



FAIR WORK
AUSTRALIA

7 January 2010

Mr Philip Dalidakis
President
Victorian Association of Forest Industries

By email: info@vafi.org.au
Cc: Peter G Ryan pgryan@bigpond.com

Dear Mr Dalidakis,

Re: Financial Report for the Victorian Association of Forest Industries for year ended 30 June 2009 – FR2009/285

I acknowledge receipt of the financial report for the Victorian Association of Forest Industries for the year ended 30 June 2009. The report was lodged with the Registry on 1 December 2009.

The financial report has been filed.

If you wish to discuss the matter I can be contacted on (03) 8661 7811.

Yours sincerely

MARK ELLIOTT

Tribunal Services and Organisations
Fair Work Australia
Tel: 03 8661 7811
Fax: 03 9655 0410
mark.elliott@fwa.gov.au

ELLIOTT, Mark

From: ELLIOTT, Mark
Sent: Thursday, 7 January 2010 4:00 PM
To: 'info@vafi.org.au'
Cc: 'pgryan@bigpond.com'
Subject: Financial Report for the Victorian Association of Forest Industries for year ended 30 June 2009 – FR2009/285
Attachments: FR2009_285_corres_docs_filed_7jan10.pdf

Dear Mr Dalidakis,

The financial report for the Victorian Association of Forest Industries, for the year ended 30 June 2009, has been filed.

Correspondence formally acknowledging the fact is attached.

Kind regards,

MARK ELLIOTT
Tribunal Services and Organisations

Fair Work Australia
Tel: 03 8661 7811
Fax: 03 9655 0410
mark.elliott@fwa.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

ELLIOTT, Mark

From: ELLIOTT, Mark
Sent: Thursday, 7 January 2010 4:02 PM
To: 'pgvryan@bigpond.com'
Subject: FW: Financial Report for the Victorian Association of Forest Industries for year ended 30 June 2009 – FR2009/285
Attachments: FR2009_285_corres_docs_filed_7jan10.pdf

Good afternoon Peter,

Sorry for the mix up with your email address. Please see below.

Kind regards,

MARK ELLIOTT

Tribunal Services and Organisations

Fair Work Australia

Tel: 03 8661 7811
Fax: 03 9655 0410
mark.elliott@fwa.gov.au

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Dear Mr Dalidakis,

The financial report for the Victorian Association of Forest Industries, for the year ended 30 June 2009, has been filed.

Correspondence formally acknowledging the fact is attached.

Kind regards,

MARK ELLIOTT

Tribunal Services and Organisations

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PETER G. RYAN & ASSOCIATES

Industrial and Employee Relations Consultants

6 Yarang Court,
Heathmont, Vic. 3135
pgvryan@bigpond.com

Telephone: (03) 9876 9330
Facsimile: (03) 9876 9336
Mobile: 0409 591 875

27 November 2009

Industrial Registrar
AIRC
Level 4, 11 Exhibition Street
Melbourne
Vic , 3000

Please find enclosed Financial Returns for the Victorian Association of Forest Industries (VAFI) for the year ended 30 June 2009.

Accompanying them is a letter from the Association's Executive Director along with the required Statement by the Certifying Officer.

Should you require further information or detail please contact me.

Yours sincerely



Peter G Ryan
For and on behalf of
VAFI



ABN 99 752 910 589

Level 6, 50 Market Street
Melbourne VIC 3000

Telephone: 61 3 9611 9000

Facsimile: 61 3 9600 9011

www.vafi.org.au

info@vafi.org.au

VAFI Financial Returns Certifying Officer Statement 2009

Victorian Association of Forest Industries

Financial Documents for year ended 30 June 2009

This is to certify that the Financial Statements lodged with the Australian Industrial Registry for the year ended 30 June 2009 are copies which were presented to the Annual General Meeting of the Association held on Friday 6 November, 2009 in accordance with Section 268 of the R.A.O. Schedule.

The Accounts had been forwarded to all members by Circular on 6 October 2009.



R.M. HUMPHREYS

President

VAFI

27 November 2009





ABN 99 752 910 589

Level 6, 50 Market Street
Melbourne VIC 3000

Telephone: 61 3 9611 9000
Facsimile: 61 3 9611 9011

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info@vafi.org.au

Industrial Registrar
AIRC
Level 4, 11 Exhibition Street
Melbourne
Vic , 3000

Please find enclosed Financial Returns for the Victorian Association of Forest Industries (VAFI) for the year ended 30 June 2009.

The Accounts were presented at the AGM held 6 November 2009.

Accompanying them is the required Statement by the Certifying Officer.

A handwritten signature in black ink, appearing to read "Philip Dalidakis", is written over a horizontal line that ends in an arrowhead pointing to the right.

Philip Dalidakis
Executive Director
VAFI

27 November 2009



Victorian Association of Forest Industries

ABN 99 752 910 589

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009
TOGETHER WITH REPORTS
OF THE EXECUTIVE AND AUDITORS**



VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

OPERATING REPORT

Operating Report prepared in accordance with the requirements of Schedule 1 of the Workplace Relations Act 1996.

Executive

The names of the Executive throughout the year and at the date of this report are:

Mr Greg McCormack	Mr Bob Humphreys
Mr Guy Mycroft	Mr Darrin McKenzie
Mr Gary Demby	Mr Rowan Reid
Mr Peter Rutherford (appointed 01/04/09)	

Principal activities

The Association is the peak industry body for Victoria's native hardwood timber industry. The Association provides information, advice and referral services as well advocating on behalf of members at State and Federal Government levels.

Review of principal activities

The principal activities undertaken by the Victorian Association of Forest Industries during the financial year included;

- Representation of members interests to government and other agencies on industry restructuring, future resource pricing and allocation arrangements, future wood supply contract arrangements.
- Issues management, communications and public affairs
- Advice to members on employee relations, industrial relations, occupational health and safety and environmental management matters.
- Industrial representation for members in industrial tribunals

Significant changes

No significant change in the nature of the activities occurred during the year.

Operating Result

The loss for the year ended 30 June 2009 amounted to \$422,237 (2008: \$370,051).

Membership

The number of members of the Association as recorded in the register of members as at 30 June 2009 was 17 (2008: 17).

Employees

The number of employees of the Association as at 30 June 2009 measured on a full-time equivalent basis was 4 (2008: 4).

Details of the right of members to resign

Members have the right to resign in accordance with Rule 11 of the Association's Registered Rules.

Details of superannuation trustees

No officer or member of the Association is a trustee of a superannuation entity or a director of a company that is a trustee of a superannuation entity.

Signed in accordance with a resolution of the Executive.



Greg McCormack
President VAFI



Guy Mycroft
Vice-President VAFI

Dated this 5th day of OCTOBER 2009.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

EXECUTIVE STATEMENT

The Executive of the Victorian Association of Forest Industries, declare that:

1. the financial statements and notes comply with Australian Accounting Standards and the reporting guidelines of the Industrial Registrar and the Workplace Relations Act 1996.;
2. the financial statements and notes give a true and fair view of the financial position of the Victoria Association of Forest Industries as at 30 June 2009 and of its financial performance and cash flows for the year ended on that date;
3. at the date of this statement, there are reasonable grounds to believe that the Victorian Association of Forest Industries will be able to pay its debts as and when they fall due.
4. during the financial year ended 30 June 2009 and to the date of this report:
 - (i) meetings of the Executive were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Association unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the information sought in any request of a member of the Association or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

This statement is made in accordance with a resolution of the Executive of the Victorian Association of Forest Industries made on this day.



Greg McCormack
President VAFI



Guy Mycroft
Vice-President VAFI

Dated this 5th day of OCTOBER, 2009.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
Revenue	2	535,053	697,144
Administration, management and organisation expenditure		(6,523)	(10,552)
Depreciation and amortisation expense		(5,741)	(11,095)
Employee benefits expense		(387,732)	(322,614)
Office expenses		(226,358)	(252,304)
Legal expenses		(25,000)	(40,575)
Bad and doubtful debts		-	(6,512)
Consulting resource expenses		(105,705)	(228,667)
NAFI contribution and expenses		(41,671)	(91,772)
Wood Products Victoria Ltd contribution and expenses		(53,100)	-
Functional and other expenses		<u>(105,460)</u>	<u>(103,104)</u>
Loss before income tax		(422,237)	(370,051)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Loss from operations		<u>(422,237)</u>	<u>(370,051)</u>

The accompanying notes form part of these financial statements.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

BALANCE SHEET
AS AT 30 JUNE 2009

	Notes	2009 \$	2008 \$
CURRENT ASSETS			
Cash and cash equivalents	6	1,309,623	1,800,957
Trade and other receivables	7	105,938	1,400
Other current assets	8	<u>-</u>	<u>5,866</u>
TOTAL CURRENT ASSETS		<u>1,415,561</u>	<u>1,808,223</u>
NON-CURRENT ASSETS			
Financial assets	9	-	704
Property, plant and equipment	10	<u>1,228,305</u>	<u>1,234,046</u>
TOTAL NON-CURRENT ASSETS		<u>1,228,305</u>	<u>1,234,750</u>
TOTAL ASSETS		<u>2,643,866</u>	<u>3,042,973</u>
CURRENT LIABILITIES			
Trade and other payables	11	52,326	13,556
Short-term provisions	12	14,760	6,223
Other current liabilities	13	<u>4,161</u>	<u>28,338</u>
TOTAL CURRENT LIABILITIES		<u>71,247</u>	<u>48,117</u>
TOTAL LIABILITIES		<u>71,247</u>	<u>48,117</u>
NET ASSETS		<u>2,572,619</u>	<u>2,994,856</u>
EQUITY			
Reserves		-	146
Retained earnings		<u>2,572,619</u>	<u>2,994,710</u>
TOTAL EQUITY		<u>2,572,619</u>	<u>2,994,856</u>

The accompanying notes form part of these financial statements.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2009

	Retained Earnings	Financial Asset Reserve \$	Total \$
Balance at 1 July 2007	<u>3,364,761</u>	<u>918</u>	<u>3,365,679</u>
Profit attributable to members	(370,051)	-	(370,051)
Revaluation Increment	<u>-</u>	<u>(772)</u>	<u>(772)</u>
Balance at 30 June 2008	<u>2,994,710</u>	<u>146</u>	<u>2,994,856</u>
Loss attributable to members	(422,237)	-	(422,237)
Revaluation increment	<u>146</u>	<u>(146)</u>	<u>-</u>
Balance at 30 June 2009	<u>2,572,619</u>	<u>-</u>	<u>2,572,619</u>

The accompanying notes form part of these financial statements.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Membership fees and levies received		300,096	574,066
Consulting services and other income		51,350	147,285
Payments to suppliers and employees		(921,849)	(1,094,685)
Interest and dividends received		79,069	127,550
Interest paid		<u>-</u>	<u>(616)</u>
Net cash provided by operating activities	14(a)	<u>(491,334)</u>	<u>(246,400)</u>
Net increase in cash held		(491,334)	(246,400)
Cash at beginning of year		<u>1,800,957</u>	<u>2,047,357</u>
Cash at end of year	6	<u><u>1,309,623</u></u>	<u><u>1,800,957</u></u>

The accompanying notes form part of these financial statements.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers Victorian Association of Forest Industries as an individual entity. The Victorian Association of Forest Industries is an association incorporated in Victoria under the Workplace Relations Act 1996.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Workplace Relations Act 1996.

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 and have been consistently applied unless otherwise stated.

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.

(a) Income Tax

No provision for income tax is necessary as the Association is exempt from income tax under Section 50-15 of the Income Tax Assessment Act.

(b) Property, Plant and Equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment of losses.

The carrying amount of property plant and equipment is reviewed annually by directors to ensure that it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings are depreciated on a straight-line or reducing balance basis over the useful lives to the commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2.5%
Plant and equipment	10 – 25%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts include in the revaluation relating to that asset are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments

Initial Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The association has not held any financial assets at fair value through profit or loss in the current or comparative financial year.

(ii) *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 subsequently measured at amortised cost.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At each reporting date, the association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the entity 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 expire. 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.

(d) Impairment of Assets

At each reporting date, the association reviews the carrying values of its tangible and intangible 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 the cost 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.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Employee Benefits

Provision is made for the association's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. 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.

(f) 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 borrowings in current liabilities on the balance sheet.

(g) Revenue and Other Income

Revenue from membership fees and levies is recognised when due and payable by the member.

Revenue from the provision of services is recognised when the Association becomes entitled to the consideration for the service.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised when the right to receive a dividend has been established.

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

(h) Goods and Services tax (GST)

Revenue, 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 the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

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

(j) Key Estimates

(i) *Impairment*

The association assesses impairment at each reporting date by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) New Accounting Standard for Application in Future Periods

The AASB has issued new, revised and amended Standards and Interpretations that have mandatory application dates for future reporting periods and which the association has decided not to early adopt. A discussion of those future requirements and their impact on the association is as follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASB Standards 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 and 139 and Interpretations 9 and 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 and AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These Standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. Neither of these Standards are currently applicable to the association.
- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). This Standard replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the group's board for the purposes of decision making. While the impact of this Standard cannot be assessed at this stage, there is the potential for more segments to be identified. Given the lower economic level at which segments may be defined, and the fact that cash generating units cannot be bigger than operating segments, impairment calculations may be affected. Management presently do not believe impairment will result however.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefine the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the association. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138 and Interpretations 1 and 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the association as a policy of capitalising qualifying borrowing costs has been maintained by the association.
- AASB 2008-1: Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party. This Standard is not currently applicable to the association.
- AASB 2008-2: Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132 and AASB 139 and Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability, to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the association.
- AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the association.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) New Accounting Standard for Application in Future Periods (continued)

- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 and AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value, less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the Interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. This policy is not currently applicable to the association.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The Interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the association.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed, where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The association does not anticipate early adoption of any of the above reporting requirements and does not expect them to have any material effect on the association's financial statements.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 2: REVENUE AND OTHER INCOME			
Operating activities			
- Membership fees and levies		340,767	422,309
- TPC Special levy		-	5,509
- Wood Products Victoria Ltd special levy		63,867	-
- Rental, administration and service charges		24,691	37,737
- Ems Project		-	76,750
- Interest and dividends from investments		79,069	127,550
- Other revenue		<u>26,659</u>	<u>27,289</u>
		<u><u>535,053</u></u>	<u><u>697,144</u></u>

Membership fees and levies – used to represent the members interest to government and other agencies on industry issues.

TPC Special levy – used to fund an entity to be established to perform former TPC functions and generate funds for election.

Wood Products Victoria Lt special levy – used to fund the promotion of wood products in Victoria.

NOTE 3: EXPENSES

Employee benefits expense			
- Wages & salaries		345,544	288,157
- Superannuation		31,067	28,603
- Annual & long service leave expense		8,537	(1,588)
- Workers compensation insurance		2,584	
- Fringe benefits tax		-	10,271
- Payroll tax		<u>-</u>	<u>(2,829)</u>
		<u>387,732</u>	<u>322,614</u>
Contributions to other reporting units			
- Wood Products Victoria Ltd		53,100	-
- NAFI contribution		<u>41,671</u>	<u>91,772</u>
		<u>94,771</u>	<u>91,772</u>
Legal costs and other expenses			
Legal fees		<u>25,000</u>	<u>40,575</u>
		<u>25,000</u>	<u>40,575</u>
Members meeting expenses			
- Conferences		13,461	55,196
- Annual dinner		<u>33,941</u>	<u>2,273</u>
		<u>47,402</u>	<u>57,469</u>

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

	Salaries & Fees	Superannuation	Total
2009			
Total compensation	<u>149,692</u>	<u>13,472</u>	<u>163,164</u>
2008			
Total compensation	<u>130,000</u>	<u>11,700</u>	<u>141,700</u>

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 5: AUDITOR'S REMUNERATION			
Remuneration of the auditor of the association for:			
- auditing or reviewing the financial report		7,500	7,500
- taxation services		-	-
- due diligence services		-	-
- other services		-	-

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand		500	700
Cash at bank		261,371	178,250
Short-term bank deposits		1,043,615	1,617,363
Cash at bank held in trust for projects		4,137	4,644
		<u>1,309,623</u>	<u>1,800,957</u>

The effective interest rate on short-term bank deposits was 4.7% (2008 7.00%); these deposits have an average maturity of 65 days.

Reconciliation of cash

Cash at the end of the financial years shown in the cash flow statement is shown reconciled to items in the balance sheet as follows:

Cash and cash equivalents		<u>1,309,623</u>	<u>1,800,957</u>
		<u>1,309,623</u>	<u>1,800,957</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Subscriptions receivable		104,538	24,371
Less provisions for doubtful debts		-	(24,371)
		<u>104,538</u>	-
Sundry receivables		1,400	1,400
		<u>105,938</u>	<u>1,400</u>

Current trade receivables are non-interest bearing loans and are generally receivable within 30 days. A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired. No impairment was required at 30 June 2009 (2008: \$6,512).

Credit risk

The entity has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main source of credit risk to the entity is considered to relate to the class of assets described as subscriptions receivable.

The following table details the entity's subscriptions receivable exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the association and the member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining their willingness to pay and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the entity. All members late in paying their subscription are potentially subject to a late fee.

The balances of receivables that remain within initial terms (as detailed in the table) are considered to be of high credit quality.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

Note 2009 2008
 \$ \$

NOTE 7: TRADE AND OTHER RECEIVABLES (continued)

	Gross amount \$	Past due and impaired \$	Past due but not impaired				Within initial trade terms \$
			Days (overdue)				
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2009							
Subscriptions receivable	104,538	-	-	23,851	19,493	30,896	30,298
Other receivables	1,400	-	-	-	-	-	1,400
Total	105,938	-	-	23,851	19,493	30,896	31,698
	Gross amount \$	Past due and impaired \$	Past due but not impaired				Within initial trade terms \$
			Days (overdue)				
			< 30 \$	31-60 \$	61-90 \$	> 90 \$	
2008							
Other receivables	1,400	-	-	-	-	-	1,400
Total	1,400	-	-	-	-	-	1,400

The entity does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade and other receivable balances.

Financial assets classified as loans and receivables

Trade and other receivables

- total current 105,938 1,400

NOTE 8: OTHER CURRENT ASSETS

CURRENT

Prepayments - 5,866

NOTE 9: FINANCIAL ASSETS

Available-for-sale financial assets - 704
- 704

Listed investments, at fair value

- Shares in listed corporations at market value - 702

- Shares in other corporations at cost - 2

Total available-for-sale financial assets - 704

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND AND BUILDINGS			
Land:			
At cost		<u>35,155</u>	<u>35,155</u>
Buildings:			
At cost		1,187,861	1,187,861
Less accumulated depreciation		<u>(2,725)</u>	<u>(1,778)</u>
Total buildings		<u>1,185,136</u>	<u>1,186,083</u>
Total land and buildings		<u>1,220,291</u>	<u>1,221,238</u>
PLANT AND EQUIPMENT			
Plant and equipment:			
At cost		162,210	159,056
Less accumulated depreciation		<u>(154,196)</u>	<u>(146,248)</u>
Total plant and equipment		<u>8,014</u>	<u>12,808</u>
Total property, plant and equipment		<u>1,228,305</u>	<u>1,234,046</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Plant & equipment \$	Total \$
2008				
Balance at the beginning of the year	<u>35,155</u>	<u>1,187,032</u>	<u>22,954</u>	<u>1,245,141</u>
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(949)	(10,146)	(11,095)
Carrying amount at end of the year	<u>35,155</u>	<u>1,186,083</u>	<u>12,808</u>	<u>1,234,046</u>
2009				
Balance at the beginning of the year	<u>35,155</u>	<u>1,186,083</u>	<u>12,808</u>	<u>1,234,046</u>
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	-	(947)	(4,794)	(5,741)
Carrying amount at end of year	<u>35,155</u>	<u>1,185,136</u>	<u>8,014</u>	<u>1,228,305</u>

NOTE 11: TRADE AND OTHER PAYABLES

CURRENT

Trade payables		41,099	-
Sundry payables and accrued expenses		<u>11,227</u>	<u>13,556</u>
		<u>52,326</u>	<u>13,556</u>

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 12: PROVISIONS			
CURRENT			
Employee entitlements		<u>14,760</u>	<u>6,223</u>
NOTE 13: OTHER CURRENT LIABILITIES			
CURRENT			
Payable to NAFI		-	23,694
Funds held on behalf of project groups		<u>4,161</u>	<u>4,644</u>
		<u>4,161</u>	<u>28,338</u>
NOTE 14: CASH FLOW INFORMATION			
(a) Reconciliation of Cashflow from Operations with profit after Income Tax			
Profit after income tax		(422,237)	(370,051)
Non-cash flows in profit			
- depreciation		5,741	11,095
- doubtful debts		(24,371)	6,512
Changes in assets and liabilities			
- (increase)/decrease in current receivables		(80,167)	145,245
- (increase)/decrease in other current assets		6,570	1,148
- increase/(decrease) in payables		38,770	(59,461)
- increase/(decrease) in provisions		8,537	(1,588)
- increase/(decrease) in other current liabilities		<u>(24,177)</u>	<u>20,700</u>
		<u>(491,334)</u>	<u>(246,400)</u>

(b) The association does not have an overdraft facility.

(c) There were no non-cash financing or investing activities during the year.

NOTE 15: SEGMENT REPORTING

The Association operates predominantly in one business and geographical segment, being the provision of workplace support to employers in the forestry industry in Victoria.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 16: FINANCIAL RISK MANAGEMENT			
The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts receivable and payable.			
The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:			
Financial Assets			
Cash and cash equivalents	6	1,309,623	1,800,957
Trade and other receivables	7	105,938	1,400
Available-for-sale financial assets			
— Shares in listed corporations	9	<u>-</u>	<u>704</u>
		<u>1,415,561</u>	<u>1,803,061</u>
Financial Liabilities			
Financial liabilities at amortised cost			
— Trade and other payables	11	<u>52,326</u>	<u>13,556</u>
		<u>52,326</u>	<u>13,556</u>

Financial Risk Management Policies

The association's Chief Executive Officer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The Chief Executive Officer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held quarterly and minuted by the Executive.

The Chief Executive Officer's risk management strategy seeks to ensure that the association meets its financial targets, whilst minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

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

a. Interest rate risk

The association is not exposed to any significant interest rate risk since cash balances are maintained at variable rates.

b. Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 16: FINANCIAL RISK MANAGEMENT (continued)

b. Liquidity risk (continued)

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total contractual cash flow	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment:								
Trade and other payables (excluding estimated annual leave).	<u>52,326</u>	<u>13,556</u>	-	-	-	-	<u>52,326</u>	<u>13,556</u>
Total expected outflows	<u>52,326</u>	<u>13,556</u>	-	-	-	-	<u>52,326</u>	<u>13,556</u>
Financial assets – cash flows realisable								
Cash and cash equivalents	1,309,623	1,800,957	-	-	-	-	1,309,623	1,800,957
Trade, term and loan receivables	105,938	1,400	-	-	-	-	105,938	1,400
Other investments	-	704	-	-	-	-	-	704
Total anticipated inflows	<u>1,415,561</u>	<u>1,803,061</u>	-	-	-	-	<u>1,415,561</u>	<u>1,803,061</u>
Net (outflow)/inflow on financial instruments	<u>1,363,235</u>	<u>1,789,505</u>	-	-	-	-	<u>1,363,235</u>	<u>1,789,505</u>

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liabilities

c. Financial exchange risk

The association is not exposed to fluctuations in foreign currency.

d. Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the association.

Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that members and counter parties to transactions are of sound credit worthiness. Subscriptions are expected to be paid prior to the commencement of the subscriptions period.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the finance committee has otherwise cleared as being financially sound.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009	2008
		\$	\$

NOTE 16: FINANCIAL RISK MANAGEMENT (continued)

d. Credit Risk (continued)

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

There is no collateral held by the association security trade and other receivables.

The association has not significant concentration of credit risk with any singable counterparty or group of counterparties. Details with respect to credit risk of trade and other receivable are provided in Note 7.

Trade and other receivables that are neither past due or impaired and considered to be of high credit quality. Aggregates of such amounts are detailed in Note 7.

e. Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

The association is exposed to securities price risk of available-to-sale financial investments.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumption used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from market that are actively traded.

	Footnote	2009		2008	
		Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
		\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	(i)	1,309,623	1,309,623	1,800,957	1,800,957
Trade and other receivables	(i)	105,938	105,938	1,400	1,400
Investments – available for sale	(ii)	-	-	704	704
Total financial assets		<u>1,415,561</u>	<u>1,415,561</u>	<u>1,803,061</u>	<u>1,803,061</u>
Financial liabilities					
Trade and other payables	(i)	52,326	52,326	13,556	13,556
Total financial liabilities		<u>52,326</u>	<u>52,326</u>	<u>13,556</u>	<u>13,556</u>

The fair values disclosed in the above table have been determined based on the following methodologies:

- i. Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for relating to annual leave and deferred income which is not considered a financial instrument.
- ii For listed available-for-sale financial assets, closing quoted bid prices at reporting date are used.

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 17: ASSOCIATION DETAILS

The registered office and principle place of business of the association is:
Victorian Association of Forest Industries
6/50 Market Street
MELBOURNE VIC 3000

NOTE 18: RELATED PARTIES

(a) Apart from interests in contracts as noted in part (c) below, no remuneration has been paid or is due and payable to any of the Executive of the entity.

(b) The names of the Executive during the financial year are: Mr Greg McCormack, Mr Bob Humphreys, Mr Vince Erasmus, Mr Darrin McKenzie, Mr Gary Demby, Mr Roan Reid, Mr Paul Madden (Observer) and Mr Peter Rutherford.

(c) Contributions totalling \$53,100 were paid to Wood Products Victoria Ltd, a company of which Mr Gregory Henry McCormack is a director.

NOTE 19: INFORMATION TO BE PROVIDED TO A MEMBER OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) and of section 272, which are read as follows:-

SECTION 272 INFORMATION TO BE PROVIDED TO A MEMBER OR A REGISTRAR

(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).



INDEPENDENT AUDIT REPORT TO THE MEMBERS

Report on the Financial Report

We have audited accompanying financial report of Victorian Association of Forest Industries which comprises the balance sheet as at 30 June 2009 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the executive.

The Executive's Responsibility for the Financial Report

The executive of the association are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), and the Workplace Relations Act 1996. This responsibility includes designing, implementing and maintaining internal controls that are relevant to the preparation and 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 executive, 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.

Independence

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

Auditor's Opinion

In our opinion the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.

C.W. Stirling & Co

C.W. Stirling & Co
Chartered Accountants

John A Phillips

John A Phillips
Partner

Dated this 6th of October 2009
Melbourne

ASIC Registration Number: 10127
Professional Organisation: The Institute of Chartered Accountants in Australia
Professional Membership Number: 72565



**COMPILATION REPORT
TO THE MEMBERS OF VICTORIAN ASSOCIATION OF FOREST INDUSTRIES**

We have complied in the accompanying special purpose financial statements of the Victorian Association of Forest Industries which comprise the attached detailed income and expenditure statement for the year ended 30 June 2009. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the executive.

The Responsibility of the Executive

The executive is solely responsible for the information contained in the special purpose financial statements and has determined that the basis of accounting adopted is appropriate to meet the needs of the executive for the purpose of complying with the associations constitution.

Our Responsibility

On the basis of information provided by the executive we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the executive provided, in compiling the financial statements. Our procedures do not include certification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the executive. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

C.W. Stirling & Co
Chartered Accountants

John A Phillips
Partner

Dated this 6th of October 2009
Melbourne.

ASIC Registration Number: 10127
Professional Organisation: The Institute of Chartered Accountants in Australia
Professional Membership Number: 72565

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

ADDITIONAL INFORMATION ON THE 2009 FINANCIAL STATEMENTS

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
INCOME		
Membership fees and levies	340,767	422,309
Special levy	63,867	5,509
Rental, administration and service charges	24,691	37,737
Interest & dividends from investments	79,069	127,550
EMS project	-	76,750
Other income	<u>26,659</u>	<u>27,289</u>
TOTAL INCOME	<u>535,053</u>	<u>697,144</u>
LESS EXPENDITURE		
Administration, Management and Organisation (refer attached schedule)	6,523	10,552
Depreciation and amortisation (refer attached schedule)	5,741	11,095
Employee benefits expense (refer attached schedule)	387,732	322,614
Office Expenses (refer attached schedule)	226,358	252,304
Legal Expenses (refer attached schedule)	25,000	40,575
Bad and doubtful debts (refer attached schedule)	-	6,512
Consulting Resource Expenses (refer attached schedule)	105,705	228,667
NAFI Contribution and Expenses	41,671	91,772
Wood Products Victoria Ltd Contribution and Expenses	53,100	-
Functional and Other Expenses (refer attached schedule)	<u>105,460</u>	<u>103,104</u>
TOTAL EXPENDITURE	<u>957,290</u>	<u>1,067,195</u>
Net Operating Deficit	<u>(422,237)</u>	<u>(370,051)</u>

These financial statements should be read in conjunction with the attached Compilation Report

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

ADDITIONAL INFORMATION ON THE 2009 FINANCIAL STATEMENTS

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
ADMINISTRATION, MANAGEMENT & ORGANISATION EXPENDITURE		
Bank charges	929	696
Bank interest	-	626
Executive committee	219	-
Loss on disposal of investments	700	-
Motor vehicle expense	-	71
Recruitment costs	-	9,159
Staff training	4,675	-
	<u>6,523</u>	<u>10,552</u>
DEPRECIATION AND AMORTISATION		
Depreciation	5,741	11,095
	<u>5,741</u>	<u>11,095</u>
EMPLOYEE BENEFITS EXPENSE		
Annual leave expense	8,537	(1,588)
Fringe benefits tax	-	10,271
Payroll tax	-	(2,829)
Salaries & wages	345,544	288,157
Superannuation	31,067	28,603
Workers compensation insurance	2,584	-
	<u>387,732</u>	<u>322,614</u>
OFFICE EXPENDITURE		
Annual dinner	33,942	2,273
Bookkeeping	12,617	-
Body corporate fees	39,013	9,305
Car park rental	7,414	-
Cleaning	11,707	12,207
Computer equipment	4,350	25,669
Courier	147	-
General expense	15,744	101,721
Insurances	24,322	17,627
Internet	1,421	-
Light & power	4,051	3,341
Postage	596	3,677
Printing & stationery	34,097	15,782
Rates & taxes	7,683	6,507
Repairs & maintenance	3,709	36,734
Telephone (consolidated)	24,533	17,461
Website	1,012	-
Total Office Expenses	<u>226,358</u>	<u>252,304</u>

These financial statements should be read in conjunction with the attached Compilation Report

VICTORIAN ASSOCIATION OF FOREST INDUSTRIES
ABN 99 752 910 589

ADDITIONAL INFORMATION ON THE 2009 FINANCIAL STATEMENTS

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	2009 \$	2008 \$
LEGAL EXPENSES		
Employee relations	25,000	-
Legal expenses	<u>-</u>	<u>40,575</u>
	<u>25,000</u>	<u>40,575</u>
 BAD AND DOUBTFUL DEBTS EXPENSE		
Bad debts	<u>-</u>	<u>6,512</u>
	<u>-</u>	<u>6,512</u>
 CONSULTING RESOURCE EXPENSES		
Advertising	1,665	19,753
Consultants	-	140,344
EMS project	-	67,292
Information technology	8,606	-
Industry	22,939	-
Members communication	-	382
Public relations/Media	17,351	896
Sustainability report	9,970	-
TIS	25,189	-
Bushfire royal commission	<u>19,985</u>	<u>-</u>
	<u>105,705</u>	<u>228,667</u>
 NAFI CONTRIBUTION AND EXPENSES		
NAFI contribution	<u>41,671</u>	<u>91,772</u>
	<u>41,671</u>	<u>91,772</u>
 WOOD PRODUCTS VICTORIA LTD CONTRIBUTION AND EXPENSES		
Wood Products Victoria Ltd contribution	<u>53,100</u>	<u>-</u>
	<u>53,100</u>	<u>-</u>
 FUNCTIONAL AND OTHER EXPENSES		
Audit fees	8,700	9,711
Conferences	13,461	55,195
Corporate memberships	26,093	-
Networking	12,255	-
Media monitoring	3,006	-
Publications	1,374	94
Subscriptions	-	19,117
Sponsorships	19,184	-
Travel	<u>21,387</u>	<u>18,987</u>
<u>Total Functional and Other Expenses</u>	<u>105,460</u>	<u>103,104</u>

These financial statements should be read in conjunction with the attached Compilation Report



Fair Work Australia

7 September 2009

Mr Philip Dalidakis
Executive Director
Victorian Association of Forest Industries
info@vafi.org.au

Dear Mr Dalidakis,

**Lodgement of Financial Documents for year ended 30 June 2009 [FR2009/285]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Victorian Association of Forest Industries (the “reporting unit”) has recently ended. This is a courtesy letter to remind you of the obligation to prepare and process the reporting unit’s financial documents. The full financial report must be lodged with Fair Work Australia within a period of 5 months and 14 days or 6 months and 14 days, depending on your rules, of the end of the financial year.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. The attached *Timeline/Planner* summarises these requirements.

In addition, financial reporting fact sheets and sample documents can be found on our new Fair Work Australia website. You will find that the legislative requirements remain largely unchanged to that of the former requirements under Schedule 1 of the Workplace Relations Act 1996. The information can be viewed at [FWA Registered Organisations Fact Sheets](#).

This office encourages you to lodge all financial reports electronically (e.g. as pdf files) at orgs@fwa.gov.au. Alternatively, you can forward the documents by fax to (03) 9655 0410.

If you need any further information or if you believe you will be unable to lodge the full financial report within the period mentioned above please contact me on (03) 8661 7764 or by email at kevin.donnellan@fwa.gov.au.

Yours sincerely,

Kevin Donnellan
Tribunal Services and Organisations
Fair Work Australia

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /
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*(a) if the report is to be presented to 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.*

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); OR	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.