

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND
MANUFACTURING DIVISION -
SOUTH AUSTRALIA DIVISIONAL BRANCH
ABN 33 399 833 248**

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

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
SOUTH AUSTRALIA DIVISIONAL BRANCH
ABN 33 399 833 248**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch ("Union / Reporting Unit"), presents the Operating Report of the Reporting Unit for the financial year ended 31 December 2008.

Principal Activities

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

- Implementation of the decisions of the Branch Executive and Committee of Management.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, training and development of officials.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Fair Work (Registered Organisations) Act 2009, and the Union rules.
- Media and other communications to members and to the broader local communities of the Branch on issues affecting the rank and file.

Operating Result

The operating profit of the Union for the financial year was \$70,911. No provision for tax was necessary as the Union is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the Union during the year.

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

Except for the above, no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

Rights of Members

Subject to the Union's rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

Superannuation Officeholders

Mr D Kirner is an executive member of the Union and holds directorship of FIRST Superannuation Pty Ltd, Timber Industry Superannuation Scheme Pty Ltd and BIRST.

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

No other officer or member of the Union acts:

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

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**OPERATING REPORT
Continued**

Other Prescribed Information

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

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under section 244 of the Fair Work (Registered Organisations) Act 2009 was 1,893.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 6.
- (c) the names of each person who have been a member of the Branch Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	Position
Tony Howlett	Branch Senior Vice President
Peter Simmonds	Branch Vice President (resigned 31 December 2008)
Maree Gale	Branch Vice President (AA) (resigned 31 December 2008)
David Kirner	Branch Secretary/Treasurer
Brad Coates	Branch Assistant Secretary
Leslie Birch	Branch Trustee (resigned 31 December 2008)
Tom Kenny	Branch Trustee (resigned 31 December 2008)
Andrew Sampson	Branch Trustee
Kylie Little	Committee of Management (AA)
Rosita Basa	Committee of Management (resigned 31 December 2008)
Terry Bennier	Committee of Management
Travis Lawson	Committee of Management (resigned 31 December 2008)
Michael Miles	Committee of Management
Michael Muhovics	Committee of Management
Peter Nelson	Committee of Management

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

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**OPERATING REPORT
Continued**


Other Prescribed Information continued

- d) The following persons were members of the Branch Executive, during the year ended 31 December 2008:

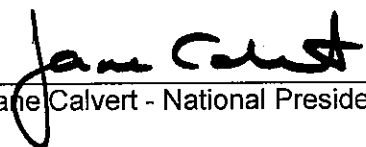
Name	Position
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Tom Kenny	Branch Trustee (resigned 31 December 2008)
Andrew Sampson	Branch Trustee
Kylie Little	Committee of Management (AA)
Terry Bennier	Committee of Management

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

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



Michael O'Connor - National Secretary



Jane Calvert - National President

Melbourne: 17 November 2010

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

	Note	2008 \$	2007 \$
Revenue	3	950,504	914,270
Administration expense	4	(114,842)	(214,880)
Affiliation fees, compulsory levies and sustentation fees	4	(174,495)	(199,483)
Bad debts		-	(10,972)
Depreciation expense	4	(11,210)	(12,742)
Employee benefits expense	4	(449,831)	(459,944)
Motor vehicle expense		(22,285)	(20,759)
Occupancy expense		(45,064)	(44,539)
Telephone and facsimile expense		(30,224)	(29,079)
Travel expense		(31,642)	(25,426)
Other expenses		-	(4,678)
Profit/(Loss) before income tax expense		70,911	(108,232)
Income tax expense	1(a)	-	-
Net profit/(loss) attributable to members		70,911	(108,232)

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	243,148	216,811
Trade and other receivables	6	60,644	80,635
Other current assets	7	<u>2,716</u>	<u>19,439</u>
TOTAL CURRENT ASSETS		<u>306,508</u>	<u>316,885</u>
NON CURRENT ASSETS			
Property, plant and equipment	8	<u>22,113</u>	<u>29,869</u>
TOTAL NON CURRENT ASSETS		<u>22,113</u>	<u>29,869</u>
TOTAL ASSETS		<u>328,621</u>	<u>346,754</u>
CURRENT LIABILITIES			
Trade and other payables	9	198,632	297,991
Short term provisions	10	<u>171,775</u>	<u>161,460</u>
TOTAL CURRENT LIABILITIES		<u>370,407</u>	<u>459,451</u>
TOTAL LIABILITIES		<u>370,407</u>	<u>459,451</u>
NET ASSETS/(LIABILITIES)		<u>(41,786)</u>	<u>(112,697)</u>
EQUITY			
Accumulated losses		<u>(41,786)</u>	<u>(112,697)</u>
TOTAL EQUITY		<u>(41,786)</u>	<u>(112,697)</u>

The accompanying notes form part of these financial statements.

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

	Accumulated Losses	Total
	\$	\$
Balance at 1 January 2007	(4,465)	(4,465)
Loss attributable to members	<u>(108,232)</u>	<u>(108,232)</u>
Balance at 31 December 2007	(112,697)	(112,697)
Profit attributable to members	<u>70,911</u>	<u>70,911</u>
Balance at 31 December 2008	<u>(41,786)</u>	<u>(41,786)</u>

The accompanying notes form part of these financial statements.

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

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		950,336	851,368
Interest received		5,791	5,209
Other income received		13,221	7,365
Payments to suppliers and employees		<u>(939,557)</u>	<u>(829,527)</u>
Net cash provided by /(used) in operating activities	17(b)	<u>29,791</u>	<u>34,415</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		<u>(3,454)</u>	<u>-</u>
Net cash used in investing activities		<u>(3,454)</u>	<u>-</u>
Net increase/(decrease) in cash held		26,337	34,415
Cash at beginning of year		<u>216,811</u>	<u>182,396</u>
Cash at end of year	17(a)	<u>243,148</u>	<u>216,811</u>

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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
SOUTH AUSTRALIA DIVISIONAL BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

Reporting Basis and Conventions

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

Accounting Policies

a. Income Tax

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

b. Revenue

Revenue from membership is recognised on a receipt basis.

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

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

c. Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. Impairment of Assets

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

e. Cash and Cash Equivalents

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Plant and Equipment

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

Plant and equipment

Plant and equipment is measured on the cost basis.

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

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis or a reducing balance basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, fittings and equipment	13.0% to 33.33%
Motor vehicles	18.75% to 22.50%

g. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

h. Financial Instruments

Recognition and Initial Measurement

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

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

h. Financial Instruments continued

Derecognition

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

Financial Assets

Loans and Receivables

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

Held-to-maturity investments

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

Fair Value

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

Financial Liabilities

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

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

j. Comparative Figures

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

k. Critical Accounting Estimates and Judgments

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

Key Estimates

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

Key Judgments

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

l. Going Concern

The Reporting Unit has a net asset deficiency of \$41,786.

The continuing operations of the Reporting Unit and the ability to pay its debts as and when they fall due is dependent upon the continuing financial support of the Construction, Forestry, Mining and Energy Union ("CFMEU") Forestry, Furnishing, Building Products and Manufacturing Division.

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the CFMEU Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit.

The CFMEU Forestry, Furnishing, Building Products and Manufacturing Division has confirmed that it will provide to the Reporting Unit the financial assistance necessary to ensure that the Reporting Unit is able to pay its debts as and when they fall due and enable the Reporting Unit to continue as a going concern. If the Reporting Unit is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

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

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

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

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

	2008	2007
	\$	\$
NOTE 3: REVENUE		
Operating activities		
Members' contributions	786,082	775,669
Representation fees	120,701	112,109
Interest received	5,791	5,209
Grants received	4,000	-
Board fees	8,000	3,000
Other income	26,725	18,283
	<u>951,299</u>	<u>914,270</u>
Total revenue	<u>951,299</u>	<u>914,270</u>

NOTE 4: PROFIT FOR YEAR

Profit before income tax expense has been determined after:

EXPENSES

Administration expense

Advertising	51	40
Bank charges	953	1,134
Computer expenses	6,184	8,748
Conference expenses	327	950
Consulting expenses	2,148	-
Delegate and Members	3,054	-
Donations		
- Building Trades Federation	-	4,259
- Mt Gambier Wood Competition	-	400
- Sundry donation	240	-
Insurance	9,114	9,368
Legal expenses	8,246	2,942
Meeting Expenses	4,378	-
NAC Fees	60,000	147,240
Office expenses	-	12,908
Postage and freight	4,804	6,870
Photocopy expenses	7,186	9,385
Printing and stationery	3,046	10,636
Staff expenses	2,683	-
Subscriptions	2,428	-
Remuneration of auditor		
- audit (paid by CFMEU Forestry, Furnishing Products Division – National Office)	-	-
	<u>114,842</u>	<u>214,880</u>

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

NOTE 4: PROFIT FOR YEAR continued

	2008	2007
	\$	\$
Affiliation fees, compulsory levies and sustentation fees		
Affiliation fees:		
- Australian Labor Party South Australia Branch	7,999	8,382
- South Australia Union	9,280	11,844
- Regional Trade and Labour Council	-	114
Compulsory levy:		
- Australian Council of Trade Unions Industrial Relations campaign	-	24,470
Sustentation fee:		
- CFMEU Forestry and Furnishing Products Division National Office	<u>157,216</u>	<u>154,673</u>
	<u>174,495</u>	<u>199,483</u>
Depreciation expense		
Furniture, fittings and equipment, motor vehicles	<u>11,210</u>	<u>12,742</u>
Employee benefit expense		
Salaries		
- elected officials	102,882	135,356
- employees	254,292	219,895
Superannuation		
- elected officials	14,999	19,893
- employees	37,543	30,351
Provision for annual leave		
- elected officials	822	3,221
- employees	(765)	13,108
Provision for long service leave		
- elected officials	(574)	4,341
- employees	1,729	6,321
Provision for sick leave		
- elected officials	8,781	(5,020)
- employees	(3,460)	2,974
Provision for RDO		
- elected officials	(123)	4,294
- employees	3,906	3,251
Fringe benefits tax	3,501	6,354
Payroll tax	20,585	7,190
Workcover	<u>5,713</u>	<u>8,415</u>
	<u>449,831</u>	<u>459,944</u>

NOTE 5: CASH AND CASH EQUIVALENTS

Cash on hand	1,280	1,280
Cash at bank	<u>241,868</u>	<u>215,531</u>
	<u>243,148</u>	<u>216,811</u>

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

	2008 \$	2007 \$
NOTE 6: TRADE AND OTHER RECEIVABLES		
CURRENT		
Contributions receivable	-	20,803
GST Receivable	-	546
Sundry debtors	33,809	47,813
Amounts relating to:		
CFMEU – Forestry & Furnishing Products Division – National Office	22,055	6,293
CFMEU – Pulp & Paper Workers' Branch	4,780	5,180
	60,644	80,635

NOTE 7: OTHER CURRENT ASSETS

CURRENT		
Prepayments	2,716	19,439

NOTE 8: PLANT AND EQUIPMENT

Furniture, fittings and equipment – at cost	53,478	50,024
Less accumulated depreciation	(47,372)	(44,232)
	6,106	5,792
Motor vehicles – at cost	98,297	98,297
Less accumulated depreciation	(82,290)	(74,220)
	16,007	24,077
TOTAL PLANT AND EQUIPMENT	22,113	29,869

Movements In Carrying Amounts

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

	Furniture Fittings & Equipment	Motor Vehicles	TOTAL
Balance at start of year	5,792	24,077	29,869
Additions	3,454	-	3,454
Disposals	-	-	-
Depreciation expense	(3,140)	(8,070)	(11,210)
Balance at end of year	6,106	16,007	22,113

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

	2008 \$	2007 \$
NOTE 9: TRADE AND OTHER PAYABLES		
Trade creditors & accruals	108,434	216,275
Payroll liabilities	14,029	21,892
GST liability	29,118	-
Amounts relating to:		
CFMEU – Forestry & Furnishing Products Division – National Office	40,450	53,930
CFMEU – Pulp & Paper Workers' Branch	5,894	5,894
CFMEU – Forestry & Furnishing Products Division – Victoria	707	-
	<u>198,632</u>	<u>297,991</u>

NOTE 10: PROVISIONS

CURRENT

Employee benefits:

Annual leave

- elected officials

21,298

20,476

- employees

42,164

42,930

Long service leave

- elected officials

13,567

14,141

- employees

44,961

43,232

Sick leave

- elected officials

16,365

7,584

- employees

22,092

25,552

RDO

- elected officials

4,171

4,294

- employees

7,157

3,251

Total Current Provisions

171,775

161,460

Number of Employees at year end

6

5

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
SOUTH AUSTRALIA DIVISIONAL BRANCH
ABN 33 399 833 248**

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

**NOTE 11: KEY MANAGEMENT PERSONNEL COMPENSATION
AND RELATED PARTY TRANSACTIONS**

The names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Name	Position
Tony Howlett	Branch Senior Vice President
Peter Simmonds	Branch Vice President (resigned 31 December 2008)
Maree Gale	Branch Vice President (AA) (resigned 31 December 2008)
David Kirner	Branch Secretary/Treasurer
Brad Coates	Branch Assistant Secretary
Leslie Birch	Branch Trustee (resigned 31 December 2008)
Tom Kenny	Branch Trustee (resigned 31 December 2008)
Andrew Sampson	Branch Trustee
Kylie Little	Committee of Management (AA)
Rosita Basa	Committee of Management (resigned 31 December 2008)
Terry Bennier	Committee of Management
Travis Lawson	Committee of Management (resigned 31 December 2008)
Michael Miles	Committee of Management
Michael Muhovics	Committee of Management
Peter Nelson	Committee of Management

(a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$102,882 (2007: \$135,356).

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$14,999 (2007: \$19,893).

(b) There was no remuneration paid to other persons on the committee of management.

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

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

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

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

NOTE 13: OPERATING LEASE COMMITMENTS

	2008	2007
	\$	\$
The total operating lease commitments are:		
(a) Unit 2, 191-195 Melbourne Street, North Adelaide		
Due within 1 year	21,080	24,435
Due within 2-5 years	-	46,815
	21,080	71,250
(b) 40 Percy Street, Mount Gambier		
Due within 1 year	5,441	7,924
Due within 2-5 years	-	5,441
	5,441	13,365
TOTAL COMMITMENT	26,521	84,615

NOTE 14: CONTINGENT LIABILITIES

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

NOTE 15: ECONOMIC DEPENDENCE

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

NOTE 16: SEGMENT REPORTING

The Union operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector. The business operates predominantly in one geographical area being in South Australia.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
NOTE 17: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	1,100	1,100
Cash at bank	242,048	215,711
	243,148	216,811
b. Reconciliation of Net Cash provided by (used in) Operating Activities to Net Profit / (Loss)		
Net profit/(loss)	70,911	(108,232)
Non Cash Items		
Depreciation	11,210	12,742
Changes in Assets and Liabilities		
(Increase)/decrease in receivable	19,991	(58,238)
(Increase)/decrease in prepayments	16,723	7,365
Increase/(decrease) in payables	(99,359)	148,288
Increase/(decrease) in provisions	10,315	32,490
	29,791	34,415
c. Credit Stand-by Arrangement and Loan Facilities		
There are no credit or loan facilities.		
d. There were no non-cash financing or investing activities during the period.		
e. Net cash outflows relating to another reporting unit of the organisation are as follows:		
CFMEU – Pulp & Paper Workers' Branch (included within payments to suppliers and employees)	-	188
CFMEU – Forest & Forestry Products Division Vic Branch No.2 (included within payments to suppliers and employees)	(7,586)	(10,165)
CFMEU – Forest & Forestry Products Division Western Australia Branch (included within payments to suppliers and employees)	-	10,312
CFMEU – Forest & Forestry Products Division New South Wales Branch (included within payments to suppliers and employees)	3,124	-
CFMEU - Forest & Forestry Products Division Tasmania Branch (included within payments to suppliers and employees)	940	-
CFMEU – Forest & Forestry Products Division National Office (included within payments to suppliers and employees)	229,587	178,158
	226,065	178,493

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

NOTE 18: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

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

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

i. Treasury Risk management

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

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

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

ii. Financial Risk Exposures and Management

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

Interest Rate Risk

The Union is not exposed to any interest rate risk.

Liquidity Risk

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

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

b. Financial Instrument Composition and Maturity Analysis

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

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

NOTE 18: FINANCIAL RISK MANAGEMENT continued

2008	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non- interest bearing \$	TOTAL \$
				Within 1 Year \$	1 to 5 Years \$		
Financial Assets							
Cash at bank	5	2.50	241,868	-	-	1,280	243,148
Receivables	6	-	-	-	-	60,644	60,644
Total Financial Assets			<u>241,868</u>	<u>-</u>	<u>-</u>	<u>61,924</u>	<u>303,792</u>
Financial Liabilities							
Payables	9	-	-	-	-	(198,632)	(198,632)
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>(198,632)</u>	<u>(198,632)</u>
Net Financial Assets/ (Liabilities)			<u>241,868</u>	<u>-</u>	<u>-</u>	<u>(136,708)</u>	<u>105,160</u>

2007	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing		Non- interest bearing \$	TOTAL \$
				Within 1 Year \$	1 to 5 Years \$		
Financial Assets							
Cash at bank	5	2.50	215,531	-	-	1,280	216,811
Receivables	6	-	-	-	-	80,635	80,635
Total Financial Assets			<u>215,531</u>	<u>-</u>	<u>-</u>	<u>81,915</u>	<u>297,446</u>
Financial Liabilities							
Payables	9	-	-	-	-	(297,991)	(297,991)
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>(297,991)</u>	<u>(297,991)</u>
Net Financial Assets/(Liabilities)			<u>215,531</u>	<u>-</u>	<u>-</u>	<u>(216,076)</u>	<u>(545)</u>

c. Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Sensitivity Analysis

Interest rate risk

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

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

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

NOTE 18: FINANCIAL RISK MANAGEMENT continued

	Profit \$	Equity \$
Year Ended 31 December 2008 +/- 2% in interest rate basis points	4,837	4,837
Year Ended 31 December 2007 +/- 2% in interest rate basis points	4,311	4,311

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

NOTE 19: ACCOUNTING CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS

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

As mentioned in Note 12 to the financial statements, separate financial reports of the Reporting Unit will no longer be required subsequent to 31 December 2008.

NOTE 20: ENTITY DETAILS

The registered office is:

Unit 2

191 – 195 Melbourne Street

NORTH ADELAIDE SA 5006

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
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COMMITTEE OF MANAGEMENT CERTIFICATE

On 17 November 2010 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch ("Union / Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2008:

The Divisional Executive on behalf of the Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organization 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 organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organization 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 organization; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by Fair Work Australia under Section 273 of the Fair Work (Registered Organisations) Act 2009.

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**COMMITTEE OF MANAGEMENT CERTIFICATE
continued**

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



Michael O'Connor – National Secretary



Jane Calvert – National President

Melbourne: 17 November 2010

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – SOUTH AUSTRALIA DIVISIONAL BRANCH

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch (the reporting unit), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

Committee of management's responsibility for the financial report

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

Auditor's responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT continued

**TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
SOUTH AUSTRALIA DIVISIONAL BRANCH**

Independence

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

Auditor's opinion

In our opinion the financial report of the reporting unit:

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

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. Wong

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

Melbourne 17 November 2010

COMPILATION REPORT

TO THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – SOUTH AUSTRALIA DIVISIONAL BRANCH

Scope

On the basis of the information provided by the Committee of Management of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch (Reporting Unit) we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – South Australia Divisional Branch for the year ended 31 December 2008 as set out on page 28 to 29.

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

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

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

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

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

MSI RaggWeir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 17 November 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
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**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
INCOME		
Members' contributions	786,082	775,669
Representation fees	120,701	112,109
Interest received	5,791	5,209
Grants received	4,000	-
Board fees	8,000	3,000
Other income	25,930	18,283
	<hr/>	<hr/>
TOTAL INCOME	950,504	914,270
EXPENDITURE		
Accommodation & travel	31,642	25,426
Advertising	51	40
Affiliation fees	17,279	44,810
Bad debts	-	10,972
Bank charges	953	1,134
Cleaning	2,553	1,658
Commissions paid	1,560	1,226
Computer expenses	6,184	6,710
Conference & travelling expenses	327	2,254
Depreciation	11,210	12,742
Donations	240	4,659
Fringe benefits tax	3,502	6,354
Insurance	9,114	9,368
Legal expenses	8,246	2,942
Light & power	3,419	3,062
Motor vehicle expenses	22,285	20,759
NAC fees	60,000	147,240
Office & sundry expenses	12,756	22,098
Payroll tax	20,585	7,190
Photocopier expenses	-	2,501
Postage & freight	4,804	6,870
Printing & stationery	10,231	14,730
Provision for annual leave	57	16,329
Provision for long service leave	1,155	10,662
Provision for sick leave	5,321	(2,046)
Provision for RDO	3,783	7,545
Rates & taxes	1,110	673
Rent	35,615	34,702
Salaries and wages		
- elected officials	102,882	135,356
- employees	254,292	219,895
Staff training	314	90
Subscriptions & memberships	2,428	2,140

This statement should be read in conjunction with the attached compilation report on page 27.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
SOUTH AUSTRALIA DIVISIONAL BRANCH
ABN 33 399 833 248**

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

	2008 \$	2007 \$
Superannuation contributions		
- elected officials	14,999	19,893
- employees	37,543	30,351
Sustentation fees	157,216	154,673
Telephone and facsimile	30,224	29,079
Workcover	5,713	8,415
	<hr/>	<hr/>
TOTAL EXPENDITURE	879,593	1,022,502
	<hr/>	<hr/>
NET PROFIT/(LOSS) FOR YEAR	70,911	(108,232)

This statement should be read in conjunction with the attached compilation report on page 27.