



Australian Government
Australian Industrial Registry

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

Mr John Sutton
National Secretary
Construction Forestry Mining & Energy Union
PO Box Q235
QVB POST OFFICE SYDNEY NSW 1230

Dear Mr Sutton

Lodgement of Financial Statements and Accounts for the Construction Forestry Mining & Energy Union, National Office for the year ending 31 December 2005 (FR2005/555)

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 13 September 2006.

Please note the following for future reference when preparing your financial documents:

Board of Management Certificate

The Board of Management Certificate must clearly specify the date of passage of the resolution made by the by the Board of Management, distinct from the date that the certificate is signed.

Please see Paragraph 26 of the Industrial Registrars Reporting Guidelines which can be found on our website at http://www.airc.gov.au/organisations/rao/rao_253_a.pdf.

Statement of Loans, Grants and Donations Required

Note 20. ii) to the accounts sets out items of expenses listed as "Donations or Grants" which exceed \$1,000.

Pursuant to s237 of the *Workplace Relations Act 1996* the organisation must lodge a statement showing

- The amount of each donation exceeding \$1,000
- The name and address of the recipient of each donation
- The purpose of the donation

The statement must be signed by an officer of the organisation. I have enclosed a form you may find it convenient to use to lodge the required information.

Thank you for your attention to these matters. The documents have been filed, and may be viewed on the internet at www.e-airc.gov.au/105n/financial.

Yours sincerely,

Belinda Penna
for Deputy Industrial Registrar

18 September 2006



Construction Forestry Mining Energy Union NATIONAL OFFICE

National Secretary: John Maitland
Telephone: (+61.2) 9267 3393
Facsimile: (+61.2) 9267 2460

JM.cc

19th July 2006

Mr P McKerrow
Deputy Industrial Registrar
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Deputy Registrar

**Re: Construction, Forestry, Mining and Energy Union
Financial Documents for Year Ending 31 December 2005**

Please find attached the outstanding financial documents for the year ending 31 December 2005.

Your sincerely

John Maitland
National Secretary
Construction, Forestry, Mining and Energy Union



Construction Forestry Mining and Energy Union

Secretary's Certificate

I, John William Maitland, being the National Secretary of the Construction Forestry Mining and Energy, do hereby state that in accordance with the Workplace Relations Act 1996 the attached documents are copies of the reports and audited accounts and financial statements for the year ending on the 31st day of December 2005 that were:

- (1) First presented to the National Executive Committee on the 15th March 2006,
- (2) Supplied to the membership through the union website in June 2006, and advised to them in the Unions journals.
- (3) Presented to a further meeting of the National Executive Committee on the 17th March in accordance with section 266 of the RAO Schedule.

John Maitland
National Secretary.
17th July 2006.



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

CONTENTS

1-2	Operating Report
3	Committee of Managements' Certificate
4	Independent Audit Report to the Members
5	Income Statement
6	Balance Sheet
7	Statement of Changes in Equity
8	Cash Flow Statement
9-20	Notes to the Financial Statements



OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2005.

Committee of Management

The names of Committee of Management (COM) in office at any time during the year are:

Name	Position	Period of Appointment
Trevor Smith	National President	1/1/2005 to 31/12/2005
Tony Maher	Acting National President	1/1/2005 to 31/12/2005
John Maitland	National Secretary	1/1/2005 to 31/12/2005
John Sutton	Assistant National Secretary	1/1/2005 to 31/12/2005
Tony Maher	National Executive Committee	1/1/2005 to 31/12/2005
Trevor Smith	National Executive Committee	1/1/2005 to 31/12/2005
Bruce Watson	National Executive Committee	1/1/2005 to 12/8/2005
Peter Murray	National Executive Committee	5/9/2005 to 31/12/2005
George Coates	National Executive Committee	1/1/2005 to 31/12/2005
Michael O'Connor	National Executive Committee	1/1/2005 to 31/12/2005
Leo Skourdoumbis	National Executive Committee	1/1/2005 to 31/12/2005
Albert Littler	National Executive Committee	1/1/2005 to 31/12/2005
Tim Woods	National Executive Committee	1/1/2005 to 31/12/2005
Dave Noonan	National Executive Committee	1/1/2005 to 31/12/2005
Lindsay Fraser	National Executive Committee	1/1/2005 to 31/12/2005
Chris Price	National Executive Committee	1/1/2005 to 31/12/2005

Principal Activities

The principal activities of the Union during the year were: -

- Adherence to the rules of the Union in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive Committee.
- Industrial support including assistance with legal and legislative matters.

Results of Activities

The result for the year was a profit of \$56,932 (2004: profit of \$41,348).

The Union has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the broader CFMEU, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the CFMEU membership.

The Union has successfully recruited new members in conjunction with a national objective of recruitment and training.

Significant Changes in Nature of Activities

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

OPERATING REPORT

Continued

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 103,000 members of the Union as at 31 December 2005 (2004: 103,000).

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11(1) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to the Union Secretary.

Employees of the Union

As at 31 December 2005 the Union employed 1 full time employee (2004: 2).

Superannuation Trustees

No 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.



John Maitland

Signed at Sydney this 17th day of July 2006.

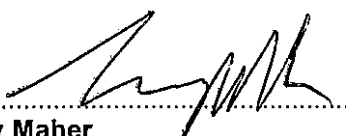
COMMITTEE OF MANAGERMENTS' CERTIFICATE

The Committee of Management of the Construction Forestry Mining and Energy Union – National Office, do state that in the opinion of the Committee, that:

- (i) The financial report and notes comply with Australian Accounting Standards;
- (ii) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (iii) The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year ended 31 December 2005;
- (iv) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (v) During the financial year ended 31 December 2005 and since the end of the financial year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the organisation; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the organisation; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2004; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

This Statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:


.....
John Maitland


.....
Tony Maher

Signed at Sydney this ^{17th} day of June 2006.

INDEPENDENT AUDIT REPORT TO THE MEMBERS

To the members of the Construction Forestry Mining and Energy Union – National Office.

SCOPE

We have audited the financial report comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes To The Financial Statement of the Union for the year ended 31 December 2005. The Committee of Management is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. The procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and the results of its operations and cash flows.

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

AUDIT OPINION

We have received all the information and explanations required for the purposes of our audit.

In our opinion, the financial report is in accordance with:

- (a) The Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2005 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (b) The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.

.....
Daley & Co
Chartered Accountants

.....
M L Gleeson
Registered Company Auditor

Signed at Wollongong this day of June 2006.

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
Revenues	3	<u>769,297</u>	<u>778,646</u>
Expenses			
Affiliation Fees		243,306	240,450
Employee Benefits		140,534	236,688
Depreciation and Amortisation Expense		13,114	10,528
Meeting and Conferences		126,443	83,449
Operating Expenditure		<u>188,968</u>	<u>166,183</u>
		<u>712,365</u>	<u>737,298</u>
NET RESULT ATTRIBUTABLE TO MEMBERS		<u>56,932</u>	<u>41,348</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	198,708	300,500
Trade and Other Receivables	5	330,329	155,636
Other	6	3,369	12,673
TOTAL CURRENT ASSETS		<u>532,406</u>	<u>468,809</u>
NON-CURRENT ASSETS			
Receivables	5	-	33,335
Plant & Equipment	7	37,384	36,456
TOTAL NON-CURRENT ASSETS		<u>37,384</u>	<u>69,791</u>
TOTAL ASSETS		<u>569,790</u>	<u>538,600</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	176,317	108,343
Provisions	9	17,211	111,361
GST Liability		5,782	5,348
TOTAL CURRENT LIABILITIES		<u>199,310</u>	<u>225,052</u>
TOTAL LIABILITIES		<u>199,310</u>	<u>225,052</u>
NET ASSETS		<u>370,480</u>	<u>313,548</u>
MEMBERS FUNDS			
Accumulated Members' Funds		<u>370,480</u>	<u>313,548</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
Opening Balance as at 1 January	1(h)	313,548	272,200
Net Result Attributable to Members		56,932	41,348
Closing Balance as at 31 December		<u>370,480</u>	<u>313,548</u>
Represented by:			
• General Fund		267,767	198,346
• ICTURCF Fund		102,713	115,202
		<u>370,480</u>	<u>313,548</u>

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		572,971	963,410
Receipts from Interest		2,133	1,766
Receipts from Grants		-	-
Receipts from Sitting Fees		51,636	56,548
Other income received		1,199	4,253
Payments to Suppliers and Employees		(708,686)	(852,289)
NET PROVIDED BY (USED IN) OPERATING ACTIVITIES	12(A)	(80,747)	173,688
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		20,000	-
Payment for Property, Plant & Equipment		(41,045)	(1,131)
NET USED IN INVESTING ACTIVITIES		(21,045)	(1,131)
NET (DECREASE) IN CASH HELD		(101,792)	172,557
CASH AT THE START OF THE FINANCIAL YEAR		300,500	127,943
CASH AT THE END OF THE FINANCIAL YEAR	12(B)	198,708	300,500

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

The Union has prepared these financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2005.

In accordance with the requirements of the AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures. These accounts are the first financial statements of the Union to be prepared in accordance with AIFRS.

Reconciliations of the transition from previous Australian GAAP to AIFRS (where applicable) have been included in Note 1(h) to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting Policies

(a) PLANT AND EQUIPMENT

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

Plant and Equipment

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PLANT & EQUIPMENT

CONTINUED

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

Depreciation

The depreciation amount of all fixed assets including capitalised lease assets (where applicable) is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(b) INCOME TAX

No provision for income tax is necessary as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(c) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, redundancy and long service leave arising from services rendered by officers and employees to balance date.

Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(d) FINANCIAL INSTRUMENTS

Recognition

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

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 amortised cost using the effective interest rate method.

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 amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

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

(e) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(f) CASH AND CASH EQUIVALENTS.

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

(g) 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 Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

(h) IMPACT OF FIRST TIME ADOPTION OF AIFRS

These are the Union's first financial statements prepared in accordance with AIFRS. The accounting policies set out in Note 1 have been applied for the year ended 31 December 2005, the comparative information for the year ended 31 December 2004 and in the preparation of an opening Balance Sheet as at 1 January 2004 (the Union's date of transition).

In preparing its opening AIFRS Balance Sheet, the Union has not adjusted amounts reported previously in accordance with its old basis of accounting (previous GAAP).

(i) COMPARATIVE FIGURES

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

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	NOTES	2005 \$	2004 \$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES			
Profit from ordinary activities is arrived at after taking into account			
(a) REVENUE:			
<i>Operating Activities</i>			
Capitation Fees		714,329	716,079
Sitting Fees		51,636	56,548
Interest Received		2,133	1,766
Other Income		1,199	4,253
		<u>769,297</u>	<u>778,646</u>
(b) EXPENSES			
Depreciation of Non-Current Assets			
Motor Vehicles		7,948	5,182
Plant & Equipment		5,166	5,346
Total Depreciation		<u>13,114</u>	<u>10,528</u>
Movements In Employee Entitlements		(67,336)	11,579
Remuneration of Auditors			
- Auditing the Financial Report		6,799	7,500
- Accounting & Taxation Services		2,070	4,482
4. CASH AND CASH EQUIVALENTS			
Cash on Hand		400	400
Cash at Bank		98,676	206,076
ITURCF Fund		99,632	94,024
		<u>198,708</u>	<u>300,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	NOTES	2005 \$	2004 \$
5. TRADE AND OTHER RECEIVABLES			
Current			
Sundry Debtors		162,764	138,971
Loan – Minesafe Pty Limited		-	16,665
Accounts Due from Branches – Capitation Fees	14	167,565	-
		<u>330,329</u>	<u>155,636</u>
Non Current			
Loan – Minesafe Pty Limited		-	33,335
		<u>-</u>	<u>33,335</u>
TOTAL RECEIVABLES		<u>330,329</u>	<u>188,971</u>
 (i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.			
<i>Amounts Relating to:-</i>			
CFMEU – Construction & General Division		203,844	32,942
CFMEU – FEDFA Division		225	225
CFMEU – FFTS Division		70,940	70,940
CFMEU – Mining & Energy Division		41,385	24,901
CFMEU – Forest & Forestry Products Division		10,280	6,308
CFMEU – Construction & General Division, NSW Branch		2,377	2,377
CFMEU – FFTS Division – NSW Branch		99	99
		<u>329,150</u>	<u>137,792</u>
6. OTHER			
Prepayments		<u>3,369</u>	<u>12,673</u>
7. PROPERTY, PLANT & EQUIPMENT			
FURNITURE, FITTINGS & EQUIPMENT			
At Cost		25,325	55,071
Accumulated Depreciation		(19,300)	(45,877)
		<u>6,025</u>	<u>9,194</u>
MOTOR VEHICLES			
At Cost		38,271	34,545
Accumulated Depreciation		(6,912)	(7,283)
		<u>31,359</u>	<u>27,262</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		<u>37,384</u>	<u>36,456</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

2005 **2004**
\$ \$

7. PROPERTY, PLANT & EQUIPMENT

Continued

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	9,194	27,262	36,456
Additions	2,773	38,271	41,044
Disposals – Assets	(21,466)	(34,545)	(56,011)
Amort/Depreciation Expense	(5,166)	(7,948)	(13,114)
Disposals – Accum Dep'n	20,690	8,319	29,009
Balance at End of Year	6,025	31,359	37,384

8. TRADE AND OTHER PAYABLES

Sundry Creditors	176,317	108,343
------------------	---------	---------

Amounts Relating to:-

CFMEU – Mining & Energy Division	83,412	60,629
CFMEU – Mining & Energy Division, Qld Branch	605	570
CFMEU – Mining & Energy Division, NSW Energy	2,268	-
	86,285	61,199

9. PROVISIONS

	<i>Provision for Annual Leave</i> \$	<i>Other Employee Entitlements</i> \$	TOTAL \$
Opening balance at 1 January 2005	51,490	59,871	111,361
Additional provisions	11,427	(2,626)	8,801
Amounts used	(45,706)	(57,245)	(102,951)
Balance at 31 December 2005	17,211	-	17,211

(a) Analysis of ageing of provisions

Current	17,211	111,361
---------	--------	---------

(b) Number of Employees at Balance Date

	1	2
--	---	---

(c) Total Employee Benefits Attributable to:

Office Holders	17,211	14,623
Staff	-	96,738
	17,211	111,361

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	2005 \$	2004 \$
10. CONTINGENT LIABILITIES		
<p>A contingent liability exists in relation to debts incurred by the Divisions of the Union for which the National Office may become liable under the rules of the Union. A provision for such liabilities is not brought to account on the basis that each Division is able to pay its own debts as and when they become due and payable.</p>		
11. ECONOMIC DEPENDENCE		
<p>The principal source of income for the Union is capitation fees from its Divisions. Accordingly, the National Office is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters</p>		
12. CASH FLOW INFORMATION		
(A) RECONCILIATION OF NET CASH FROM OPERATIONS TO OPERATING RESULT		
Operating Result from Ordinary Activities	56,932	41,348
Non-Cash Items		
Depreciation	13,114	10,528
Increase in Employee Benefits	(94,150)	11,579
Loss on Sale of Fixed Assets	7,003	-
Changes in Assets and Liabilities		
(Increase) Decrease in Sundry Debtors	(174,693)	161,887
Decrease in Prepayments	9,304	6,358
Increase (Decrease) in Sundry Creditors	68,408	(65,387)
Increase in Tax Liability	-	7,375
Decrease in Other Assets	33,335	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(80,747)</u>	<u>173,688</u>
(B) RECONCILIATION OF CASH		
<p>Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to terms in the Balance Sheet as follows:</p>		
• Cash [Note 4]	<u>198,708</u>	<u>300,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	2005 \$	2004 \$
12. CASH FLOW INFORMATION		
Continued		
(C) NET CASH FLOWS (EXCLUDING GST) RELATING TO ANOTHER REPORTING UNITS OF THE ORGANISATION ARE AS FOLLOWS:		
CFMEU – Construction and General Division	429,044	555,712
CFMEU – Mining and Energy Division	43,142	121,236
CFMEU – Forest and Forest Products Division	105,232	142,908
CFMEU – FFTS Division	-	107,801
CFMEU – Construction and General Division – NSW Branch	-	22,592
CFMEU – Construction and General Division – WA Branch	-	630
CFMEU – Mining and Energy Division – QLD Branch	(1,167)	(570)
CFMEU – Forest and Forest Products Division – NSW Branch	-	2,609
CFMEU – Collinsville Lodge	-	(825)
CFMEU – Construction and General Division – SA Branch	(826)	-
	<u>575,425</u>	<u>952,093</u>

13. LEGAL AND PROFESSIONAL FEES & EXPENSES

Amounts received, or due and receivable, by the auditor for:

▪ Auditing	6,799	7,500
▪ Accounting fees	2,070	4,482
▪ Legal Expenses	-	13,619
TOTAL	<u>8,869</u>	<u>25,601</u>

Legal Expenses relate to the following matters:

▪ Pagonis	-	7,518
▪ Findlay	-	898
▪ FFTS	-	661
▪ Union Rules	-	4,542
	<u>-</u>	<u>13,619</u>

**14. AMOUNTS DUE FROM DIVISIONS - CAPITATION FEES -
(Amounts are Inclusive of GST)**

	BALANCE OWING (31.12.04)	AMOUNTS CHARGED	CASH RECEIVED	BALANCE OWING (31.12.05)
Construction and General Division	-	529,953	397,465	132,488
Forest & Forest Products Division	-	140,309	105,232	35,077
Mining & Energy Division	-	115,500	115,500	-
	<u>-</u>	<u>785,762</u>	<u>618,197</u>	<u>167,565</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

15. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Sussex Street, Sydney NSW 2000.

16. EVENTS SUBSEQUENT TO BALANCE DATE

(a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:

- (i) the operations of the Union;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Union, in subsequent financial years.

(b) The financial report was authorised for issue on May 2006 by the Board of Management.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr John Maitland (National Secretary)
- Mr Rick Fowler (Finance Manager)

	2005	2004
	\$	\$
Total Compensation		
- Short Term Benefits	193,535	259,390
- Post Employment Benefits	7,708	12,774
- Long Term Benefits	-	2,846
	201,243	275,010

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

Persons holding positions within the Union and as members of the Board of Management during the year:

Name	Position
➤ Trevor Smith	National President
➤ Tony Maher	Acting National President
➤ John Maitland	National Secretary
➤ John Sutton	Assistant National Secretary
➤ Tony Maher	National Executive Committee
➤ Trevor Smith	National Executive Committee
➤ Bruce Watson	National Executive Committee
➤ Peter Murray	National Executive Committee
➤ George Coates	National Executive Committee
➤ Michael O'Connor	National Executive Committee
➤ Leo Skourdoumbis	National Executive Committee
➤ Albert Littler	National Executive Committee
➤ Tim Woods	National Executive Committee
➤ Dave Noonan	National Executive Committee
➤ Lindsay Fraser	National Executive Committee
➤ Chris Price	National Executive Committee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

18. RELATED PARTY INFORMATION

Continued

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Rent and Outgoings were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$21,060 (2004: \$20,405).
- ii) Administration fees were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$22,727 (2004: \$22,727).
- iii) Directors fees were received from Eraring Energy Ltd for Mr John Maitland \$51,636 (2004: \$56,548).

19. FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivables and payable and loans to related parties.

The group does not have any derivative instruments at balance date.

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

(a) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2005	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	0.95%	198,708	-	-	-	198,708
Receivables	-	-	-	-	330,329	330,329
Total Financial Assets		<u>198,708</u>	<u>-</u>	<u>-</u>	<u>330,329</u>	<u>529,037</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	176,317	176,317
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>176,317</u>	<u>176,317</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

19. FINANCIAL INSTRUMENTS

(b) 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 doubtful debts 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 Union.

(c) Net Fair Values

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

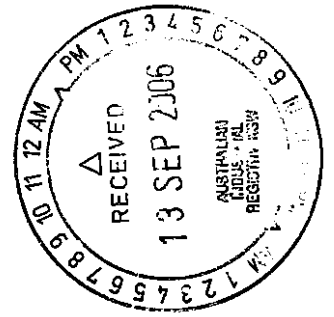
20. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

	2005 \$	2004 \$
i) ITEMS OF REVENUE		
Donations or Grants Income	-	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	243,306	240,501
Donations or Grant Expenses.		
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• General (< \$1,000)	750	2,775
	46,500	28,775
Employee Benefits Expense:		
- Office Holders	138,162	131,071
- Employees (Other than Office Holders)	98,097	94,190
	236,259	225,261
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	61,433	55,949

Certificate of Secretary

S268 of Schedule 1B Workplace Relations Act 1996



I John Sutton being the National Secretary of the Construction, Forestry, Mining and Energy Union certify:

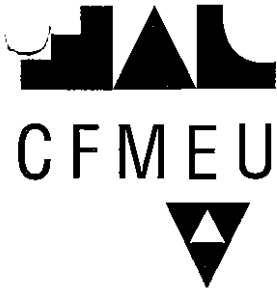
- that the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- that the full report was provided to members via our website on 8 August 2006; and
- that the full report was presented to a meeting of the National Executive Committee of the reporting unit on 8 September 2006 in accordance with section 266 of the RAO Schedule.

A handwritten signature in black ink, appearing to read "John Sutton".

Signature

11th September 2006

Date



**CONSTRUCTION FORESTRY MINING ENERGY UNION
NATIONAL OFFICE**

NATIONAL SECRETARY: JOHN SUTTON

PHONE: (+61 2) 8524 5850

FAX: (+61 2) 8524 5851

12TH FLOOR
276 PITT STREET
SYDNEY

12 September 2006

Industrial Registrar
Australian Industrial Registry
Level 8
80 William Street
SYDNEY NSW 2011

Dear Sir/Madam

Re: Financial Returns

Please find enclosed herewith the financial returns of the Construction Forestry Mining and Energy Union, National Office, for the year ending 31st December 2005.

Please confirm receipt at your earliest convenience.

Yours faithfully

A handwritten signature in black ink, appearing to be 'John Sutton', is written over a circular stamp or mark.

John Sutton
National Secretary

Encl.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
NATIONAL OFFICE**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2005**

CONTENTS

1-2	Operating Report
3	Committee of Managements' Certificate
4	Independent Audit Report to the Members
5	Income Statement
6	Balance Sheet
7	Statement of Changes in Equity
8	Cash Flow Statement
9-20	Notes to the Financial Statements

OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2005.

Committee of Management

The names of Committee of Management (COM) in office at any time during the year are:

Name	Position	Period of Appointment
Trevor Smith	National President	1/1/2005 to 31/12/2005
Tony Maher	Acting National President	1/1/2005 to 31/12/2005
John Maitland	National Secretary	1/1/2005 to 31/12/2005
John Sutton	Assistant National Secretary	1/1/2005 to 31/12/2005
Tony Maher	National Executive Committee	1/1/2005 to 31/12/2005
Trevor Smith	National Executive Committee	1/1/2005 to 31/12/2005
Bruce Watson	National Executive Committee	1/1/2005 to 12/8/2005
Peter Murray	National Executive Committee	5/9/2005 to 31/12/2005
George Coates	National Executive Committee	1/1/2005 to 31/12/2005
Michael O'Connor	National Executive Committee	1/1/2005 to 31/12/2005
Leo Skourdoumbis	National Executive Committee	1/1/2005 to 31/12/2005
Albert Littler	National Executive Committee	1/1/2005 to 31/12/2005
Tim Woods	National Executive Committee	1/1/2005 to 31/12/2005
Dave Noonan	National Executive Committee	1/1/2005 to 31/12/2005
Lindsay Fraser	National Executive Committee	1/1/2005 to 31/12/2005
Chris Price	National Executive Committee	1/1/2005 to 31/12/2005

Principal Activities

The principal activities of the Union during the year were: -

- Adherence to the rules of the Union in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the National Executive Committee.
- Industrial support including assistance with legal and legislative matters.

Results of Activities

The result for the year was a profit of \$56,932 (2004: profit of \$41,348).

The Union has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the broader CFMEU, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the CFMEU membership.

The Union has successfully recruited new members in conjunction with a national objective of recruitment and training.

Significant Changes in Nature of Activities

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

OPERATING REPORT

Continued

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 103,000 members of the Union as at 31 December 2005 (2004: 103,000).

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 11(1) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to the Union Secretary.

Employees of the Union

As at 31 December 2005 the Union employed 1 full time employee (2004: 2).

Superannuation Trustees

No 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.



.....
John Maitland

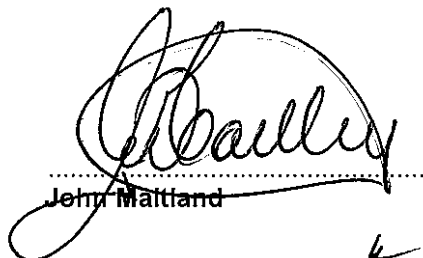
Signed at Sydney this ^{17th} day of ^{July} June 2006.

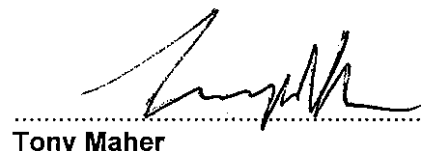
COMMITTEE OF MANAGERMENTS' CERTIFICATE

The Committee of Management of the Construction Forestry Mining and Energy Union – National Office, do state that in the opinion of the Committee, that:

- (i) The financial report and notes comply with Australian Accounting Standards;
- (ii) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (iii) The financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the year ended 31 December 2005;
- (iv) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (v) During the financial year ended 31 December 2005 and since the end of the financial year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the organisation; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the organisation; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2004; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

This Statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Board of Management by:


John Maltland


Tony Maher

Signed at Sydney this ^{11th} day of June 2006.



INDEPENDENT AUDIT REPORT TO THE MEMBERS

To the members of the Construction Forestry Mining and Energy Union – National Office.

SCOPE

We have audited the financial report comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes To The Financial Statement of the Union for the year ended 31 December 2005. The Committee of Management is responsible for the preparation and presentation of the financial report. We have conducted an independent audit of this financial report in order to express an opinion on them to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. The procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and the results of its operations and cash flows.

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

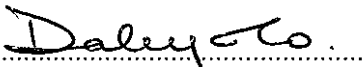
AUDIT OPINION

We have received all the information and explanations required for the purposes of our audit.

In our opinion, the financial report is in accordance with:

- (a) The Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the Union's financial position as at 31 December 2005 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (b) The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.


Daley & Co.
Chartered Accountants


M L Gleeson
Registered Company Auditor

Signed at Wollongong this ^{17th} day of ^{July} ~~June~~ 2006.

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
Revenues	3	<u>769,297</u>	<u>778,646</u>
Expenses			
Affiliation Fees		243,306	240,450
Employee Benefits		140,534	236,688
Depreciation and Amortisation Expense		13,114	10,528
Meeting and Conferences		126,443	83,449
Operating Expenditure		188,968	166,183
		<u>712,365</u>	<u>737,298</u>
NET RESULT ATTRIBUTABLE TO MEMBERS		<u>56,932</u>	<u>41,348</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	198,708	300,500
Trade and Other Receivables	5	330,329	155,636
Other	6	3,369	12,673
TOTAL CURRENT ASSETS		<u>532,406</u>	<u>468,809</u>
NON-CURRENT ASSETS			
Receivables	5	-	33,335
Plant & Equipment	7	37,384	36,456
TOTAL NON-CURRENT ASSETS		<u>37,384</u>	<u>69,791</u>
TOTAL ASSETS		<u>569,790</u>	<u>538,600</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	176,317	108,343
Provisions	9	17,211	111,361
GST Liability		5,782	5,348
TOTAL CURRENT LIABILITIES		<u>199,310</u>	<u>225,052</u>
TOTAL LIABILITIES		<u>199,310</u>	<u>225,052</u>
NET ASSETS		<u>370,480</u>	<u>313,548</u>
MEMBERS FUNDS			
Accumulated Members' Funds		<u>370,480</u>	<u>313,548</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
Opening Balance as at 1 January	1(h)	313,548	272,200
Net Result Attributable to Members		56,932	41,348
Closing Balance as at 31 December		<u>370,480</u>	<u>313,548</u>
Represented by:			
• General Fund		267,767	198,346
• ICTURCF Fund		102,713	115,202
		<u>370,480</u>	<u>313,548</u>

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		572,971	963,410
Receipts from Interest		2,133	1,766
Receipts from Grants		-	-
Receipts from Sitting Fees		51,636	56,548
Other income received		1,199	4,253
Payments to Suppliers and Employees		(708,686)	(852,289)
NET PROVIDED BY (USED IN) OPERATING ACTIVITIES	12(A)	(80,747)	173,688
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment		20,000	-
Payment for Property, Plant & Equipment		(41,045)	(1,131)
NET USED IN INVESTING ACTIVITIES		(21,045)	(1,131)
NET (DECREASE) IN CASH HELD		(101,792)	172,557
CASH AT THE START OF THE FINANCIAL YEAR		300,500	127,943
CASH AT THE END OF THE FINANCIAL YEAR	12(B)	198,708	300,500

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements imposed by the reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act, 1996.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

The Union has prepared these financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2005.

In accordance with the requirements of the AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparative figures. These accounts are the first financial statements of the Union to be prepared in accordance with AIFRS.

Reconciliations of the transition from previous Australian GAAP to AIFRS (where applicable) have been included in Note 1(h) to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis, except where specifically stated, and is based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting Policies

(a) PLANT AND EQUIPMENT

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

Plant and Equipment

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PLANT & EQUIPMENT

CONTINUED

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

Depreciation

The depreciation amount of all fixed assets including capitalised lease assets (where applicable) is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(b) INCOME TAX

No provision for income tax is necessary as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(c) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, redundancy and long service leave arising from services rendered by officers and employees to balance date.

Long service leave is accrued in respect of all officers and employees with more than 5 years service. Related on-costs are included in these provisions.

Contributions are made to employee superannuation funds and are charged as expenses where incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(d) FINANCIAL INSTRUMENTS

Recognition

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

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 amortised cost using the effective interest rate method.

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 amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

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

(e) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its 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.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

Continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(f) CASH AND CASH EQUIVALENTS.

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

(g) 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 Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

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

(h) IMPACT OF FIRST TIME ADOPTION OF AIFRS

These are the Union's first financial statements prepared in accordance with AIFRS. The accounting policies set out in Note 1 have been applied for the year ended 31 December 2005, the comparative information for the year ended 31 December 2004 and in the preparation of an opening Balance Sheet as at 1 January 2004 (the Union's date of transition).

In preparing its opening AIFRS Balance Sheet, the Union has not adjusted amounts reported previously in accordance with its old basis of accounting (previous GAAP).

(i) COMPARATIVE FIGURES

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

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	NOTES	2005 \$	2004 \$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES			
Profit from ordinary activities is arrived at after taking into account			
(a) REVENUE:			
<i>Operating Activities</i>			
Capitation Fees		714,329	716,079
Sitting Fees		51,636	56,548
Interest Received		2,133	1,766
Other Income		1,199	4,253
		<u>769,297</u>	<u>778,646</u>
(b) EXPENSES			
Depreciation of Non-Current Assets			
Motor Vehicles		7,948	5,182
Plant & Equipment		5,166	5,346
Total Depreciation		<u>13,114</u>	<u>10,528</u>
Movements In Employee Entitlements		(67,336)	11,579
Remuneration of Auditors			
- Auditing the Financial Report		6,799	7,500
- Accounting & Taxation Services		2,070	4,482
4. CASH AND CASH EQUIVALENTS			
Cash on Hand		400	400
Cash at Bank		98,676	206,076
ITURCF Fund		99,632	94,024
		<u>198,708</u>	<u>300,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	NOTES	2005 \$	2004 \$
5. TRADE AND OTHER RECEIVABLES			
Current			
Sundry Debtors		162,764	138,971
Loan – Minesafe Pty Limited		-	16,665
Accounts Due from Branches – Capitation Fees	14	167,565	-
		<u>330,329</u>	<u>155,636</u>
Non Current			
Loan – Minesafe Pty Limited		-	33,335
		<u>-</u>	<u>33,335</u>
TOTAL RECEIVABLES		<u>330,329</u>	<u>188,971</u>
 (i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.			
<i>Amounts Relating to:-</i>			
CFMEU – Construction & General Division		203,844	32,942
CFMEU – FEDFA Division		225	225
CFMEU – FFTS Division		70,940	70,940
CFMEU – Mining & Energy Division		41,385	24,901
CFMEU – Forest & Forestry Products Division		10,280	6,308
CFMEU – Construction & General Division, NSW Branch		2,377	2,377
CFMEU – FFTS Division – NSW Branch		99	99
		<u>329,150</u>	<u>137,792</u>
6. OTHER			
Prepayments		<u>3,369</u>	<u>12,673</u>
7. PROPERTY, PLANT & EQUIPMENT			
FURNITURE, FITTINGS & EQUIPMENT			
At Cost		25,325	55,071
Accumulated Depreciation		(19,300)	(45,877)
		<u>6,025</u>	<u>9,194</u>
MOTOR VEHICLES			
At Cost		38,271	34,545
Accumulated Depreciation		(6,912)	(7,283)
		<u>31,359</u>	<u>27,262</u>
TOTAL PROPERTY, PLANT & EQUIPMENT		<u>37,384</u>	<u>36,456</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

2005 2004
\$ \$

7. PROPERTY, PLANT & EQUIPMENT

Continued

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	9,194	27,262	36,456
Additions	2,773	38,271	41,044
Disposals – Assets	(21,466)	(34,545)	(56,011)
Amort/Depreciation Expense	(5,166)	(7,948)	(13,114)
Disposals – Accum Dep'n	20,690	8,319	29,009
Balance at End of Year	<u>6,025</u>	<u>31,359</u>	<u>37,384</u>

8. TRADE AND OTHER PAYABLES

Sundry Creditors	<u>176,317</u>	<u>108,343</u>
------------------	----------------	----------------

Amounts Relating to:-

CFMEU – Mining & Energy Division	83,412	60,629
CFMEU – Mining & Energy Division, Qld Branch	605	570
CFMEU – Mining & Energy Division, NSW Energy	2,268	-
	<u>86,285</u>	<u>61,199</u>

9. PROVISIONS

	<i>Provision for Annual Leave</i> \$	<i>Other Employee Entitlements</i> \$	TOTAL \$
Opening balance at 1 January 2005	51,490	59,871	111,361
Additional provisions	11,427	(2,626)	8,801
Amounts used	(45,706)	(57,245)	(102,951)
Balance at 31 December 2005	<u>17,211</u>	<u>-</u>	<u>17,211</u>

(a) Analysis of ageing of provisions

Current	<u>17,211</u>	<u>111,361</u>
---------	---------------	----------------

(b) Number of Employees at Balance Date

	<u>1</u>	<u>2</u>
--	----------	----------

(c) Total Employee Benefits Attributable to:

Office Holders	17,211	14,623
Staff	-	96,738
	<u>17,211</u>	<u>111,361</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	2005 \$	2004 \$
10. CONTINGENT LIABILITIES		
<p>A contingent liability exists in relation to debts incurred by the Divisions of the Union for which the National Office may become liable under the rules of the Union. A provision for such liabilities is not brought to account on the basis that each Division is able to pay its own debts as and when they become due and payable.</p>		
11. ECONOMIC DEPENDENCE		
<p>The principal source of income for the Union is capitation fees from its Divisions. Accordingly, the National Office is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters</p>		
12. CASH FLOW INFORMATION		
(A) RECONCILIATION OF NET CASH FROM OPERATIONS TO OPERATING RESULT		
Operating Result from Ordinary Activities	56,932	41,348
Non-Cash Items		
Depreciation	13,114	10,528
Increase in Employee Benefits	(94,150)	11,579
Loss on Sale of Fixed Assets	7,003	-
Changes in Assets and Liabilities		
(Increase) Decrease in Sundry Debtors	(174,693)	161,887
Decrease in Prepayments	9,304	6,358
Increase (Decrease) in Sundry Creditors	68,408	(65,387)
Increase in Tax Liability	-	7,375
Decrease in Other Assets	33,335	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(80,747)</u>	<u>173,688</u>
(B) RECONCILIATION OF CASH		
<p>Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to terms in the Balance Sheet as follows:</p>		
• Cash [Note 4]	<u>198,708</u>	<u>300,500</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

	2005 \$	2004 \$
12. CASH FLOW INFORMATION		
Continued		
(C) NET CASH FLOWS (EXCLUDING GST) RELATING TO ANOTHER REPORTING UNITS OF THE ORGANISATION ARE AS FOLLOWS:		
CFMEU – Construction and General Division	429,044	555,712
CFMEU – Mining and Energy Division	43,142	121,236
CFMEU – Forest and Forest Products Division	105,232	142,908
CFMEU – FFTS Division	-	107,801
CFMEU – Construction and General Division – NSW Branch	-	22,592
CFMEU – Construction and General Division – WA Branch	-	630
CFMEU – Mining and Energy Division – QLD Branch	(1,167)	(570)
CFMEU – Forest and Forest Products Division – NSW Branch	-	2,609
CFMEU – Collinsville Lodge	-	(825)
CFMEU – Construction and General Division – SA Branch	(826)	-
	<u>575,425</u>	<u>952,093</u>

13. LEGAL AND PROFESSIONAL FEES & EXPENSES

Amounts received, or due and receivable, by the auditor for:

▪ Auditing	6,799	7,500
▪ Accounting fees	2,070	4,482
▪ Legal Expenses	-	13,619
TOTAL	<u>8,869</u>	<u>25,601</u>

Legal Expenses relate to the following matters:

▪ Pagonis	-	7,518
▪ Findlay	-	898
▪ FFTS	-	661
▪ Union Rules	-	4,542
	<u>-</u>	<u>13,619</u>

14. AMOUNTS DUE FROM DIVISIONS - CAPITATION FEES -
(Amounts are Inclusive of GST)

	BALANCE OWING (31.12.04)	AMOUNTS CHARGED	CASH RECEIVED	BALANCE OWING (31.12.05)
Construction and General Division	-	529,953	397,465	132,488
Forest & Forest Products Division	-	140,309	105,232	35,077
Mining & Energy Division	-	115,500	115,500	-
	<u>-</u>	<u>785,762</u>	<u>618,197</u>	<u>167,565</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

15. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Sussex Street, Sydney NSW 2000.

16. EVENTS SUBSEQUENT TO BALANCE DATE

(a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:

- (i) the operations of the Union;
- (ii) the results of those operations; or
- (iii) the state of affairs of the Union, in subsequent financial years.

(b) The financial report was authorised for issue on May 2006 by the Board of Management.

17. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr John Maitland (National Secretary)
- Mr Rick Fowler (Finance Manager)

	2005 \$	2004 \$
Total Compensation		
- Short Term Benefits	193,535	259,390
- Post Employment Benefits	7,708	12,774
- Long Term Benefits	-	2,846
	201,243	275,010

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

Persons holding positions within the Union and as members of the Board of Management during the year:

Name	Position
➤ Trevor Smith	National President
➤ Tony Maher	Acting National President
➤ John Maitland	National Secretary
➤ John Sutton	Assistant National Secretary
➤ Tony Maher	National Executive Committee
➤ Trevor Smith	National Executive Committee
➤ Bruce Watson	National Executive Committee
➤ Peter Murray	National Executive Committee
➤ George Coates	National Executive Committee
➤ Michael O'Connor	National Executive Committee
➤ Leo Skourdombis	National Executive Committee
➤ Albert Littler	National Executive Committee
➤ Tim Woods	National Executive Committee
➤ Dave Noonan	National Executive Committee
➤ Lindsay Fraser	National Executive Committee
➤ Chris Price	National Executive Committee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

18. RELATED PARTY INFORMATION

Continued

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Rent and Outgoings were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$21,060 (2004: \$20,405).
- ii) Administration fees were paid to the Construction, Forestry, Mining and Energy Union – Mining and Energy Division totaling \$22,727 (2004: \$22,727).
- iii) Directors fees were received from Eraring Energy Ltd for Mr John Maitland \$51,636 (2004: \$56,548).

19. FINANCIAL INSTRUMENTS

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivables and payable and loans to related parties.

The group does not have any derivative instruments at balance date.

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

(a) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2005	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	0.95%	198,708	-	-	-	198,708
Receivables	-	-	-	-	330,329	330,329
Total Financial Assets		<u>198,708</u>	<u>-</u>	<u>-</u>	<u>330,329</u>	<u>529,037</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	176,317	176,317
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>176,317</u>	<u>176,317</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005**

Continued

19. FINANCIAL INSTRUMENTS

(b) 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 doubtful debts 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 Union.

(c) Net Fair Values

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

20. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of Schedule 1B [the Registration and Accountability of Organisations (RAO) schedule], the following necessary disclosures are made:

	2005 \$	2004 \$
i) ITEMS OF REVENUE		
Donations or Grants Income	-	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	243,306	240,501
Donations or Grant Expenses.		
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	-
• [REDACTED]	-	[REDACTED]
• [REDACTED]	[REDACTED]	[REDACTED]
• [REDACTED]	-	-
• [REDACTED]	-	-
• General (< \$1,000)	750	2,775
	46,500	28,775
Employee Benefits Expense:		
- Office Holders	138,162	131,071
- Employees (Other than Office Holders)	98,097	94,190
	236,259	225,261
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	61,433	55,949