**CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION**

Deputy Industrial Registrar
PO Box 8255
Station Arcade
South Australia 5000

05 JUL 5 AM 9:19

ABN 91 691 430 210

Attention: P Kinne

Dear Sir

Re: Secretary's Certificate

Please find enclosed a copy of the Annual Accounts and Auditors Report for the WA Branch, Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy Union for the year ended 31st December 2004.

The documents contained herein are copies of the full report referred to in s268 of the RAO Schedule.

The financial report was tabled at the WA Branch Committee of Management meeting held on 11th May 2005. At this meeting it was moved that the Audited Accounts be signed by the appropriate officers and for a full report then be distributed to the membership.

Subsequently at the required second meeting held 25th June 2005 it was moved that the Audited Financial accounts be adopted and forwarded to the Registrar.

I now request that these documents be lodged accordingly.

Yours sincerely

Trevor Smith
National Secretary
Forestry & Furnishing Products Division
CFMEU



National Secretary

TREVOR W SMITH

National Office

Level 1

125 Port Road

HINOMARSH S.A. 5007

Ph: (08) 8424 3000

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cfmeuffpd@optusnet.com.au

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Visit us at www.cfmeu-forestdivision.com.au

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION WA DIVISIONAL BRANCH

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2004

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Prepared by:

Major, May & Associates
Chartered Accountants

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**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY & FURNISHING PRODUCTS DIVISION (FFPD)
WA DIVISIONAL BRANCH**

OPERATING REPORT

This Operating Report covers the activities of the Western Australian Branch of the Union for the financial year ended 31st December, 2004, the results of those activities, and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Union

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

- Implementation of the decisions of the Branch Committee of Management.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry sector or site organising projects, the training and development of officials, and assistance to members on planning, resourcing and conducting campaigns.
- Industrial support, including representation of individual member grievances, advice on legal and legislative matters, and advocacy before industrial tribunals.
- Pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other unions' rules applications where they impact on membership of the CFMEU FFPD WA Branch.

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

2. The Union's Financial Affairs

Significant changes in the financial affairs of the Union include an increase in income from Members' Contributions, and a corresponding increase in expenditure on Sustentation Fees. The Union continues to rely on the financial support of the National Office, to whom it owes \$139,117 in total. If the National Office were to demand repayment of this amount, the WA Branch could not continue to pay its debts as and when they fall due.

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY & FURNISHING PRODUCTS DIVISION (FFPD)
WA DIVISIONAL BRANCH**

3. Right of Members to Resign

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

4. Superannuation Trustees

Not Applicable

5. Membership of the Union

There were 306 members of the WA Branch as at 31st December, 2004.

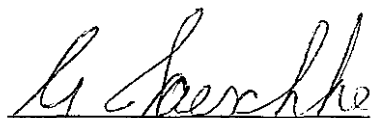
6. Employees of the Union

As at 31st December, 2004, the CFMEU FFPD WA Branch employed 1 full time employee.

7. BRANCH COMMITTEE OF MANAGEMENT

The following persons were members of the Committee of Management during the year ended 31st December, 2004;

Name	Period of appointment
Gary Jaeschke	January 2000 – December 2004
Vincent Preedy	January 2000 – December 2004
Douglas Ashcroft	January 2000 – December 2004
John Cleary	January 2000 – December 2004
Phillip Robson	January 2000 – December 2004
Michael Hammond	October 2002 – December 2004
Ronald Rose	September 2003 – December 2004



GARY JAESCHKE
HONORARY SECRETARY

11th MAY, 2005

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY & FURNISHING PRODUCTS DIVISION (FFPD)
WA DIVISIONAL BRANCH**

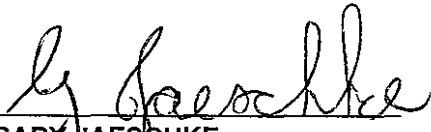
BRANCH COMMITTEE OF MANAGEMENT STATEMENT

On the 11th May, 2005 the Committee of Management of the WA Branch passed the following resolution to the general purpose financial report (GPFR) of the Union for the year ended 31st December, 2004.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31st December, 2004;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31st December, 2004 and since the end of the financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Committee of Management; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the Union have been kept, as far as practicable, in a manner consistent with each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the Union or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

For the Branch Committee of Management


GARY JAESCHKE
HONORARY SECRETARY

11th MAY 2005

**MAJOR, MAY
& ASSOCIATES**
CHARTERED ACCOUNTANTS

66 PROSPECT ROAD
PROSPECT SA 5082
PO BOX 110
PROSPECT SA 5082
TELEPHONE 08 8269 5776
FACSIMILE 08 8269 7235

TIM MAJOR
ANDREW MAY

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION

FORESTRY FURNITURE BUILDING PRODUCTS & MANUFACTURING DIVISION WA DIVISIONAL BRANCH

AUDITOR'S REPORT TO THE MEMBERS
For the year ended 31st December, 2004



SCOPE

We have audited the Accounts, being the Statement of Financial Position, Statement of Accumulated Funds, Statement of Financial Performance, Statement of Cash Flows and Notes to and Forming part of the Accounts, of the Construction, Forestry, Mining & Energy Union, Forestry Furniture Building Products & Manufacturing Division, WA Divisional Branch, for the year ended 31st December, 2004.

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

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

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the Accounts are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Accounts, and the evaluation of accounting policies and significant accounting estimates.

These procedures have been undertaken to form an opinion as to whether, in all material respects, the Accounts are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view of the Branch which is consistent with our understanding of its financial position and the results of its operations.

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

QUALIFICATION

The liabilities of the branch exceed the carrying value of assets, as at 31st December 2004. As a result, the Branch is dependent upon the continued financial support of the National Office of the Division in order to remain a Going Concern. Should this financial support be withdrawn, there would be significant uncertainty that the Branch would continue as a Going Concern. If the Branch is unable to continue as a Going Concern then it may be required to realise its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the financial statements.

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FORESTRY FURNITURE BUILDING PRODUCTS
& MANUFACTURING DIVISION
WA DIVISIONAL BRANCH**

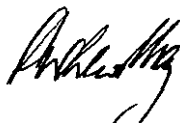
AUDITOR'S REPORT TO THE MEMBERS (cont.)

AUDIT OPINION

In our opinion, except for the effects of such adjustments, if any, as might be required in respect of the matter referred to above:

- (1) There were kept by the Branch in respect of the period ended 31st December, 2004, satisfactory accounting records detailing the sources and nature of the Income of the Branch (including Income from Members) and the nature and the purposes of Expenditure.
- (2) The attached Accounts and Statements are properly drawn up:-
 - (a) in accordance with the Workplace Relations Act, 1996, as amended;
 - (b) so as to give a true and fair view of;
 - (i) the state of affairs of the Branch as at 31st December, 2004; and
 - (ii) the Income and Expenditure and Deficit of the Branch for the year ended on that date;
 - (c) in accordance with applicable Accounting Standards. and
 - (d) so as to comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (3) We received from the Officers and Employees of the Branch all the information and explanations which we required for the purposes of our audit.

**MAJOR, MAY & ASSOCIATES
Chartered Accountants**



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

Signed at Adelaide this 12th day of May, 2005.

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

**STATEMENT OF FINANCIAL POSITION
As at 31st December, 2004**

	<u>2004</u>	<u>2003</u>
ACCUMULATED LOSSES	\$	\$
Accumulated Losses	(112,632)	(110,646)
TOTAL FUNDS	<u>\$(112,632)</u>	<u>\$(110,646)</u>
These Funds are Represented by:-		
CURRENT ASSETS		
Commonwealth Bank Cheque Account	22,721	9,811
Petty Cash	100	100
TOTAL CURRENT ASSETS	<u>22,821</u>	<u>9,911</u>
CURRENT LIABILITIES		
Sundry Creditors	2,089	(809)
Provision for Annual Leave	1,065	5,375
Sustentation Fees Due	93,606	75,730
Other Amount due to National Office	45,511	45,511
TOTAL CURRENT LIABILITIES	<u>142,271</u>	<u>125,807</u>
NET WORKING CAPITAL DEFICIENCY	<u>(119,451)</u>	<u>(115,896)</u>
FIXED ASSETS		
Motor Vehicles	6,818	12,000
Less : Provision for Depreciation	<u>-</u>	<u>(6,750)</u>
	6,818	5,250
Office Furniture & Equipment at Cost	-	304
Less : Provision for Depreciation	<u>-</u>	<u>(304)</u>
	-	-
TOTAL FIXED ASSETS	<u>6,818</u>	<u>5,250</u>
NET LIABILITIES	<u>\$(112,632)</u>	<u>\$(110,646)</u>

To be read in conjunction with the notes to accounts.

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

**STATEMENT OF ACCUMULATED LOSSES
For the year ended 31st December, 2004**

	<u>2004</u>	<u>2003</u>
	\$	\$
Operating Surplus/(Deficit)	(1,985)	(19,408)
Add Accumulated Losses at 1st January	<u>(110,646)</u>	<u>(91,238)</u>
ACCUMULATED DEFICIT AT 31ST DECEMBER	<u>\$(112,631)</u>	<u>\$(110,646)</u>

To be read in conjunction with the notes to accounts.

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

STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 31st December, 2004

	<u>2004</u>	<u>2003</u>
	\$	\$
INCOME		
Members' Contributions	89,773	77,547
Profit on Sale of Assets	1,050	-
Interest Received	34	19
	<hr/>	<hr/>
TOTAL INCOME	90,857	77,566
	<hr/>	<hr/>
EXPENDITURE		
Audit & Accountancy Fees	1,985	2,125
Bank Charges	762	403
Depreciation	1,800	1,800
Fringe Benefits Tax	411	411
Insurance	-	(3,850)
Legal Fees	200	1,636
Membership Computer Costs	-	246
Motor Vehicle Expenses	6,503	8,431
Office & Sundry Expenses	1,965	3,466
Printing, Stationery & Postage	1,763	2,335
Rent	-	479
Salaries & On Costs		
Salaries & Allowances – Officials	48,521	44,487
Superannuation	7,026	6,863
Provision for Annual Leave	(4,310)	5,375
Workcover	664	680
Total Salaries & On Costs	<hr/> 51,901	<hr/> 57,405
Sustentation Fees	17,875	14,938
Telephone & Facsimile	5,339	5,056
Travel & Accommodation	2,338	2,093
	<hr/>	<hr/>
TOTAL EXPENDITURE	92,842	96,974
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR	\$(1,985)	\$(19,408)
	<hr/>	<hr/>

To be read in conjunction with the notes to accounts.

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

**STATEMENT OF CASH FLOWS
For the year ended 31st December, 2004**

	Notes	<u>2004</u> \$
CASH FROM OPERATING ACTIVITIES		
Members' Contributions		89,773
Payments to Suppliers and Employees		(73,527)
Interest Received		34
		<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	5	16,280
		<hr/>
CASH FROM INVESTING ACTIVITIES		
Proceeds from Sale of Plant & Equipment		3,448
Payment for Plant & Equipment		(6,818)
		<hr/>
NET CASH USED IN INVESTING ACTIVITIES		(3,370)
		<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		12,910
Cash at Beginning of Year	4	9,911
		<hr/>
CASH AT END OF YEAR	4	\$22,821
		<hr/>

Note: This is the first time a Statement of Cash Flows has been prepared. As such, no comparative information is available for 2003.

To be read in conjunction with the notes to accounts.

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

NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2004

Note 1. Accounting Methods

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

- (a) The Accounts have not been adjusted to record either changes in the general purchasing power of the dollar or in the prices of specific assets.
- (b) Provision is made for depreciation of Fixed Assets at rates considered appropriate to the useful lives of such assets.
- (c) No provision for Income Tax is necessary as "Trade Unions" are exempt from Income Tax under Section 50.15 of the Income Tax Assessment Act, 1997.

Note 2. Information to be Provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of Members is drawn to the provisions of Section 272 of Schedule 1B, which read as follows:-

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

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE PRODUCTS DIVISION
WA DIVISIONAL BRANCH**

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)
For the year ended 31st December, 2004

Note 3. Going Concern

The liabilities of the branch exceed the carrying value of assets, as at 31 December 2004. As a result, the Branch is dependent upon the continued financial support of the National Office of the Division in order to remain a Going Concern. Should this financial support be withdrawn, there would be significant uncertainty that the Branch would continue as a Going Concern. If the Branch is unable to continue as a Going Concern then it may be required to realize its assets and extinguish its liabilities other than in the normal course of business, at amounts different from those stated in the financial statements.

Note 4. Reconciliation of Cash

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

	<u>2004</u>	<u>2003</u>
	\$	\$
Cash at Bank	22,721	9,811
Cash on Hand	100	100
	\$22,821	\$9,911

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
FORESTRY FURNITURE PRODUCTS DIVISION
WA DIVISIONAL BRANCH

NOTES TO AND FORMING PART OF THE ACCOUNTS (cont.)
For the year ended 31st December, 2004

Note 5. Reconciliation of Cash Flow from Operations with Net Deficit

	<u>2004</u>
	\$
Net (Deficit)	(1,985)
Non Cash Flows in Net Surplus	
Depreciation	1,800
Employee Leave Provisions	(4,310)
Changes in Assets and Liabilities	
Increase/(Decrease) in Creditors	20,775
CASH FLOW PROVIDED BY OPERATIONS	<u>\$16,280</u>



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Trevor Smith
National Secretary
Forestry & Furnishing Products Division
CFMEU
Level 1, 125 Port Road
HINDMARSH SA 5007

**Western Australian Divisional Branch - financial report for year ending 31/12/04
(FR2004/714)**

Dear Mr Smith

I refer to the Branch's financial documents lodged in the Registry on 6 July 2005.

The report of the auditor includes a qualification as to the Branch's capacity to continue as a "going concern" without the continued support of the National Office. I note this is consistent with previous audit reports.

Under s332(1) of the RAO Schedule a Registrar is required to investigate the matter if an audit report sets out a qualification of this nature. Under s332(1)(b), a Registrar is not required to investigate if:

(b) after consultation with the reporting unit and the auditor, the Registrar is satisfied that the matters are trivial or will be remedied in the following financial year.

I note that you have previously indicated that the Division would continue to provide support to the Branch. I invite your comments on this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Peter McKerrow', written over a horizontal line.

Peter McKerrow
for Deputy Industrial Registrar

27 July 2005



**CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION**

ABN 91 691 430 210

National Secretary

TREVOR W SMITH

National Office

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Fax: 61 8 8424 3011

1st August 2005

**Deputy Industrial Registrar
Level 8 Terrace Towers
80 William Street
East Sydney NSW 2011**

Attention: Peter McKerrow

Re: FR2004/714

Dear Peter

I refer to your correspondence dated 27th July 2005 regarding the audited financial report for year ending 31.12.05 of the CFMEU Forestry & Furnishing Products Division, Western Australian Branch.

Please be advised that the Forestry and Furnishing Products Division maintains its on going position regarding the WA Branch, that being recognising the importance of the Division having a presence in WA which continues to be in the best interest of our membership. Accordingly the Divisional Executive will continue to accommodate the current financial situation of the Branch.

Liabilities of the WA Branch are the liabilities to the Divisional body and therefore the WA Branch continues to be monitored. It is not the intention of the Divisional Executive to require the liabilities to be paid in such a manner that will impact upon the ongoing operation of the WA Branch.

Please do not hesitate to contact me should you require any further information on this matter

Yours sincerely,

**Trevor Smith
National Secretary
Forestry & Furnishing Products Division
CFMEU**



**FORESTRY & FURNISHING
PRODUCTS DIVISION**

TO BUILD, STRENGTHEN & MAINTAIN A UNION THAT PROTECTS & IMPROVES THE QUALITY OF LIFE FOR WORKERS



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Mr Trevor Smith
National Secretary
CFMEU FFPD
Level 1, 125 Port Road
HINDMARSH SA 5007

Dear Mr Smith

**Re: Financial Statements and Accounts for the CFMEU FFPD, Western Australian
Divisional Branch for the year ending 31 December 2004 (FR2004/714)**

I refer to your letter dated 27 July 2005 stating the position of the FFPD National Office in respect of the financial position of the Western Australian Divisional Branch, and the liabilities of the Branch to the Division.

Thank you for your response to this matter. The documents have now been filed, and may be viewed on the internet at www.e-airc.gov.au/105nwat/financial.

Yours sincerely,

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

Belinda Penna
for Deputy Industrial Registrar

3 August 2005