



Australian Government
Australian Industrial Registry

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

Ref: FR2004/678-[105N-MIN]

Mr Bruce Watson
General Secretary
CFMEU Mining & Energy Division
1st Floor
365 Sussex Street
SYDNEY NSW 2000

Dear Mr Watson

Financial Return - year ending 31 December, 2004

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

New legislation

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

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/678**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

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

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au or belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



for Deputy Industrial Registrar
19 January 2005

Attachment B

Documents Checklist

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

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

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
Does the certificate state that the documents are copies of those presented to the Second Meeting?		

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



CFMEU Mining and Energy

Telephone: (+61.2) 9267 1035
Facsimile: (+61.2) 9267 3198

Level 1, 365 Sussex Street
Sydney NSW 2000

4 July 2005

Australian Industrial Registry
Level 8, Terrace Towers
80 William St
EAST SYDNEY NSW 2011

Lodgement Of 2004 Financial Returns

Please find the following enclosed:-

1. A signed copy of the financial statements for year ended 31 December 2004, including the Accounting Officers Certificate, Auditor's report and Committee of Management's certificate
2. Secretary's certificate

Please feel free to contact me if any further information is required.

Yours sincerely

A handwritten signature in cursive script that reads "Bruce Watson".

Bruce Watson
General Secretary



**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
MINING & ENERGY DIVISION**

SECRETARY'S CERTIFICATE

I, Bruce Watson, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, 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 2004 that were:

- (i) first presented to a meeting of the Central Council on 9th day of May 2005.
- (ii) supplied to members through the union website, circulation at work sites; and
- (iii) presented to a meeting of the Central Council of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union on the 4th day of July 2005.

Bruce Watson

**Bruce Watson
General Secretary**

4th July 2005



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2004**

CONTENTS

1-2	Operating Report
3	Committee of Managements' Certificate
4	Independent Audit Report to the Members
5	Statement of Financial Performance
6	Statement of Financial Position
7	Statement of Cash Flows
8-21	Notes to the Financial Statements
22	Disclaimer on Additional Financial Information
23-25	Detailed Statement of Financial Performance – General Fund
26	Detailed Statement of Financial Performance – Funeral & Eye Fund
27	Detailed Statement of Financial Performance – Long Service Leave Fund
28	Detailed Statement of Financial Performance – National Assistance Fund
29	Detailed Statement of Financial Performance – Legal Development Fund
30	Detailed Statement of Financial Performance – Recruitment & Training Fund

OPERATING REPORT

Your Committee of Management present their Operating Report on the Union for the year ended 31 December 2004.

Committee of Management

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

Name	Position	Period of Appointment
Mr T Maher	General President	1/01/2004 to 31/12/2004
Mr R Coates	General Vice President	1/01/2004 to 31/12/2004
Mr B Watson	General Secretary	1/01/2004 to 31/12/2004
Mr A Drew	Central Councillor	1/01/2004 to 31/12/2004
Mr P Murray	Central Councillor	1/01/2004 to 31/12/2004
Mr A Vickers	Central Councillor	1/01/2004 to 31/12/2004
Mr W McAndrew	Central Councillor	1/01/2004 to 31/12/2004
Mr G Day	Central Councillor	1/01/2004 to 31/12/2004
Mr J Borlini	Central Councillor	1/01/2004 to 31/10/2004
Mr C Hinds	Central Councillor	1/01/2004 to 31/12/2004
Mr L Van der Meulen	Central Councillor	1/01/2004 to 31/12/2004
Mr J Parkes	Central Councillor	1/01/2004 to 30/06/2004
Mr L Plunkett	Central Councillor	1/01/2004 to 14/12/2004
Mr R Whittaker	Central Councillor	1/01/2004 to 31/12/2004
Mr G Walsh	Central Councillor	1/01/2004 to 30/06/2004
Mr J Noonan	Central Councillor	1/01/2004 to 30/06/2004
Mr G Osborne	Central Councillor	1/01/2004 to 30/06/2004
Mr A Honeysett	Central Councillor	1/07/2004 to 31/12/2004
Mr G Wood	Central Councillor	1/11/2004 to 31/12/2004
Mr D Power	Central Councillor	1/07/2004 to 31/12/2004
Mr F Baker	Central Councillor	1/07/2004 to 31/12/2004
Mr G Power	Central Councillor	1/07/2004 to 31/12/2004

Principal Activities

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

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Division Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state wards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

Results of Activities

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

The Division has successfully implemented certified agreements for the benefits of members.

OPERATING REPORT continued

Results of Activities continued

The Division 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.

Significant Changes in Financial Affairs

During the year the Union enjoyed a 43% increase in revenues from its Joint Venture investment with United Collieries and has also enjoyed in a marked reduction in its capital loan with the Venture (see note 18).

The restructure of union contributions has seen an improved result in the National LSL Fund. This fund will be monitored in the short term to ensure it is fully funded.

During the year the Union has settled the National Assistance Fund (incorporating the Recruitment and Training Fund) onto a Trust. This process has seen some \$13.9M transferred from the Union to the recipient Trust.

Finally, the Union took control of organising works for the Union during the year with \$300,000 in funding invested into Unite Organising.

Membership of the Union

There were 16,240 members of the Union as at 31 December 2004.

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (iv)(a) of the Union Rules (and section 174 of the Workplace Relations Act), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

Employees of the Union

As at 31 December 2004 the Union employed 13 full time employees.

Superannuation Trustees

Mr B Watson is an executive of the Union and holds directorships of CoalSuper And CoalSuper Services Pty Ltd.

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.



Bruce Watson

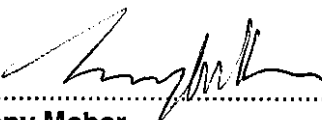
Signed this 10th day of May 2005.


COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division (“the Union”), do state that in the opinion of the Central Council, 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 2004;
- (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 2004 and since the end of the financial year:-
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the organisation; and
 - (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 2003; 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 Committee of Management and is signed for and on behalf of the Central Council by:


.....
Tony Maher


.....
Peter Murray

Signed at Sydney, NSW this 10th day of May 2005.

INDEPENDENT AUDIT REPORT TO THE MEMBERS

To the members of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division.

SCOPE

We have audited the financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union") for the year ended 31 December 2004 as set out on pages 5 to 21. The Union's Central Council is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it 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. These 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.

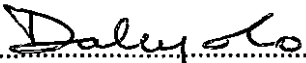
AUDIT OPINION

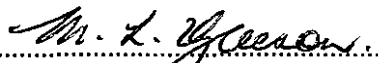
We have received all the information and explanations required for the purposes of our audit.

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 2004 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
98 Kembla Street
Wollongong NSW 2500


M L Gleeson
Registered Company Auditor

Dated this 10th day of May 2005.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
Revenues from Ordinary Activities	3	<u>7,971,381</u>	<u>7,949,761</u>
Expenses from Ordinary Activities			
Employee Benefits Expense		1,622,662	1,642,562
Depreciation and Amortisation Expense		109,079	84,972
Unexpended Contributions/Interest	1(g)	1,367,444	1,789,295
National Assistance Expenditure		1,043,577	752,781
Legal Campaign Fund Expenses		1,016,672	899,041
Recruitment & Training Expenses		475,958	423,607
Operating Expenditure		2,106,221	2,001,945
Book Value of Investments Sold		<u>78,210</u>	<u>332,997</u>
		<u>7,819,823</u>	<u>7,927,200</u>
OPERATING RESULT FOR THE YEAR		<u>151,558</u>	<u>22,561</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
CURRENT ASSETS			
Cash	4	1,118,143	2,770,813
Receivables	5	1,688,451	1,648,472
Investments	6	2,010,698	13,060,659
Funds Held in Trust		-	702,972
Prepayments		24,201	43,783
Stock on Hand		78,322	78,195
TOTAL CURRENT ASSETS		<u>4,919,815</u>	<u>18,304,894</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	1,391,155	1,345,581
TOTAL NON-CURRENT ASSETS		<u>1,391,155</u>	<u>1,345,581</u>
TOTAL ASSETS		<u>6,310,970</u>	<u>19,650,475</u>
CURRENT LIABILITIES			
Accounts Payable	8	689,161	1,030,607
Provisions	9	2,562,742	2,692,160
Grants in Advance		3,355	5,989
Unexpended Contributions	10	152,730	13,170,295
TOTAL CURRENT LIABILITIES		<u>3,407,988</u>	<u>16,899,051</u>
TOTAL LIABILITIES		<u>3,407,988</u>	<u>16,899,051</u>
NET ASSETS		<u>2,902,982</u>	<u>2,751,424</u>
ACCUMULATED FUNDS			
Members Funds	11	<u>2,902,982</u>	<u>2,751,424</u>

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		6,738,102	6,125,999
Receipts from Grants		81,725	160,000
Receipts from Interest and Dividends		694,966	614,149
Receipts from Rents		28,079	26,041
Balance of Income Received		567,504	256,690
Transfer to National Assistance Trust		(13,899,610)	-
Payments to Suppliers and Employees		(7,439,573)	(5,555,328)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	14	<u>(13,228,807)</u>	<u>1,627,551</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(232,863)	(124,494)
Proceeds from Sale of Property, Plant and Equipment		56,067	536,979
Movements in Investments		11,752,933	(1,907,553)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>11,576,137</u>	<u>(1,495,068)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in Loan – Upper Roma Street Trust		-	1,417,740
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>-</u>	<u>1,417,740</u>
NET INCREASE (DECREASE) IN CASH HELD		(1,652,670)	1,550,223
CASH AT THE START OF THE FINANCIAL YEAR		<u>2,770,813</u>	<u>1,220,590</u>
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>1,118,143</u>	<u>2,770,813</u>

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1. STATEMENT OF ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act, 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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.

(a) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are brought to account at cost less where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed periodically by the Council 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
	%
Buildings	2.50 to 20.00
Furniture Fittings & Equipment	5.00 to 40.00
Motor Vehicles	22.50

(b) EMPLOYEE BENEFITS

Provision is made in respect of the Union's liability for annual leave, sick leave 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 a years service. Related on-costs are included in these provisions.

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

(c) 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.

(d) OUTSTANDING CONTRIBUTIONS

From 1 January 1996, district contributions have been accounted for on an accrual basis. District contributions relative to the national assistance fund are accounted for on a cash basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

1. STATEMENT OF ACCOUNTING POLICIES

continued

(e) COMPARATIVE FIGURES

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

(f) PROVISION FOR NATIONAL CONVENTION

Provision is made annually in respect of the Union's estimated liability for the National Convention, which is held periodically every two to four years. The provision is based on member contributions which are collected evenly over the term between conventions to cover the costs associated with the next convention.

(g) UNEXPENDED CONTRIBUTIONS

Contributions for the National Assistance, Legal Development, and Recruitment and Training Funds are recorded in the Detailed Statement of Financial Performance as income in the year in which they are collected. Interest received on those contributions is recorded as income in the year in which its earned. Unexpended funds are carried forward as liabilities at balance date to cover future expenditures. This policy is adhered to in accordance with the rules of the Union that no payments are made from these funds other than for the purposes for which the fund is operated.

Where expenditures exceed contributions and/or interest in any year, the deficiency is first applied to the carried forward (unexpended) balance and any deficiency remaining is written off in the statement of financial performance.

(h) RECRUITMENT AND TRAINING FUND UNEXPENDED CONTRIBUTIONS

The Central Council may resolve from time to time to apply prior years unexpended Recruitment and Training Fund contributions against current year internal fund deficits. Such a recoupment is recognised as income in the year of resolution and does not impact on the adoption of the policy pertaining to unexpended contributions as described in Note 1(g).

(i) TRANSFER OF UNEXPENDED CONTRIBUTIONS

During the 2004 year the Union has settled the National Assistance Fund (which incorporated the Recruitment & Training Fund) on the National Assistance Trust. Accordingly the unexpended contributions have been reduced by the amount of unexpended contributions transferred at this time.

(j) STOCK ON HAND

Stock on hand comprises saleable promotional items and is valued at cost price being the lower of cost and net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

1. STATEMENT OF ACCOUNTING POLICIES

continued

(j) ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The Union's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. An IFRS committee will be established to oversee and manage the transition to IFRS.

The Committee of Management are of the opinion that key differences in the Union's accounting policies which may arise from the adoption of IFRS are:-

Impairment of Assets

The Union currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. In terms of pending AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy may lead to impairments being recognised more often than under the existing policy.

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 2004**

continued

	2004	2003
	\$	\$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax is arrived at after taking into account		
(a) REVENUE:		
<i>Operating Activities</i>		
Administration Fees	63,247	21,018
Contributions	6,174,496	5,914,827
Donations Received	12,150	-
Distribution Received – National Assistance Fund	202,494	-
Interest Received	640,538	643,050
Return on Investment – Regent Street	-	217,770
Grants Received	209,525	177,158
Rents Received	34,484	27,041
Refunds/Reimbursements	78,069	2,322
Income other than listed above	500,311	409,596
	<u>7,915,314</u>	<u>7,412,782</u>
<i>Non-Operating Activities</i>		
Proceeds from Sale of Investments	56,067	536,979
	<u>7,971,381</u>	<u>7,949,761</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
Buildings	7,767	7,403
Plant & Equipment	101,312	77,569
Total Depreciation	<u>109,079</u>	<u>84,972</u>
Movements In Employee Entitlements	188,607	22,550
Book Value of Assets Sold	78,210	19,043
Remuneration of Auditors		
- Auditing the Financial Report	23,970	22,550
- Accounting & Taxation Services	18,906	19,043

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004 \$	2003 \$
4. CASH		
Cash on Hand	400	400
Cash at Bank		
• General Funds	1,116,401	2,769,205
• Funeral and Eye Funds	1,342	1,208
	<u>1,118,143</u>	<u>2,770,813</u>
5. RECEIVABLES		
Current		
Contributions Receivable	1,025,685	1,194,139
Debtors	647,390	384,529
Accrued Interest	15,376	69,804
	<u>1,688,451</u>	<u>1,648,472</u>
<i>Amounts Relating to:-</i>		
CFMEU – National Office	60,735	36,763
CFMEU – Construction & General Division	3,661	-
CFMEU – FFTS Division	2,040	-
CFMEU – Mining & Energy Division: -		
• Queensland District	196,710	131,162
• Northern District	443,861	410,950
• South Western District	370,499	465,846
• NSW Energy District	77,296	150,633
• Victorian District	11,710	10,923
• South Australian District	4,345	3,915
• Western Australian District	163,488	179,843
• Tasmanian District	6,414	6,726
	<u>1,340,759</u>	<u>1,396,761</u>
6. INVESTMENTS		
Current		
Shares in Listed Companies (At Cost)	53,000	53,000
Shares in Private Companies (At Cost)	7	1
Term Deposits	1,957,691	13,007,658
	<u>2,010,698</u>	<u>13,060,659</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004 \$	2003 \$
7. PROPERTY, PLANT AND EQUIPMENT		
LAND		
At Cost	<u>776,566</u>	<u>776,566</u>
BUILDINGS		
At Cost	243,683	232,274
Accumulated Depreciation	<u>(32,618)</u>	<u>(24,851)</u>
	211,065	207,423
TOTAL LAND & BUILDINGS	<u>987,631</u>	<u>983,989</u>
FURNITURE, FITTINGS AND EQUIPMENT		
At Cost	553,141	508,673
Accumulated Depreciation	<u>(353,789)</u>	<u>(310,781)</u>
	199,352	197,892
MOTOR VEHICLES		
At Cost	320,513	287,611
Accumulated Depreciation	<u>(116,341)</u>	<u>(123,911)</u>
	204,172	163,700
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>1,391,155</u>	<u>1,345,581</u>

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.

	LAND & BUILDINGS	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	983,989	197,892	163,700	1,345,581
Additions	11,409	69,872	151,582	232,863
Disposals – Assets	-	(25,404)	(118,680)	(144,084)
Amort/Depreciation Expense	(7,767)	(65,407)	(35,905)	(109,079)
Disposals – Accum Dep'n	-	22,399	43,475	65,874
Balance at End of Year	<u>987,631</u>	<u>199,352</u>	<u>204,172</u>	<u>1,391,155</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004 \$	2003 \$
8. ACCOUNTS PAYABLE		
Creditors	562,591	924,985
Tax Payable (GST)	126,570	105,622
	<u>689,161</u>	<u>1,030,607</u>
<i>Amounts Relating to:-</i>		
CFMEU – National Office	25,000	27,648
CFMEU – Construction & General Division	7	7
CFMEU – Mining & Energy Division: -		
• Queensland District	24,797	27,028
• Northern District	35,121	58,593
• South Western District	46,025	69,612
• NSW Energy District	2,000	-
• Western Australian District	-	18,113
	<u>132,950</u>	<u>201,001</u>
9. PROVISIONS		
Current		
Employee Benefits:		
Provision for Annual Leave	273,446	272,085
Provision for Long Service Leave		
• Officials	1,848,360	1,721,900
• Employees	209,534	173,320
Provision for Sick Leave	215,368	194,805
Provision for RDO's	16,034	12,025
	<u>2,562,742</u>	<u>2,374,135</u>
Employees at balance date		
• National Executives and staff	13	13
• District Executives (National LSL Fund)	26	27
Provision for National Conference	-	318,025
TOTAL PROVISIONS	<u>2,562,742</u>	<u>2,692,160</u>
Employee Benefits attributable to:		
o Office holders	353,922	347,881
o District Executives (National LSL Fund)	1,667,922	1,554,049
o Staff	540,898	472,205
TOTAL PROVISIONS	<u>2,562,742</u>	<u>2,374,135</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

Continued

	NOTES	2004 \$	2003 \$
10. UNEXPENDED CONTRIBUTIONS			
Opening Balance at Start of Year		13,170,295	11,381,000
Add: Unexpended Contributions for Year	1(g)		
• National Assistance Fund		1,236,138	1,667,351
• Recruitment & Training Fund		135,426	75,137
• Legal Fund		(19,619)	46,807
Less: Transfers – National Assistance Fund	1(i)	(13,824,924)	-
Transfers – Recruitment & Training Fund	1(i)	(544,586)	-
Closing Balance at End of Year		<u>152,730</u>	<u>13,170,295</u>
Represented by Fund Balances:			
• National Assistance Fund		-	12,588,785
• Recruitment & Training Fund		-	409,160
• Legal Campaign Fund		152,730	172,350
		<u>152,730</u>	<u>13,170,295</u>
Represented by the Asset Balances:			
• Term Deposits		-	10,583,295
• Funds Held in Trust		-	702,972
• Accrued Interest		-	58,039
• Cash at Bank		152,730	1,825,989
		<u>152,730</u>	<u>13,170,295</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004	2003
	\$	\$
11. MEMBERS FUNDS		
Opening Balance at Start of Year	2,751,424	2,728,863
Add: Results from Ordinary Activities		
General Fund	11,654	178,734
Funeral and Eye Fund	134	(4,476)
Long Service Leave Fund	57,965	(151,697)
Recruitment & Training Fund	81,805	-
	<u>151,558</u>	<u>22,561</u>
Closing Balance at End of Year	<u>2,902,982</u>	<u>2,751,424</u>
Represented by:		
• General Funds	2,823,835	2,754,216
• Funeral and Eye Fund	(2,658)	(2,792)
• Recruitment & Training Fund	81,805	-
	<u>2,902,982</u>	<u>2,751,424</u>
12. SALARIES		
The following analysis of salaries paid during the year ended 31 December 2004 is given in compliance with the requirements of the Workplace Relations Act, 1996.		
Paid to Office Holders	406,606	410,390
Paid to Employees	920,740	966,411
	<u>1,327,346</u>	<u>1,376,801</u>
13. AUDITORS' REMUNERATION		
Amounts received, or due and receivable, by the auditors for:		
• Auditing the financial report	23,970	22,550
• Accounting and taxation services	18,906	19,043
	<u>42,876</u>	<u>41,593</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004 \$	2003 \$
14. CASH FLOW INFORMATION		
RECONCILIATION OF NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES TO OPERATING RESULT		
Net Operating Result from Ordinary Activities	151,558	22,561
Non Cash Items		
• Depreciation	109,079	84,972
• Provision for Annual Leave	1,361	5,870
• Provision for Long Service Leave	162,674	218,892
• Provision for Sick Leave	20,563	(7,080)
• Provision for RDO's	4,009	12,025
• Provision for National Convention	(318,025)	111,204
• Net Loss on Disposal of Assets	25,173	3,160
• Profit on Disposal of Assets	(3,030)	(207,135)
• Return on Investment – Regent Street	-	(217,770)
Changes in Assets and Liabilities		
(Increase) Decrease in Contributions Receivable	168,454	(174,620)
(Increase) Decrease in Receivables	(208,433)	(238,531)
(Increase) Decrease in Prepayments	19,582	(12,981)
(Increase) Decrease in Inventories	(127)	(7,571)
Increase (Decrease) in Accounts Payable	(344,080)	245,260
(Decrease) Increase in Unexpended Contributions/Interest	(13,017,565)	1,789,295
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(13,228,807)	1,627,551

(i) Net cash flows relating to another reporting unit of the organisation are as follows:

CFMEU – National Office

CFMEU – Mining & Energy Division: -

• Queensland District	2,387,818	2,303,023
• Northern District	2,035,395	1,199,053
• South Western District	548,165	427,169
• NSW Energy District	211,673	168,874
• Victorian District	97,888	165,373
• South Australian District	8,190	9,217
• Tasmanian District	7,645	34,300
• Western Australian District	100,330	165,908
	<u>5,217,530</u>	<u>4,632,821</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

15. CONTINGENT LIABILITIES

The Courts have handed down a decision regarding indemnity costs from the finalisation of a contempt of court matter. The Union is currently negotiating the quantum of the indemnity costs with the respondent.

16. OPERATING LEASE COMMITMENTS

An operating lease commitment exists in respect of the sub-lease of floor area within premises situated at Sussex Street, Sydney. The maximum amount committed plus the maximum extension of options is as follows :-

	2004	2003
	\$	\$
The total operating lease commitments are:		
Due within 1 year	144,826	130,000
Due within 1-2 years	146,232	10,833
Due later than 2 years but not later than 5 years	438,697	-
Due later than 5 years.	36,558	-
	<u>766,313</u>	<u>140,833</u>

17. RELATED PARTY INFORMATION

MEMBERS OF THE CENTRAL COUNCIL

Persons holding positions within the Union and as members of the Central Council during the year:

NATIONAL OFFICIALS

- Mr T Maher (General President)
- Mr B Watson (General Secretary)
- Mr R Coates (General Vice President)

CENTRAL COUNCIL

- Mr A Drew (NSW Energy President)
- Mr P Murray (NSW Northern President)
- Mr A Vickers (Queensland President)
- Mr W McAndrew (NSW South Western President)
- Mr G Day (South Australian President)
- Mr G Wood (West Australian Secretary – from 1/11/04)
- Mr J Borlini (West Australian President – to 31/10/04)
- Mr C Hinds (Tasmanian President)
- Mr L Van Der Meulen (Victorian President)
- Mr L Plunkett (Central Councillor North – to 14/12/04)
- Mr R Whittaker (Central Councillor North)
- Mr D Power (Central Councillor North – from 1/7/04)
- Mr J Parkes (Central Councillor North – to 30/6/04)
- Mr F Baker (Central Councillor QLD – from 1/7/04))
- Mr G Power (Central Councillor QLD – from 1/7/04)
- Mr G Walsh (Central Councillor QLD – to 30/6/04)
- Mr J Noonan (Central Councillor QLD – to 30/6/04)
- Mr A Honeysett (Central Councillor South Western – from 1/7/04)
- Mr G Osborne (Central Councillor South Western – to 30/6/04)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

18. JOINT VENTURE AGREEMENT

In accordance with the terms of a joint venture agreement dated 27 May 1991 the Division has acquired land, the cost of which totalled \$1,516,294. This amount has been provided by the other party to the agreement.

The land is provided by the Division to the joint venture, free of charge, for the purpose of coal mining operations. The Joint Venture Agreement provided that certain royalties are payable to the Division in respect of such operations. These royalties are paid to the Mineworker's Trust, (a trust formed to directly or indirectly benefit Mineworker's, their families or dependants). Subject to the retention by the Division of 20% thereof as reimbursement of expenses incurred by the Division. At this date the value of land is uncertain and thus it has not been included in the accounts as an asset. Additionally, the Division is the beneficial owner of 27,750 shares of \$1 of each in Mount Thorely Coal Loading Limited, and 8,909 shares of \$1 each in Newcastle Coal Shippers Pty Limited. These shares are not included in the Financial Report.

At 31 December 2004, the Division has incurred Capital Costs together with interest thereon, and recovered profit distributions represented by a loan account of \$886,430 (2003 \$4,084,822 payable) which is then only recoverable by the Division under certain circumstances and then only from the Division's Proceeds (including, under certain circumstances, the sale of the land referred to above) as defined by the Joint Venture Agreement. The amount has been provided by the other party to the agreement. This loan is not included in this Financial Report.

	2004	2003
	\$	\$
19. SCHEDULE OF DONATIONS		
Australian Labor Party	470,000	-
ACTU – Apheda	-	1,000
Child Labour Schools Company	-	61,000
Maritime Union of Australia – Bali Appeal	-	1,250
Queensland Junior Rugby League	-	5,000
Australians for a Just Refugee Program	-	2,000
Robert Smith	-	5,000
CFMEU – C & G Division (NSW) – Palestine Badges	-	1,000
CFMEU – Safari Dispute	5,000	-
Maritime Union of Australia	5,000	-
Panthers on the Prowl	3,740	-
Walk Against the War Coalition	-	1,000
General Donations (individually less than \$1,000)	4,891	2,904
TOTAL	<u>488,631</u>	<u>81,154</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

	2004	2003
	\$	\$
20. SCHEDULE OF CAMPAIGN EXPENSES		
Aspinall Inquest	4,000	26,400
Gretley Inquiry	5,272	-
Derwinto	3,450	-
Beltana	-	1,141
Blair Athol	178,481	246,990
BHP		
• General	1,056	42,197
• WA Unfair Dismissal	-	16,467
• BHP Steel	-	10,228
Bulga Coal	-	23,206
Newcrest Mining	4,600	-
General Expenditures	3,539	-
Superannuation Campaign	448,000	133,434
Occupational Health & Safety Campaign	34,126	-
Rio Tinto		
• General	28,881	66,281
• Hammersley Iron	25,893	4,520
Roche Mining	189	12,109
Victorian Energy	-	50,728
Weipa	-	43,245
TOTAL	737,487	676,946

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

continued

21. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
(i) 31 DECEMBER 2004						
Financial Assets						
Cash Assets	4.54	1,102,436	1,428,354	-	400	2,531,190
Other Financial Assets	-	-	-	-	53,007	53,007
Receivables	-	-	-	-	1,688,451	1,688,451
Total Financial Assets		1,102,436	1,428,354	-	1,741,858	4,272,648
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	689,161	689,161
Total Financial Liabilities		-	-	-	689,161	689,161
(ii) 31 DECEMBER 2003						
	%	\$	\$	\$	\$	\$
Financial Assets						
Cash Assets	4.63	2,757,192	13,182,750	-	400	15,940,342
Other Financial Assets	-	-	-	-	53,001	53,001
Receivables	-	-	-	-	1,648,472	1,648,472
Total Financial Assets		2,757,192	13,182,750	-	1,701,873	17,641,815
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	1,030,607	1,030,607
Total Financial Liabilities		-	-	-	1,030,607	1,030,607

(b) Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, as disclosed in the statement of financial position and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into.

(c) Net Fair Values

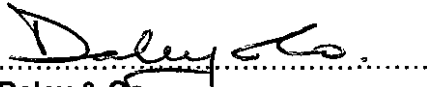
The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements. No financial assets or liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets are disclosed in the statement of financial position and in the notes to the financial statements.

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on pages 23 to 30 is in accordance with the books and records of the Construction Forestry Mining and Energy Union – Mining and Energy Union ("The Union"), which have been subjected to the auditing procedures applied in our statutory audit of the Union for the year ended 31 December 2004. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Union) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.


.....
Daley & Co
Chartered Accountants
Wollongong NSW 2500

Signed this 10th day of May 2005

The liability of Daley & Co is limited by and to the extent of, the Accountants Scheme under the Professional Standards Act 1994 (NSW)

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
GENERAL FUNDS			
INCOME			
Administration Fees		63,247	21,018
Book Sales		-	800
Common Cause Sales and Advertising		16,000	22,000
Contributions			
• District Contributions		2,041,218	1,962,626
• Pre Amalgamation		-	64,083
• National Convention (2000 to 2003 provision)		318,025	-
Grants			
• Occupational Health & Safety Officer		147,800	172,500
• Oral History		2,634	4,658
• District Check Inspector Assistance		50,000	50,000
Dividends Received		-	1,914
Donations		12,150	-
Interest Received		129,595	99,500
Profit on Sale of Shares		3,030	22,890
Refunds and Reimbursements		46,924	2,322
Royalty – United Trust		293,710	204,978
Rent			
• NSW Energy		12,000	12,000
• Executive Housing		2,079	2,041
• MacArthur Street		20,405	13,000
Sales – Promotional		51,011	21,532
TOTAL INCOME		3,209,828	2,677,862
EXPENDITURE			
Advertising		5,911	-
Affiliation Fees		41,590	52,988
Auditors Remuneration	13	38,156	41,593
Bank Charges		3,171	2,667
Building Expenses		6,773	8,034
Conferences and Meeting Expenses			
• Central Council & Executive Meetings		145,440	148,138
• National Convention Expenses		200,108	2,273
• ICEM Asia Pacific Conference		-	19,487
Common Cause			
• Freight and Cartage		108,813	94,645
• Printing and Productions		88,394	84,782

Continued Over Page ↗

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
GENERAL FUNDS			
EXPENDITURE			
Continued			
Contributions – CFMEU National Office		105,000	105,000
Contributions – Funeral & Eye Fund		3,000	-
Depreciation		88,255	77,837
Donations	19	18,631	21,154
District Check Inspector Grants		50,000	50,000
Election Costs		21,963	-
Electricity		9,928	8,306
Fringe Benefits Tax		41,910	58,834
Gifts and Floral Tributes		3,904	12,174
Insurance		46,437	33,724
Legal and Professional Expenses		(1,349)	84,499
Loss on Sale of Fixed Assets		9,424	3,160
Motor Vehicle Expenses		26,634	20,306
National Conference Provision		-	111,205
National Officials Executive Housing			
• Insurance		1,578	2,223
• Telephone		7,825	6,572
• Rates		5,020	3,636
• Maintenance		2,000	2,945
• Rental Assistance Payments		29,380	29,380
Oral History Costs		2,634	4,658
Payroll Tax		65,455	56,663
Petty Cash		3,917	2,953
Postage, Freight, Printing and Stationery		101,095	87,578
Promotional Material		74,044	42,259
Provision for Annual Leave		9,127	36,677
Provision for Long Service Leave		19,111	43,304
Provision for Sick Leave		13,822	20,745
Provision for RDO's		1,761	8,241
Provision for Doubtful Debts		(7,234)	(11,771)
Reference Material		130	2,214
Rent		151,016	144,071
Salaries and Wages – Officers	12	406,606	410,390
Salaries and Wages – Employees	12	596,049	571,126
Staff Expenses		5,989	4,997
Subscriptions		28,684	47,869

Continued Over Page ☞

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
GENERAL FUNDS		
EXPENDITURE		
continued		
Superannuation Contributions	145,296	106,013
Telephone and Facsimile	45,496	41,197
Training Expenses	2,456	5,400
Traveling Expenses		
• National Office – Mining & Energy	150,294	165,995
• National Convention	249,528	-
• National CFMEU ICEM Contribution	25,000	25,000
TOTAL EXPENDITURE	<u>3,198,174</u>	<u>2,901,141</u>
OPERATING RESULT BEFORE NON-RECURRING ITEMS	<u>11,654</u>	<u>(223,279)</u>
NON-RECURRING ITEMS		
Profit on Sale – 1 Willowbrook Place, Sylvania, NSW	-	184,243
Return on Investment – Regent Street	-	217,770
	<u>-</u>	<u>402,013</u>
OPERATING RESULT FOR THE YEAR	<u>11,654</u>	<u>178,734</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
FUNERAL AND EYE FUND		
INCOME		
Contributions	2,535	2,695
Contribution – General Fund	3,000	-
Interest Received	3	2
TOTAL INCOME	<u>5,538</u>	<u>2,697</u>
EXPENDITURE		
Bank Charges	104	373
Eye Benefit	800	800
Funeral Benefit	4,500	6,000
TOTAL EXPENDITURE	<u>5,404</u>	<u>7,173</u>
OPERATING RESULT FOR THE YEAR	<u>134</u>	<u>(4,476)</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004	2003
	\$	\$
LONG SERVICE LEAVE FUND		
INCOME		
Contributions	133,308	132,211
Interest Received	39,597	37,669
LSL Transfers Received	119,308	108,372
TOTAL INCOME	<u>292,213</u>	<u>278,252</u>
EXPENDITURE		
Provision for Long Service Leave	126,460	185,441
Long Service Leave	107,788	244,508
TOTAL EXPENDITURE	<u>234,248</u>	<u>429,949</u>
OPERATING RESULT FOR THE YEAR	<u>57,965</u>	<u>(151,697)</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
NATIONAL ASSISTANCE FUND			
INCOME			
Contributions		<u>2,279,715</u>	<u>2,420,132</u>
TOTAL INCOME		<u>2,279,715</u>	<u>2,420,132</u>
EXPENDITURE			
Auditors Remuneration	13	4,720	-
Donations	19	470,000	60,000
Legal and Professional Expenses		56,645	-
Mortality Donations			
• K Adams		70,000	-
Postage, Freight, Printing and Stationery		35,408	-
Site Assistance			
• Elouera		204,804	-
• Beltana		-	204,800
• Blair Athol		161,000	278,500
• Central Colliery Lodge		-	48,321
• Moranbah North		-	47,960
• Port Hedland		41,000	-
• United Colliery Lodge		-	113,200
TOTAL EXPENDITURE		<u>1,043,577</u>	<u>752,781</u>
Result Before Unexpended Contributions		1,236,138	1,667,351
Less: Contributions Unexpended	1(g)	<u>(1,236,138)</u>	<u>(1,667,351)</u>
OPERATING RESULT FOR THE YEAR		<u>-</u>	<u>-</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
LEGAL DEVELOPMENT FUND			
INCOME			
Contributions		1,399,695	1,333,080
Dividend Received		1,783	-
Refunds/Reimbursements		60	-
TOTAL INCOME		<u>1,401,538</u>	<u>1,333,080</u>
EXPENDITURE			
Campaign Expenses	20	737,487	676,946
Legal/Research Officers			
• District/Pilbara Officers		148,808	98,174
• Salary and Wages	12	329,689	399,211
• Staff Training and Expenses		5,419	5,782
• Superannuation		40,965	36,165
• Fringe Benefits Tax		4,853	7,697
• Payroll Tax		25,777	22,764
• Provision for Annual Leave		(7,767)	(30,807)
• Provision for Sick Leave		6,741	(27,826)
• Provision for Long Service Leave		17,103	(991)
• Provision for RDO's		2,249	3,783
• Motor Vehicle Expenses		-	1,386
• Travel and Expenses		55,247	45,349
Other Expenses			
• Conferences and Meeting Expenses		580	705
• Equipment Repairs		-	295
• Gifts and Floral Tributes		-	3,161
• Postage, Printing & Stationery		21,079	22,466
• Promotional Material		490	-
• Reference Material		99	169
• Subscriptions		28,310	17,876
• Telephone		4,028	3,968
TOTAL EXPENDITURE		<u>1,421,157</u>	<u>1,286,273</u>
Result Before Unexpended Contributions		(19,619)	46,807
Less: Contributions Unexpended	1(g)	-	(46,807)
Add: Prior Year Loss recouped	1(h)	19,619	-
OPERATING RESULT FOR THE YEAR		<u>-</u>	<u>-</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004**

	NOTES	2004 \$	2003 \$
RECRUITMENT AND TRAINING FUND			
INCOME			
Distribution – National Assistance Trust		202,494	-
Grants Received		9,091	-
Interest Received		471,343	505,879
Refunds and Reimbursements		31,085	-
TOTAL INCOME		<u>714,013</u>	<u>505,879</u>
EXPENDITURE			
Conferences and Meeting Expenses		844	1,083
Depreciation		20,824	7,135
Electricity		-	80
Fringe Benefits Tax		1,301	2,621
Insurance		-	1,204
Legal and Professional Expenses		1,685	-
Loss on Sale of Fixed Assets		15,749	-
Motor Vehicle Expenses		8,538	11,063
Organising Works Project			
• Unite Funding		300,000	-
• ACTU Organising Centre		94,730	370,288
Postage, Printing & Stationery		-	47
Rent		30,487	12,720
Subscriptions		4,000	-
Training Expenses		14,492	16,041
Traveling Expenses		4,132	8,460
TOTAL EXPENDITURE		<u>496,782</u>	<u>430,742</u>
Result Before Unexpended Interest Revenue		217,231	75,137
Less: Interest Unexpended	1(g)	<u>(135,426)</u>	<u>(75,137)</u>
OPERATING RESULT FOR THE YEAR		<u>81,805</u>	<u>-</u>



Mr Bruce Watson
General Secretary
CFMEU Mining & Energy Division
1st Floor, 365 Sussex St
SYDNEY NSW 2000

Financial Return - year ending 31 December 2004 (FR2004/678)

I refer to the documents lodged in the Registry on 6 July 2005.

Auditors' Disclaimer

The auditors have at page 4 of the documents expressed their opinion about the financial report set out on pages 5 to 21. At page 22 of the documents they indicate they "do not express an opinion" on the "additional financial information" presented on pages 23 to 30 of the documents.

This information comprises:

- the detailed statement of financial performance for the Division (pages 23-25)
- detailed statements of financial performance for the following funds (pages 26-30):
 - funeral and eye
 - long service leave
 - national assistance
 - legal development
 - recruitment and training

This information appears to include items in the various accounts listed which the Reporting Guidelines provide be disclosed in the Notes to the financial statements or on the face of the profit and loss statement. These items include (references are to paragraphs of the Guidelines):

- affiliation fees (11(d) – see p.23 item under "expenditure" \$41,590
- legal costs and other expenses related to litigation or other legal matters (11(j)) – there are references to these "legal and professional expenses" in the National Assistance Fund statement on p.28 and in the Recruitment and Training Fund on p.30
- expenses incurred in connection with meetings (11(k)) – there are references to meeting expenses in the Legal Development Fund on p.29

Unless these items are disclosed in the Notes or in the profit and loss statement, it would appear the Branch's GPFR does not fully comply with the Guidelines.

Your comments and those of the auditor are invited on this matter.

Donations

Note 19 lists a number of donations each of which exceeds \$1000. Under s237 the Branch must lodge a Statement showing:

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

Where donation was made to relieve a member of the Branch from severe financial hardship, the name of the recipient need not be stated.

I have enclosed a form which you may use to prepare the Branch's Statement.

Please note that although Note 19 includes some of the information required by s237, the Branch must still lodge a separate Statement under s237 each financial year within 90 days of the end of its financial year.

The Branch should ensure it is in a position to extract this information from its records and lodge the Statement within this period.

Please contact this office if you have any questions.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Peter McKerrow', with a long horizontal stroke extending to the right.

Peter McKerrow
for Deputy Industrial Registrar

20 September 2005

c.c. Daley & Co Chartered Accountants



Statement of loans, grants and donations exceeding \$1,000 for financial year ending / /

Please refer to section 237 of the Registration and Accountability of Organisations Schedule when completing this form. This statement when lodged in the Industrial Registry may only be viewed by a member of the organisation. Use of this form is optional.

Organisation's details

Name of organisation including division or branch

Postal Address

Details of officer completing the statement

Name

Name of office held in organisation

(An officer of the organisation should complete the statement)

Postal Address

Telephone number (BH)

Facsimile number

Email

I certify that the information contained in this statement and its attachments is true and complete.

Signature

Date

An organisation must lodge this statement within 90 days of the end of its financial year.

Enquiries and statements should be addressed to:

THE INDUSTRIAL REGISTRAR
AUSTRALIAN INDUSTRIAL REGISTRY
LEVEL 8, TERRACE TOWERS
80 WILLIAM STREET
EAST SYDNEY NSW 2011
Tel: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

AUSTRALIAN INDUSTRIAL REGISTRY

Australian Industry Registry

LOANS, GRANTS AND DONATIONS EXCEEDING \$1,000 MADE BY ORGANISATION

(if insufficient space, please attach separate sheet)

LOANS

Name of Recipient of Loan	Address	Amount	Purpose for which loan required	Security given in relation to loan	Arrangements for repayment of loan

Note: where a loan is made to relieve a member or dependant of a member from severe financial hardship, the name and address and particulars of arrangements for repayment need not be stated.

GRANTS

Name of Recipient of Grant	Address	Amount	Purpose of Grant

Note: where a grant is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.

DONATIONS

Name of Recipient of Donation	Address	Amount	Purpose of Donation

Note: where a donation is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.



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 Bruce Watson
General Secretary, Mining & Energy Division
CFMEU
1st Floor, 365 Sussex Street
SYDNEY NSW 2000

Dear Mr Watson

Branch Financial Return - year ending 30 June 2004 (FR2004/678)

I am writing in follow up to my predecessor Peter McKerrow's letter dated 20 September 2005 regarding an outstanding issue concerning the Auditor's Disclaimer in the above return. The Registry is keen to finalise the matter and file the return as soon as possible.

Auditor's Disclaimer on "additional financial data"

The gist of Peter's concern was that the Auditor's opinion - as to whether the financial statements presented fairly with the Australian Accounting Standards and other legislative requirements - should also have been expressed about some of the items in the Income and Expenditure Statement and various Fund statements (the 'additional financial data') because such items form part of the general purpose financial report. I attach some relevant extracts you can refer to.

As it was not clear to the Registry from the Auditor's Disclaimer alone why his statutory audit did not so cover the details of the additional financial data as to enable him to express his opinion in relation to those details, Peter sought, your and/or the Auditor's comments on the issue he raised.

I think all that is required to help finalise this issue is to have your formal response commenting on

- (i) why the audit did not cover all the details of the additional financial data, so that it was not possible to express an opinion;
- (ii) what view the Branch and/or the Auditor have about what is needed to comply with the RAO Schedule and the Industrial Registrar's guidelines on this issue, and
- (iii) any other comments the Branch or the Auditor considers relevant to the issue.

I would be greatly appreciative if you could send your formal response along these lines at your earliest convenience. If you anticipate some further lapse of time before being able to do so, perhaps you could email me at stephen.kellett@air.gov.au to let me know. Please don't hesitate to contact me on (02) 8374 6509 if you wish to discuss the issue in person.

Yours sincerely

Stephen Kellett
for Deputy Industrial Registrar

18 November 2005

257 Powers and duties of auditors

(5) An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;
- (b) any other requirements imposed by this Part.

If not of that opinion, the auditor's report must say why.

(6) If the auditor is of the opinion that the general purpose financial report does not so comply, the auditor's report must, to the extent it is practicable to do so, quantify the effect that non-compliance has on the general purpose financial report. If it is not practicable to quantify the effect fully, the report must say why.

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule

Application

1. These reporting guidelines are made under section 255 of Schedule 1B (the RAO Schedule) of the *Workplace Relations Act 1996* (the Act).

Profit and Loss Statement

10. Balances for the following items of revenue must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) entrance fees or periodic subscriptions (in these guidelines referred to as membership subscriptions) in respect of membership of the organisation;
- (b) where under the rules of the organisation or a branch of the organisation a reporting unit may receive from another reporting unit of the organisation as a contribution towards the general administrative expenses of the reporting unit a proportion of the total amount received by the other reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
- (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the aggregate amount for all such reporting units;
- (d) compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of particular purposes - the amount and a brief description of the purpose of each such levy or appeal; and
- (e) donations or grants (other than voluntary contributions referred to in subparagraph (d)).

11. Balances for the following items of expense must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

- (a) expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- (b) where under the rules of the organisation or the rules of a branch of the organisation the reporting unit must pay to another reporting unit of the organisation as a contribution towards the administrative expenses of the other reporting unit a proportion of the total amount derived by the reporting unit as entrance fees or membership subscriptions - the amount and the name in respect of each such reporting unit;
- (c) where the circumstances specified in subparagraph (b) apply in relation to more than one other reporting unit of the organisation - the total amount in respect of all other reporting units;
- (d) fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters;
- (e) compulsory levies imposed on the reporting unit - for each such levy, the amount, a brief description of purpose and the name of the entity imposing the levy (including another reporting unit of the organisation);
- (f) grants or donations;
- (g) employee benefits to holders of office of the reporting unit;
- (h) employee benefits to employees (other than holders of offices) of the reporting unit;
- (i) fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
- (j) legal costs and other expenses related to litigation or other legal matters;

(k) expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible; and

(l) penalties imposed on the reporting unit under the Act or Regulations.

12. Balances for the following items must be disclosed by the reporting unit in the notes to the financial statements unless already disclosed on the face of the profit and loss statement in accordance with Australian Accounting Standards:

(a) where any amount (other than an amount included in an amount referred to elsewhere in these reporting guidelines) has been transferred to a fund or account kept for a specific purpose by the reporting unit or any such amount has been withdrawn from such a fund or account - the amount transferred to, or withdrawn from, that fund or account, as the case may be, and the name of the fund or account; and

(b) the net surplus or net deficit of the reporting unit that has been transferred to the general fund.



C H A R T E R E D

A C C O U N T A N T S

20th December 2005

Our Ref: MQ/BJ/RPJ:1205/R512
Reply To: Wollongong

Australian Industrial Registry
Attention: Deputy Industrial Registrar
Level 8, Terrace Towers
80 Williams Street
EAST SYDNEY NSW 2011

Dear Sir,

**RE: CFMEU MINING & ENERGY DIVISION
BRANCH FINANCIAL RETURN – YEAR ENDED 31 DECEMBER 2004 (FR2004/678)**

We refer to your recent correspondence directed to the General Secretary of the CFMU – Mining & Energy Division and ourselves regarding the 2004 financial report.

BACKGROUND

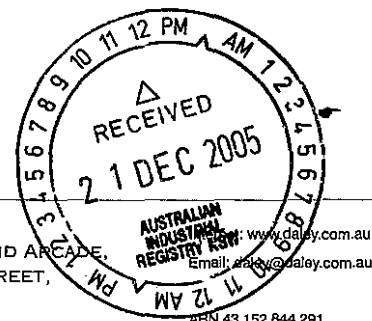
In your correspondence you referred to our 'Auditor's Disclaimer on Additional Financial Information.' We wanted to take this opportunity to note that the inclusion of this disclaimer is not an uncommon occurrence where our clients request that we prepare detailed reports containing information that is more in the nature of management reporting.

Whilst the information comes from records that have been generally subject to audit, it is common reporting policy (including our own) to segregate such information from the audited financial report.

We acknowledge that certain disclosures specified by the Guidelines of the Industrial Registrar have been accidentally overlooked in the preparation of the audited revenue and expenditure notes, as distinct from the full disclosures in the revenue and expenditure statement(s).

We have discussed these matters with our client, and advise that all the statutory disclosures required by the Guidelines will be inserted into 'Notes to the Financial Report' to ensure it is subject to our audit.

We will also ensure that comparatives (2004 year) are updated to be in line with 2005 disclosures.



PARTNERS
MICHAEL GLEESON
ENZO FRINO
PETER NIERLE
ALAN NAUGHTON
ANDREW STEPHENSON
MICHAEL QUINN

WOLLONGONG OFFICE
98 KEMBLA STREET,
WOLLONGONG NSW 2500
PO Box 333,
WOLLONGONG NSW 2520
TELEPHONE (02) 4229 6477
FAX (02) 4229 5720
DX 5206 WOLLONGONG

BOWRAL OFFICE
SUITE 12, THE GRAND ARCADE,
295 BONG BONG STREET,
BOWRAL NSW 2576
PO BOX 1032,
BOWRAL NSW 2576
TELEPHONE (02) 4862 1082
FAX (02) 4862 2326

ABN 43 152 844 291

Specifically we note the following responses to your observations from the 2004 financial reports:-

AFFILIATION FEES

We apologise for the oversight of the audit disclosure in respect to affiliation fees. We have reviewed these costs and confirm that we will disclose such costs in Note 3(b) to the financial report in future years.

LEGAL COSTS

We confirm that these expenses have been disclosed at Note 20 to the financial report and have therefore been subject to audit.

CONFERENCES AND MEETING EXPENSES

We confirm that this expense is a payment made to an external party and the Union was not responsible for conducting this seminar. Only one employee of the Union attended this seminar.

DONATIONS

We have been advised that our client completed the Statement of Donations and received confirmation of its lodgement.

Thank you for raising these matters with us.

If you have any further questions regarding the above please do not hesitate to contact our Wollongong office.

Yours faithfully,
DALEY & Co.





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

Your Ref: MQ/BJ/RPJ:1205/R513

Mr Michael Quinn
Daley & Co. Chartered Accountants
PO Box 333
WOLLONGONG NSW 2520

Dear Mr Quinn

**Financial Returns for years ending 31 December 2004 – Mining and Energy
Division (FR2004/678) – Victorian District Branch (FR2004/707) –
South Western District Branch (FR2004/702)**

Thank you for your letters dated 20 December 2005 regarding the above financial returns, addressing the issues raised in previous correspondence.

Accordingly, the documents have now been filed. Thank you for attending to the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett', written in a cursive style.

Stephen Kellett
for Deputy Industrial Registrar

21 December 2005



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 Bruce Watson
General Secretary
CFMEU Mining & Energy Division
1st Floor, 365 Sussex St
SYDNEY NSW 2000

Dear Mr Watson

Financial Return - year ending 31 December 2004 (FR2004/678)

I refer to the above financial return and to previous correspondence. The Registry has received a letter from the auditor, Daley & Co, addressing the issues raised.

Accordingly, the documents have now been filed. Thank you for attending to the matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett'.

Stephen Kellett
for Deputy Industrial Registrar

21 December 2005