

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND
MANUFACTURING DIVISION -
WESTERN AUSTRALIA DIVISIONAL BRANCH
ABN 67 875 036 808**

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

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
WESTERN AUSTRALIA DIVISIONAL BRANCH
ABN 67 875 036 808**

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 – Western 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 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 loss of the Union for the financial year was \$9,544 (2007:\$65,044). 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. P Ferreria is an executive member of the Union and holds directorship of FIRST Superannuation Pty Ltd until his resignation on the 30 May 2008.

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

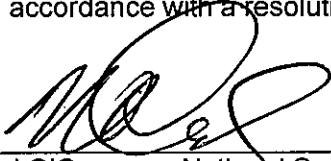
In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

- (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 181.
- (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 Nil.
- (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;

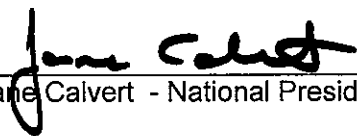
Name	Position
Philip Robson	Branch President
John Cleary	Branch Senior Vice President
Paul Ferreria	Branch Secretary (Resigned 30 May 2008)
Rob Archibald	Branch Assistant Secretary
Troy Yates	Branch Trustee
Graeme Bell	Committee of Management (Resigned 31 December 2008)
Gary Jaeschke	Committee of Management
Jacob Pollock	Committee of Management (Resigned 23 July 2008)

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

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



Michael O'Connor - National Secretary



Jane Calvert - National President

Melbourne: 17 November 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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ABN 67 875 036 808**

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

	Note	2008 \$	2007 \$
Revenue	3	88,371	99,480
Administration expense	4	(31,348)	(23,919)
Compulsory levies and sustentation fees	4	(17,669)	(21,980)
Depreciation expense	4	-	(111)
Employee benefits expense	4	(35,324)	(102,519)
Loss on disposal of fixed asset		-	(504)
Motor vehicle expense		(2,863)	(5,024)
Telephone and facsimile expense		(1,791)	(5,271)
Travel expense		<u>(8,920)</u>	<u>(5,196)</u>
Loss before income tax expense	4	(9,544)	(65,044)
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net loss attributable to members		<u>(9,544)</u>	<u>(65,044)</u>

The accompanying notes form part of these financial statements

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –
WESTERN AUSTRALIA DIVISIONAL BRANCH
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**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	9,739	11,892
Other current assets	6	<u>357</u>	<u>256</u>
TOTAL CURRENT ASSETS		<u>10,096</u>	<u>12,148</u>
TOTAL ASSETS		<u>10,096</u>	<u>12,148</u>
CURRENT LIABILITIES			
Trade and other payables	7	230,505	181,740
Short term provisions	8	<u>-</u>	<u>41,273</u>
TOTAL CURRENT LIABILITIES		<u>230,505</u>	<u>223,013</u>
TOTAL LIABILITIES		<u>230,505</u>	<u>223,013</u>
NET ASSETS (LIABILITIES)		<u>(220,409)</u>	<u>(210,865)</u>
EQUITY			
Accumulated losses		<u>(220,409)</u>	<u>(210,865)</u>
TOTAL EQUITY		<u>(220,409)</u>	<u>(210,865)</u>

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

	Accumulated Losses	Total
	\$	\$
Balance at 1 January 2007	(145,821)	(145,821)
Loss attributable to members	(65,044)	(65,044)
	<hr/>	<hr/>
Balance at 31 December 2007	(210,865)	(210,865)
Loss attributable to members	(9,544)	(9,544)
	<hr/>	<hr/>
Balance at 31 December 2008	(220,409)	(220,409)

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

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		88,346	102,617
Interest received		25	78
Payments to suppliers and employees		<u>(90,524)</u>	<u>(120,731)</u>
Net cash provided (used) in operating activities	14(b)	<u>(2,153)</u>	<u>(18,036)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Part Repayment of National Office Debt		<u>-</u>	<u>4,595</u>
Net cash provided (used) in financing activities		<u>-</u>	<u>4,595</u>
Net increase/(decrease) in cash held		(2,153)	(13,441)
Cash at beginning of year		<u>11,892</u>	<u>25,333</u>
Cash at end of year	14a	<u>9,739</u>	<u>11,892</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

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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 – Western 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.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Cash and Cash Equivalents

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

f. 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.

g. Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

Financial Assets

Loans and Receivables

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

Held-to-maturity investments

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

g. Financial Instruments continued

Classification and Subsequent Measurement continued

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.

h. 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.

i. Comparative Figures

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

j. Critical Accounting Estimates and Judgments

The committees 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 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.

k. Going Concern

The Reporting Unit has a net asset deficiency of \$220,409 and incurred a loss of \$9,544 for the year.

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.

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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. Going Concern continued

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 which read as follows: -

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

NOTE 3: REVENUE

	2008 \$	2007 \$
Operating activities		
Members contributions	88,346	94,412
Interest received	25	78
Sundry Income	-	4,990
	<hr/>	<hr/>
Total revenue	88,371	99,480

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

	2008 \$	2007 \$
NOTE 4: LOSS FOR YEAR		
Loss before income tax expense has been determined after:		
Expenses		
<u>Administration expense</u>		
Bad debts	450	-
Bank charges	127	290
Computer expenses	1,008	1,430
Consultancy expenses	18,000	-
Insurance	1,263	1,804
Meeting expense	-	252
NAC Fees	8,520	17,040
Office expenses	967	751
Other contributions and donations	200	-
Parking	269	1,067
Postage, printing and stationery	64	502
Remuneration of auditor - audit	-	-
Subscriptions	480	783
	31,348	23,919
Remuneration of auditor is paid by CFMEU Forestry & Furnishing Products Division National Office.		
<u>Compulsory levies and sustentation fees</u>		
Compulsory levy:		
- Australian Council of Trade Unions Industrial Relations campaign	-	3,000
- CFMEU Forestry and Furnishing Products Division National Office	-	405
Sustentation fee:		
- CFMEU Forestry and Furnishing Products Division National Office	17,669	18,575
	17,669	21,980
<u>Depreciation expense</u>		
Motor Vehicle	-	111
<u>Employee benefit expense</u>		
Salaries - elected officials	26,906	55,557
Termination payments – elected officials	44,451	-
Superannuation - elected officials	3,820	7,678
Provision for annual leave - elected officials	(11,833)	8,419
Provision for long service leave - elected officials	(8,875)	8,875
Provision for sick leave - elected officials	(2,464)	2,464
Provision for RDO - elected officials	(247)	247
Provision for recognition of service - elected officials	(17,854)	17,854
Fringe benefits tax	733	765
Workcover	687	660
	35,324	102,519

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

	2008	2007
	\$	\$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash at bank	9,739	11,792
Cash on hand	-	100
	9,739	11,892
 NOTE 6: OTHER CURRENT ASSETS		
CURRENT		
Prepayments	357	256
 NOTE 7: TRADE AND OTHER PAYABLES		
Trade creditors & accruals	7,599	19,676
GST liability	(2,878)	742
CFMEU – Forestry & Furnishing Products Division - National Office	225,784	161,322
	230,505	181,740
 NOTE 8: PROVISIONS		
CURRENT		
Employee benefits – elected officials		
– annual leave	-	11,833
– long service leave	-	8,875
– sick leave	-	2,464
– RDO	-	247
– recognition of service	-	17,854
	-	41,273
Number of Employees at year end	-	1

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

**NOTE 9: 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
Philip Robson	Branch President
John Cleary	Branch Senior Vice President
Paul Ferreria	Branch Secretary (Resigned 30 May 2008)
Rob Archibald	Branch Assistant Secretary
Troy Yates	Branch Trustee
Graeme Bell	Committee of Management (Resigned 31 December 2008)
Gary Jaeschke	Committee of Management
Jacob Pollock	Committee of Management (Resigned 23 July 2008)

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$71,357 (2007: \$55,557). The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$3,820 (2007: \$7,678).
- (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 10: EVENTS SUBSEQUENT TO REPORTING DATE

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

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: 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.

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

NOTE 13: 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 Western Australia.

	2008	2007
	\$	\$

NOTE 14: CASH FLOW INFORMATION

a. Reconciliation of Cash

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

Cash on hand	-	100
Cash at bank	9,739	11,792
	9,739	11,892

b. Reconciliation of Net Cash used in Operating Activities to Net Loss

Net loss	(9,544)	(65,044)
Non Cash Items		
Depreciation	-	111
Provision for employee entitlements	(41,273)	37,859
Changes in Assets and Liabilities		
(Increase)/decrease in receivable	-	1,853
(Increase)/decrease in prepayments	(101)	3,199
Increase/(decrease) in payables	48,765	3,986
	(2,153)	(18,036)

c. Credit Stand-by Arrangement and Loan Facilities

There are no credit or loan facilities.

d. There were no non-cash financing or investing activities during the period.

e. Net cash outflows relating to another reporting unit of the organisation are as follows:

CFMEU – Forest & Forestry Products Division Victorian Branch No.2	12,735	1,045
CFMEU – Forest & Forestry Products Division National Office	41,449	38,249
CFMEU – Forest & Forestry Products Division SA Branch	-	(3,800)

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

NOTE 15: 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

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

NOTE 15: FINANCIAL RISK MANAGEMENT continued

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.

	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing				TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$		
2008								
Financial Assets								
Cash at bank	5	0.95	9,739	-	-	-		9,739
Receivables	-	-	-	-	-	-		-
			<u>9,739</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>9,739</u>
Financial Liabilities								
Payables	7	-	-	-	-	230,505		230,505
Net Financial (Liabilities)			<u>9,739</u>	<u>-</u>	<u>-</u>	<u>(230,505)</u>		<u>(220,766)</u>
2007								
Financial Assets								
Cash at bank								
Receivables	5	0.95	11,792	-	-	100		11,892
			<u>11,792</u>	<u>-</u>	<u>-</u>	<u>100</u>		<u>11,892</u>
Financial Liabilities								
Payables	7	-	-	-	-	181,740		181,740
Net Financial (Liabilities)			<u>11,792</u>	<u>-</u>	<u>-</u>	<u>(181,640)</u>		<u>(169,848)</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.

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

NOTE 15: FINANCIAL RISK MANAGEMENT continued

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

	Profit	Equity
	\$	\$
Year ended 31 December 2008		
+/- 2% in interest rates basis points	195	195
Year ended 31 December 2007		
+/- 2% in interest rates basis points	238	238

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

NOTE 16: 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 10 to the financial statements, separate financial reports of the Reporting Unit will no longer be required subsequent to 31 December 2008.

NOTE 17: ENTITY DETAILS

To 30 May 2008 the registered office is:
11 Pindney Place
ORELIA WA 6167

From 31 May 2008 the registered office is:
Level 4, 445 Hay Street,
Perth, WA 6000

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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 – Western 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 Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the 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 – WESTERN AUSTRALIA DIVISIONAL BRANCH

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Western 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.

**TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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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 – WESTERN 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 – Western 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 – Western Australia Divisional Branch for the year ended 31 December 2008 as set out on page 24.

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

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

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

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

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

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 17 November 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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**DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
INCOME		
Contributions	88,346	94,412
Interest received	25	78
Sundry Income	-	4,990
TOTAL INCOME	<u>88,371</u>	<u>99,480</u>
EXPENDITURE		
Bank charges	127	290
Car parking	269	1,067
Computer expenses	1,008	1,430
Consultancy expenses	18,000	-
Depreciation	-	111
Fringe benefits tax	733	765
Insurance	1,263	1,804
Levy ACTU IR campaign	-	3,000
Levy CFMEU National Office	-	405
Loss on sale of fixed asset	-	504
Meeting expense	-	252
Motor vehicle expense	2,863	5,024
NAC Fees	8,520	17,040
Office expense	-	65
Postage, printing and stationery	64	502
Provision for annual leave - elected official	(11,833)	8,419
Provision for long service leave - elected official	(8,875)	8,875
Provision for sick leave - elected official	(2,464)	2,464
Provision for RDO - elected official	(247)	247
Provision for recognition of service - elected official	(17,854)	17,854
Salaries and wages: - elected official	26,906	55,557
Subscriptions	480	783
Sundry expenses	1,618	605
Superannuation contributions - elected officials	3,820	7,678
Sustentation fees	17,669	18,575
Termination payments – elected official	44,451	-
Travel – accommodation, taxis and airfares	8,920	5,277
Telephone and facsimile	1,791	5,271
Workcover	686	660
TOTAL EXPENDITURE	<u>97,915</u>	<u>164,524</u>
NET LOSS FOR YEAR	<u>(9,544)</u>	<u>(65,044)</u>

This statement should be read in conjunction with the attached compilation report on page 23.