



Australian Government
Australian Industrial Registry

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

Ref: FR2005/600

Mr Gary Jaeschke
Divisional Branch Secretary
CFMEU FFPD
Western Australian Branch
11 Pudney Place
ORELIA WA 6167

Dear Mr Jaeschke

Financial Return - year ending 31 December, 2005

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

Legislation

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

In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'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: **FR2005/600**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at belinda.penna@air.gov.au 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
27 January 2006

Documents Checklist

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

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

No	Document	✓
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:

¹RAO 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.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



3rd July 2006



**CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION**

Peter McKerrow
Deputy Registrar
Level 8, Terrace Towers
80 William Street
East Sydney, NSW 2001

Dear Sir

ABN 91 691 430 210

Re: CERTIFICATE OF SECRETARY

National Secretary

I Michael O'Connor being the National Secretary of the Forestry, Furnishing Building Products & Manufacturing Division (FFPD) of the Construction, Forestry, Mining & Energy Union (CFMEU) certify:

MICHAEL O'CONNOR

That enclosed is a copy of the Annual Accounts and Auditors Report for the National Office of the CFMEU FFPD WA Branch for the year ended 31st December 2005.

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

National Office

That the full report was provided to members on the 3rd June 2006; and

PO Box 661

Subsequently, the full report was presented to the Committee of Management of the reporting unit on the 1st July 2006; in accordance with section 266 of the RAO Schedule.

CARLTON SOUTH

VIC 3053

I now request that these documents be lodged accordingly.

Ph: (03) 9348 1888

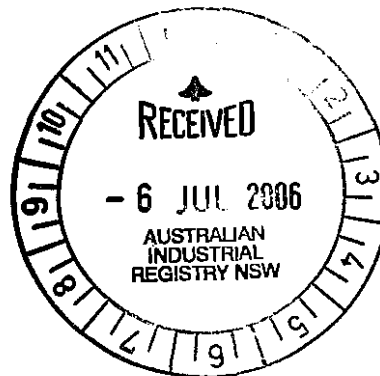
Yours sincerely

Fax: (03) 9349 3470

Email:

Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU

cfmeuforestry@bigpond.com



**Outside Australia
International Code**

Ph: 61 3 9348 1888

Fax: 61 3 9349 3470

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, 2005

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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, 2005, 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 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 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 \$147,907 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 284 members of the WA Branch as at 31st December, 2005.

6. Employees of the Union

As at 31st December, 2005, 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, 2005;

Name	Period of appointment
Gary Jaeschke	January 2005 – December 2005
Rob Archibald	January 2005 – December 2005
Troy Yates	January 2005 – December 2005
John Davis	January 2005 – December 2005
Michael Koch	January 2005 – December 2005
John Cleary	January 2005 – December 2005
Phillip Robson	January 2005 – December 2005
Michael Hammond	January 2005 – December 2005
Ronald Rose	January 2005 – December 2005
Graeme Bell	January 2005 – December 2005
Paul Ferreira	July 2005 – December 2005



**PAUL FERREIRA
HONORARY SECRETARY
3rd June, 2006**

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

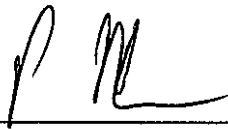
BRANCH COMMITTEE OF MANAGEMENT STATEMENT

On the May, 2006 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, 2005.

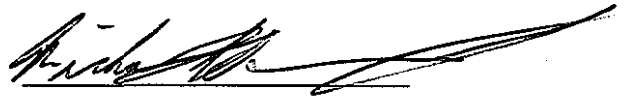
The Committee of Management declares in relation to the GPFR that in its opinion:

- (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, 2005;
- (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, 2005 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 Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.

For the Branch Committee of Management



PHILLIP ROBSON
3rd June 2006



MICHAEL HAMMOND

**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, 2005



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, 2005.

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 2005. 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 could 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, 2005, 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, 2005; 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 *4th* day of *June*, 2006.

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

STATEMENT OF FINANCIAL POSITION
As at 31st December, 2005

	<u>2005</u>	<u>2004</u>
ACCUMULATED LOSSES	\$	\$
Accumulated Losses	(128,143)	(112,632)
	<hr/>	<hr/>
TOTAL FUNDS	\$(128,143)	\$(112,632)
	<hr/>	<hr/>
These Funds are Represented by:-		
CURRENT ASSETS		
Commonwealth Bank Cheque Account	14,839	22,721
Petty Cash	100	100
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	14,939	22,821
	<hr/>	<hr/>
CURRENT LIABILITIES		
Sundry Creditors	968	2,089
Provision for Annual Leave	-	1,065
Sustentation Fees Due	112,396	93,606
Other Amount due to National Office	35,511	45,511
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	148,875	142,271
	<hr/>	<hr/>
NET WORKING CAPITAL DEFICIENCY	(133,936)	(119,451)
	<hr/>	<hr/>
FIXED ASSETS		
Motor Vehicles	6,818	6,818
Less : Provision for Depreciation	(1,025)	-
	<hr/>	<hr/>
	5,793	6,818
	<hr/>	<hr/>
TOTAL FIXED ASSETS	5,793	6,818
	<hr/>	<hr/>
NET LIABILITIES	\$(128,143)	\$(112,632)
	<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 ACCUMULATED LOSSES
For the year ended 31st December, 2005**

	<u>2005</u>	<u>2004</u>
	\$	\$
Operating Surplus/(Deficit)	(15,512)	(1,985)
Add Accumulated Losses at 1 st January	(112,631)	(110,646)
ACCUMULATED DEFICIT AT 31 ST DECEMBER	<u>\$(128,143)</u>	<u>\$(112,631)</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, 2005

	<u>2005</u>	<u>2004</u>
INCOME	\$	\$
Members' Contributions	93,952	89,773
Profit on Sale of Assets	-	1,050
Interest Received	64	34
	<hr/>	<hr/>
TOTAL INCOME	94,016	90,857
	<hr/>	<hr/>
EXPENDITURE		
Audit & Accountancy Fees	2,230	1,985
Bank Charges	696	762
Campaign Levy	837	-
Depreciation	1,025	1,800
Fringe Benefits Tax	276	411
Legal Fees	-	200
Membership Computer Costs	551	-
Motor Vehicle Expenses	7,054	6,503
Office & Sundry Expenses	2,297	1,965
Printing, Stationery & Postage	2,248	1,763
Salaries & On Costs		
Salaries & Allowances – Officials	55,146	48,521
Superannuation	8,869	7,026
Provision for Annual Leave	(1,065)	(4,310)
Workcover	690	664
	<hr/>	<hr/>
Total Salaries & On Costs	63,640	51,901
Sustentation Fees	18,790	17,875
Telephone & Facsimile	5,400	5,339
Travel & Accommodation	4,484	2,338
	<hr/>	<hr/>
TOTAL EXPENDITURE	109,528	92,842
	<hr/>	<hr/>
SURPLUS/(DEFICIT) FOR THE YEAR	\$(15,512)	\$(1,985)

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, 2005**

	Notes	<u>2005</u> \$	<u>2004</u> \$
CASH FROM OPERATING ACTIVITIES			
Members' Contributions		93,952	89,773
Payments to Suppliers and Employees		(91,898)	(73,527)
Interest Received		64	34
		<hr/>	<hr/>
NET CASH PROVIDED BY OPERATING ACTIVITIES	5	2,118	16,280
		<hr/>	<hr/>
CASH FROM INVESTING ACTIVITIES			
Part Repayment of National Office Debt		(10,000)	-
Proceeds from Sale of Plant & Equipment		-	3,448
Payment for Plant & Equipment		-	(6,818)
		<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES		10,000	(3,370)
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		(7,882)	12,910
Cash at Beginning of Year	4	22,821	9,911
		<hr/>	<hr/>
CASH AT END OF YEAR	4	\$14,939	\$22,821
		<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**

NOTES TO AND FORMING PART OF THE ACCOUNTS
For the year ended 31st December, 2005

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, 2005

Note 3. Going Concern

The liabilities of the branch exceed the carrying value of assets, as at 31st December 2005. 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 could 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.

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>2005</u>	<u>2004</u>
	\$	\$
Cash at Bank	14,839	22,721
Cash on Hand	100	100
	<hr/>	<hr/>
	\$14,939	\$22,821
	<hr/>	<hr/>

**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, 2005

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

	<u>2005</u>	<u>2004</u>
	\$	\$
Net (Deficit)	(15,512)	(1,985)
Non Cash Flows in Net Surplus		
Depreciation	1,025	1,800
Employee Leave Provisions	(1,065)	(4,310)
Changes in Assets and Liabilities		
Increase/(Decrease) in Creditors	<u>17,670</u>	<u>20,775</u>
CASH FLOW PROVIDED BY OPERATIONS	<u>\$2,118</u>	<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 Michael O'Connor
National Secretary, FFPD Division
Construction, Forestry, Mining and Energy Union
PO Box 661
CARLTON SOUTH VIC 3053

Dear Mr O'Connor

**Re: Lodgement of Financial Statements and Accounts – FFPD Division, Western
Australian Branch – for year ending 31 December 2005 (FR2005/600)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 6 July 2006.

On the basis that the legislative requirements have been substantially met, the documents have been filed. However I need for the record to draw your attention to several points arising from the documents.

Firstly, I note that your Secretary's certificate states that the full report was provided to the members "on the 3rd June 2006" which happens to be one day prior to the signing by the Auditor of his report on 4 June 2006. Section 265(1) of the RAO Schedule makes clear that the full report includes the Auditor's report, so there arises, at least on the face of the documents, uncertainty whether the members also received on the 3rd June a signed copy of the Auditor's report. The dating of documents is important as section 257(9) makes clear, and is the principal way for the Registry to be satisfied that the legislative requirements have been met.

The Branch should in future ensure that all documents which make up the full report are signed and dated *before* the date on which they are first provided to members, whether by internet or print publication or distribution by other means.

Secondly, I note that the meeting at which the documents were presented on the 1st July 2006 was a Committee of Management meeting. As you are aware, the Registry's view has been that given the current FFPD rules, full reports have to be presented to a general members' meeting.

However I am aware that the recent rule alterations to the Division's rule 40, currently before a Registrar, would in future allow the branches of the FFPD Division, in accordance with s266(3), to present the full report to a second committee meeting rather than to a general members' meeting. I am also mindful that it may have been the expectation of the Branch at the time that it could comply with the RAO Schedule on the basis of the said rule alterations having been passed by the Division and lodged for certification.

Under the circumstances I would simply note for the record that for this year at least the Branch should have presented the full report to a general members' meeting before the end of June 2006. In future years of course, with the alterations to rule 40 certified, presentation to a second committee meeting will suffice.

Thirdly, I note that the Auditor's report contains a similar qualification as in previous years but it is my understanding that the advice you submitted last year regarding the ongoing dependence on National Office still applies, in which case no further enquiry or action is necessary.

Finally, I note that the financial report did not contain any Recovery of Wages Activity report referred to in paragraph 16 of the amended Industrial Registrar's Guidelines applying to financial years commencing after 11 November 2004. Paragraph 16 provides:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

On the basis of the documents lodged it appears there was no such wages activity in the financial year ending 31 December 2005. My purpose in drawing the above provisions to your attention is so that if such activity occurs in future years, the Branch is made aware that it should be reported in accordance with these Guidelines.

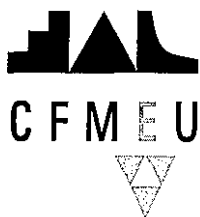
I would appreciate it if you would draw the Branch Secretary's attention to these issues for his information. If you or the Branch Secretary have any query regarding this letter or wish to clarify any aspect, please do not hesitate to contact me on 02 429 462 979 Mondays to Wednesdays.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett', followed by a horizontal line extending to the right.

Stephen Kellett
Statutory Services Branch

7 August 2006



FORESTRY & FURNISHING
PRODUCTS DIVISION

16 August 2006

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Mr Stephen Kellett
Deputy Industrial Registrar
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
East Sydney NSW 2011

ABN 91 691 430 210

National Secretary

Dear Mr Kellett,

MICHAEL O'CONNOR

Re: **FFPD Division, Queensland FFTS Branch (FR 2005/562)**
FFPD Division, Western Australian Branch (FR 2005/600)
Financial Statements year ending 31 December 2005

I write in response to your recent letters as itemised above.

National Office

For information, attached are copies of letters addressed to the Queensland FFTS Branch requesting financial documents for 2005 from the CFMEU Industrial Union of Employees, Queensland, and a letter to the FFPD WA Divisional Branch Secretary, drawing to his attention, the irregularities noted in the accounts.

PO Box 661

CARLTON SOUTH

Thank you for your assistance in these matters.

VIC 3053

Yours sincerely,

Ph: (03) 9348 1888

Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU

Fax: (03) 9349 3470

Email:

cfmeuforestry@bigpond.com



Outside Australia

International Code

Ph: 61 3 9348 1888



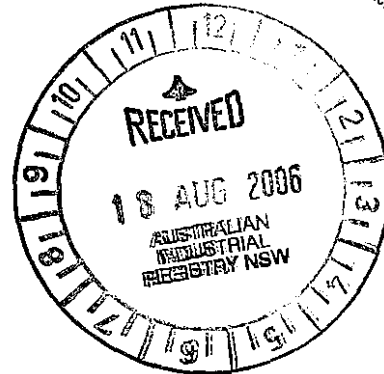
FORESTRY & FURNISHING
PRODUCTS DIVISION

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

CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION

16 August 2006

Mr Paul Ferreira
WA Divisional Branch Secretary
PO Box 169
Kwinana WA 6966



ABN 91 691 430 210

Dear Paul,

Re: Attached letter from Australian Industry Registry

National Secretary
MICHAEL O'CONNOR

I write enclosing a copy of a letter received recently from the Australian Industrial Registry, addressed to me, and requesting that I draw the attention of the Divisional Branch Secretary to some irregularities with the WA financial statements lodged on the 6 July 2006. It should be noted, however, that notwithstanding the noted irregularities the financial statements have been filed by the Registrar.

A summary of the items raised in the Registrar's letter are:

National Office
PO Box 661
CARLTON SOUTH
VIC 3053

1. The date the full report was provided to the members differs from, and is in fact, one day prior to the Auditor signing the accounts.
2. That the documents were presented to a Committee of Management meeting and the current FFPD Rules state that accounts should be presented to a full members meeting. The Registrar notes that the recent alterations to the FFPD Rules should rectify this problem in future.
3. The qualification to the accounts contained in the Auditor's report is noted, but requires no further enquiry or action.
4. Recovery of Wages Activity, which draws our attention to the need to report this activity in accordance with the Guidelines.

Ph: (03) 9348 1888
Fax: (03) 9349 3470

Email:

fmeuforestry@bigpond.com

In order that future financial statements lodged with the Registrar comply with the necessary legislative requirements, would you please note this letter and action as appropriate.

Yours sincerely,

Michael O'Connor
National Secretary
Forestry & Furnishing Products Division
CFMEU

Outside Australia
International Code

Ph: 61 3 9348 1888