



**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: FR2005/565**

Mr Robert Barker  
District Secretary  
CFMEU Mining & Energy Division  
Northern District Branch  
PO Box 364  
CESSNOCK NSW 2325

Dear Mr Barker

**Financial Return - year ending 31 December, 2005**

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*.

**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.

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'<sup>1</sup>). 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.

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<sup>1</sup> 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](http://www.airc.gov.au)). When lodging the financial return please quote: **FR2005/565**.

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**

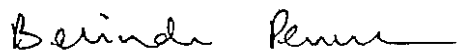
We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [belinda.penna@air.gov.au](mailto:belinda.penna@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot 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](http://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  
25 January 2006

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
<b>FIRST MEETING:</b> Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
Provide full report free of charge to members.  (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or  (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.  <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ /	
<b>SECOND MEETING:</b> Present full report to:  (a) General Meeting of Members - s266 (1),(2), or  (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	within 6 months of end of financial year  within 6 months of end of financial year
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	within 14 days of meeting

**Note:** The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

**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	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?		
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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 Officer**<sup>1</sup>

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]<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the [full report OR concise report]<sup>3</sup>, 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]<sup>3</sup> of the reporting unit on [insert date]; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>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.

<sup>2</sup>Only applicable where a concise report is provided to members

<sup>3</sup>Insert whichever is applicable



11 July 2006

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

Dear Sir

RE: CFMEU MINING & ENERGY UNION NORTHERN DISTRICT BRANCH

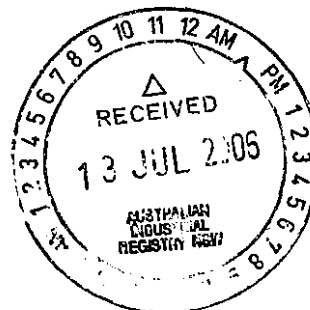
I enclose herewith documents for the abovementioned in respect of the year ended 31 December 2005.

The accounts were made available to members from 10 May 2006.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Regards

LINDBECK PARTNERS



**Certificate of Secretary or other Authorised Officer**  
*s268 of Schedule 1B Workplace Relations Act 1996*

I, Robert Barker, being the District Secretary of the Construction, Forestry, Mining and Energy Union Mining & Energy Division Northern District Branch 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 on Tuesday, 10 May 2006; and
- that the full report was presented to the last of a series of general meetings of members of the reporting unit on Wednesday, 21 June 2006; in accordance with section 266 of the RAO Schedule.

Signature:



Date: 5 July 2006

## COMMITTEE OF MANAGERMENTS' STATEMENT

On 10 May 2006 the Committee of Management of the Construction Forestry Mining and Energy Union, Mining & Energy Division, Northern District Branch ('Union'), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union for the year ended 31 December 2005.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) 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 financial year ended 31 December 2005;
- (d) 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
- (e) during the financial year ended 31 December 2005 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 the rules of the Union; and
  - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; 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 of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the Union or a Registrar 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

For the Committee of Management:



ROBERT BARKER

10 May 2006

## OPERATING REPORT

This Operating Report covers the activities of the Construction Forestry Mining and Energy Union, Northern District Branch, for the year ended 31 December 2005, the results of those activities and any significant changes in the nature of those activities during the year.

### 1. Principal Activities of the Union

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

- Implementation of the decisions of the National Executive and National Council.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and assistance to Lodges on planning and resourcing campaigns.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other Unions' rules applications where they impact on membership of the CFMEU Northern District.
- The administration of Federal and State Awards, the variation of Awards following major test cases (such as living wage) and making applications to vary Federal and State Awards on behalf of the Lodges.
- Manage and control the occupational health and safety issues of the Northern District which include, but are not limited to:
  - workers compensation
  - rehabilitation
  - workplace safety

### 2. Results of Activities

The net profit for the year after income tax income tax was \$ 409,707 (2004 \$4,867,545). The decrease is due to the Union's share of joint venture loss of \$473,915 (2004 profit \$451,808) and the disposal of investments by the Union in 2004.

### 3. Significant Changes

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

Significant changes in the financial affairs of the Union include a rise in the income from member contributions during the year of 13.6% due to increased membership and interest income of 53% due to the investment of the proceeds from the sale of the Union's other investments.

### 4. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 5 of the Union Rules, (and Section 174 of the Workplace Relations Act); namely, by providing written notice addressed and delivered to the Secretary of the relevant Lodge.

5. Superannuation Trustees

Robert Barker is an officer of the Union and is a Trustee and Member of the Board of Directors of AUSCOAL Superannuation Fund.

6. Membership of the Union

There were 5,125 members of the union as at 31 December 2005.

7. Employees of Union

As at 31 December 2005, the Union employed 14 full time and 0 part time employees (2004 18 full time and 1 part time employees)

8. Committee of Management

The following persons were members of the Committee of Management during the year ended 31 December 2005;

Robert Barker	01.01.05 - 31.12.05
Peter Murray	01.01.05 - 02.09.05
Peter Jordan	01.01.05 - 31.12.05
Ian Murray	01.01.05 - 31.12.05
Grahame Kelly	01.01.05 - 31.12.05
Ronald Stothard	01.01.05 - 31.12.05
Leslie Yates	01.01.05 - 02.12.05
Mick Dunn	01.01.05 - 31.12.05
Ronald Edwards	01.01.05 - 31.12.05
Geoffrey Gal	01.01.05 - 31.12.05
David Power	01.01.05 - 31.12.05
Greg Sharp	01.01.05 - 31.12.05
Colin Shaw	01.01.05 - 31.12.05
Ross Smith	01.01.05 - 31.12.05
Russell Trappel	01.01.05 - 31.12.05
Ross Whitaker	01.01.05 - 31.12.05
Robin Williams	01.01.05 - 31.12.05



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ROBERT BARKER, DISTRICT SECRETARY

10 May 2006

## AUDITORS REPORT TO MEMBERS OF CONSTRUCTION, FORESTRY, MINING and ENERGY UNION

### MINING & ENERGY DIVISION NORTHERN DISTRICT BRANCH

#### SCOPE

We have audited the general purpose financial report of Construction, Forestry, Mining and Energy Union, Mining & Energy Division Northern District Branch for the year ended 31 December 2005 as set out on pages 5 to 24. The management of the Union is responsible for the preparation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with the 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 statements, 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 statements are presented fairly in accordance with Australian Accounting Standards and the Workplace Relations Act 1996 so as to present a view of the Union which is consistent with our understanding of its 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 general purpose financial report of Construction Forestry Mining and Energy Union, Mining & Energy Division Northern District Branch is in accordance:

- (a) 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
- (b) Applicable Accounting Standards and other mandatory professional reporting requirements.
- (c) The requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

*Lindbeck Partners*

**LINDBECK PARTNERS**  
Chartered Accountants  
300 Main Road  
CARDIFF NSW 2285

*B N Lindbeck*

**B N Lindbeck**  
Registered Company Auditor

Dated this Eleventh day of May 2006

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

	NOTE	2005 \$	2004 \$
Revenue	2	6,944,549	5,949,469
Other income		140,000	4,049,109
Employee benefits expense		(1,954,535)	(1,911,182)
Depreciation expense		(156,559)	(163,641)
Sustentation fees		(2,513,583)	(2,113,650)
Legal & medical fees		(183,362)	(171,805)
All other expenses		(1,392,888)	(1,222,563)
Share of net profit/(loss) of joint ventures		<u>(473,915)</u>	<u>451,808</u>
<b>Net Profit Attributable to Members</b>		<u><u>409,707</u></u>	<u><u>4,867,545</u></u>

The accompanying notes form part of this financial report

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**BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,173,694	1,872,292
Trade and other receivables	5	87,202	972,646
Inventories	6	19,196	-
Financial assets	7(a)	9,001,527	7,470,839
Other current assets	8	36,539	56,815
<b>TOTAL CURRENT ASSETS</b>		<u>11,318,158</u>	<u>10,372,592</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	-	575,520
Financial assets	7(b)	2,133,495	2,133,495
Investments accounted for using equity method	9	409,732	451,808
Property, plant and equipment	11	1,868,947	1,912,902
Investment property	12	1,100,000	960,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>5,512,174</u>	<u>6,033,725</u>
<b>TOTAL ASSETS</b>		<u>16,830,332</u>	<u>16,406,317</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	397,160	351,640
Short term provisions	14	650,423	685,885
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,047,583</u>	<u>1,037,525</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	13	387,222	387,222
Long term provisions	14	140,288	136,038
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>527,510</u>	<u>523,260</u>
<b>TOTAL LIABILITIES</b>		<u>1,575,093</u>	<u>1,560,785</u>
<b>NET ASSETS</b>		<u>15,255,239</u>	<u>14,845,532</u>
<b>EQUITY</b>			
Accumulated Members' Funds		<u>15,255,239</u>	<u>14,845,532</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		14,845,532	9,977,987
Net Gains on Available for Sale Financial Assets		-	-
Profit/(Loss) Attributable to Members		<u>409,707</u>	<u>4,867,545</u>
Closing Balance as at 31 December		<u><u>15,255,239</u></u>	<u><u>14,845,532</u></u>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		6,876,741	6,019,925
Payments to suppliers and employees		(5,161,318)	(6,382,859)
Interest received		610,179	398,230
Other investment income received		<u>82,787</u>	<u>78,580</u>
Net cash inflow from operating activities	16(b)	<u>2,408,389</u>	<u>113,876</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant & equipment		-	6,236
Proceeds from sale of investment		-	1,911,144
Payment for plant & equipment		(144,460)	(134,990)
Payment for investments		(1,962,527)	(2,338,945)
Loans to related parties - payments made		-	(109,779)
- proceeds from repayment		-	<u>1,180,041</u>
Net cash inflow from investing activities		<u>(2,106,987)</u>	<u>513,707</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		301,402	627,583
Cash at 1 January 2005	16(a)	<u>1,872,292</u>	<u>1,244,709</u>
CASH AT 31 DECEMBER 2005	16(a)	<u><u>2,173,694</u></u>	<u><u>1,872,292</u></u>

The accompanying notes form part of this financial report

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

**1. STATEMENT OF SIGNIFICANT 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 December 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 have been included in Note 1(n) 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) Property, Plant & Equipment**

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

*Property, Plant and Equipment*

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

The carrying amount of property, plant and equipment is reviewed annually by directors 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**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(a) Property, 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 group 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 building and capitalised lease assets, but excluding freehold land, 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
Buildings	2.5%
Motor vehicles	22.5%
Fixtures, fittings & equipment	10%-40%

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 s.50-15 of the Income Tax Assessment Act.

(c) Leases

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

(d) 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.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) Financial Instruments (continued)

*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 group 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 group estimates the recoverable amount of cash-generating unit to which the asset belongs.

(f) Inventories

*Inventories held for sale*

Raw materials and finished goods are carried at the lower of cost allocated and net realisable value.

*Net realisable value*

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expense of marketing, selling and distribution to customers, are estimated and are deducted to establish net realisable value.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Interests in Joint Ventures**

The Union's share of the assets, liabilities, revenues and expenses of joint venture operations is included in the respective items of the statements of financial performance and financial position. Details of the Union's interests are shown in Note 10.

The Union's interests in joint venture entities are brought to account using the equity method of accounting in the financial statements.

**(h) Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits, inclusive of related on-costs.

**(i) 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.

**(j) Revenue**

Revenue from membership contributions are recognised upon receipt, which is reflective of the timing and nature of the benefits provided to members.

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

Revenue from the rendering of a service is recognised upon the delivery of the services to the customers.

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

**(k) 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.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Union.

*Key estimates – Impairment*

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union and its assets that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(n) 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 adjusted amounts reported previously in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to AIFRS has affected the Union's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

	Previous GAAP	1 January 2004 Effect of Transition to IFRS	IFRS
	\$	\$	\$
Assets			
Current Assets	7,992,821	-	7,992,821
Non-Current Assets			
Property, Plant & Equipment	2,767,572	156,000	2,923,572
All Other NC Assets	576,000	-	576,000
Total	3,343,572	156,000	3,499,572
Total Assets	11,336,393	156,000	11,492,393
Liabilities			
Total Liabilities	1,514,406	-	1,514,406
Equity			
Members' Funds	9,821,987	156,000	9,977,987



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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(n) Impact of First Time Adoption of AIFRS (continued)

	Previous GAAP	31 December 2004 Effect of Transition to IFRS	IFRS
	\$	\$	\$
<b>Assets</b>			
Current Assets	10,422,406	-	10,422,406
Non-Current Assets			
Property, Plant & Equipment	2,697,402	175,500	2,872,902
All Other NC Assets	3,160,823	-	3,160,823
Total	5,858,225	175,500	6,033,725
Total Assets	16,280,631	175,500	16,456,131
<b>Liabilities</b>			
Total Liabilities	1,610,599	-	1,610,599
<b>Equity</b>			
Members' Funds	14,670,032	175,500	14,845,532

Under AIFRS, AASB 140 Investment Property (i.e. land and or building held to earn rental income or for capital appreciation or both) should be distinguished from property acquired for entity use. The Union has adopted the fair value model whereby changes in the fair value of the property is recognised in the income statement in the period in which it occurs. Accordingly, the investment property has been revalued to its fair value as at 1 January 2004 and 31 December 2004.

**Reconciliation of profit under previous GAAP to AIFRS**

Profit for the year ended 31 December 2004 as previously reported	4,848,045
Write back of depreciation on investment property	19,500
Profit for the year ended 31 December 2004 under AIFRS	4,867,545

Under AIFRS, AASB 140 Investment Property measured under the fair value model is not subject to depreciation. Accordingly, depreciation charged on the investment property under GAAP in the comparative year is written back under AIFRS.

There are no material differences between the cash flow statement presented under AIFRS and the cash flow presented under previous GAAP.

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

	NOTE	2005 \$	2004 \$
<b>2. REVENUE:</b>			
Operating Activities			
Membership contributions		5,639,888	4,963,253
Interest received	2(a)	610,179	398,230
Investment income		-	-
Medical & legal fees reimbursement		232,967	290,017
Rents received		82,787	78,580
Wage subsidy & reimbursement		339,511	143,431
Other income		39,217	75,958
		<u>6,944,549</u>	<u>5,949,469</u>
Non-Operating Activities			
Fair value gains		140,000	-
Gain on disposal of assets		-	5,145
Gain on disposal of investments		-	4,043,964
		<u>140,000</u>	<u>4,049,109</u>
Total Revenue		<u>7,084,549</u>	<u>9,998,578</u>
(a) Interest revenue from			
Other related parties		-	-
Other corporations		610,179	398,230
		<u>610,179</u>	<u>398,230</u>
<b>3. RESULT FROM ORDINARY ACTIVITIES EXPENSES:</b>			
Depreciation of property, plant & equipment		156,559	163,641
Movement in employee entitlements		203,958	201,129
Rental expense on operating leases		16,958	15,358
<b>4. CASH AND CASH EQUIVALENTS</b>			
Cash on hand		500	500
Cash at bank		2,173,194	1,871,792
		<u>2,173,694</u>	<u>1,872,292</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>			
Current			
Loans and advances		-	425,090
Other receivables		87,202	39,581
Deferred payment proceeds sale of investments			
United Mining Support Services JV		-	318,000
Queensland Mining Employment Services JV		-	165,375
South Industrial Personnel Services Pty Limited		-	24,600
		<u>87,202</u>	<u>972,646</u>

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

	NOTE	2005 \$	2004 \$
5. TRADE AND OTHER RECEIVABLES (continued)			
Non Current			
Loans and advances		-	575,520
6. INVENTORIES			
Current			
At Cost			
Finished goods		19,196	-
		<u>19,196</u>	<u>-</u>
7. FINANCIAL ASSETS			
Held to Maturity Financial Assets	(a)	9,001,527	7,470,839
Available for Sale Financial Assets	(b)	2,133,495	2,133,495
		<u>11,135,022</u>	<u>9,604,334</u>
Split As:			
Current		9,001,527	7,470,839
Non Current		2,133,495	2,133,495
		<u>11,135,022</u>	<u>9,604,334</u>
(a) Held-to-maturity Financial Assets Comprise:			
Term Deposits and Bank Bills held with Financial Institutions.		<u>9,001,527</u>	<u>7,470,839</u>
(b) Available for Sale Financial Assets Comprise:			
Unlisted Investments at recoverable amount:			
- Shares in other parties - at cost		2,133,495	2,133,495
Less: Impairment Provision		-	-
		<u>2,133,495</u>	<u>2,133,495</u>
TOTAL AVAILABLE-FOR-SALE ASSETS		<u>2,133,495</u>	<u>2,133,495</u>
<p>Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.</p> <p>The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost. Management has determined that the estimate of total consolidated fair values for unlisted investments would be within the range of \$ 2,000,000 to \$ 2,500,000 at 31 December 2005. Unlisted available-for-sale financial assets exist within active markets and could be disposed of if required.</p>			
8. OTHER CURRENT ASSETS			
Prepayments		<u>36,539</u>	<u>56,815</u>

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

	NOTE	2005 \$	2004 \$
<b>9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD</b>			
Interest in Joint Venture entities	10	<u>409,732</u>	<u>451,808</u>
		<u>409,732</u>	<u>451,808</u>
<b>10. INTERESTS IN JOINT VENTURES</b>			
<i>Entities</i>			
CFMEU Mining & Energy Division Northern District has a 48% interest in the joint venture United Mining Support Services and a 36% interest in Queensland Mining Employment Services which are both involved in the hire of specialised labour to the mining industry. The voting power held is the same as its holding interest			
i) Retained earnings attributable to interest in joint ventures			
Balance at the beginning of the financial year		451,808	-
- share of joint ventures' profit/(loss) from ordinary activities after tax		<u>(473,915)</u>	<u>451,808</u>
Balance at the end of the financial year		<u>(22,107)</u>	<u>451,808</u>
ii) Carrying amount of investment in joint venture entities:			
Balance at the beginning of the financial year		451,808	-
- share of profit from ordinary activities after income tax		<u>(473,915)</u>	<u>451,808</u>
- additional investments		431,839	-
- dividends received		-	-
Balance at the end of the financial year		<u>409,732</u>	<u>451,808</u>
iii) Share of joint venture entities results and financial position			
Current assets		409,732	1,372,293
Non-current assets		-	-
Total assets		<u>409,732</u>	<u>1,372,293</u>
Current liabilities		-	920,485
Non-current liabilities		-	-
Total liabilities		<u>-</u>	<u>920,485</u>
Revenues		507,975	10,913,838
Expenses		<u>981,890</u>	<u>10,462,030</u>
Profit from ordinary activities before income tax		<u>(473,915)</u>	<u>451,808</u>
Income tax expense		-	-
Profit from ordinary activities after income tax		<u>(473,915)</u>	<u>451,808</u>

The joint venture entities sold their respective businesses to TESA Group Pty Ltd (or its subsidiaries) in November 2004. The Union received cash and shares in TESA Group Pty Ltd in consideration for its share in the joint venture entities. The joint venture entities are in the process of being wound up as at balance date with the completion expected before 30 June 2006.

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

	NOTE	2005 \$	2004 \$
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
Land			
At cost		<u>197,454</u>	<u>197,454</u>
Buildings			
At cost		1,469,907	1,469,907
Provision for depreciation		<u>412,166</u>	<u>375,418</u>
		<u>1,057,741</u>	<u>1,094,489</u>
<b>TOTAL LAND AND BUILDINGS</b>		<u>1,255,195</u>	<u>1,291,943</u>
Furniture & fittings & equipment			
At cost		1,053,295	1,000,238
Provision for depreciation		<u>674,994</u>	<u>615,950</u>
		<u>378,301</u>	<u>384,288</u>
Motor vehicles			
At cost		326,365	321,178
Provision for depreciation		<u>90,914</u>	<u>84,507</u>
		<u>235,451</u>	<u>236,671</u>
		<u>1,868,947</u>	<u>1,912,902</u>

**Movements in Carrying Amounts**

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

	Land \$	Buildings \$	Furniture, Fittings & Equipment \$	Motor Vehicles \$	Total \$
Balance at Start of Year	197,454	1,094,489	384,288	236,671	1,912,902
Additions	-	-	53,057	173,220	226,277
Disposals	-	-	-	113,673	113,673
Depreciation/Amortisation	-	36,748	59,044	60,767	156,559
Carrying Amount End of Year	<u>197,454</u>	<u>1,057,741</u>	<u>378,301</u>	<u>235,451</u>	<u>1,868,947</u>

**12. INVESTMENT PROPERTY**

Balance at beginning of year	960,000	960,000
Acquisitions	-	-
Fair value adjustments	<u>140,000</u>	-
Balance at end of year	<u>1,100,000</u>	<u>960,000</u>

The fair value model is applied to all investment property. Investment properties are independently revalued at least every three years. Values are based on an active liquid market value and are performed by a registered independent valuer. Directors' valuations are prepared at each balance date where an independent valuation has not been obtained.

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

	NOTE	2005 \$	2004 \$
<b>13. TRADE AND OTHER PAYABLE</b>			
Current			
Payables		361,075	316,737
GST liability		36,085	34,903
		<u>397,160</u>	<u>351,640</u>
Non-Current			
Payables		<u>387,222</u>	<u>387,222</u>
		<u>387,222</u>	<u>387,222</u>

**14. PROVISIONS**

	Provision for Annual Leave \$	Provision For LSL \$	Other Employee Entitlements \$	Total \$
Opening balance at 1 January 2005	376,057	136,038	309,828	821,923
Additional provisions	154,803	9,499	39,656	203,958
Amounts used	<u>(150,582)</u>	<u>(5,249)</u>	<u>(79,339)</u>	<u>(235,170)</u>
Balance at 31 December 2005	<u>380,278</u>	<u>140,288</u>	<u>270,145</u>	<u>790,711</u>
<b>(a) Analysis of ageing of provisions</b>				
Current			650,423	685,885
Non-current			<u>140,288</u>	<u>136,038</u>
			<u>790,711</u>	<u>821,923</u>
<b>(b) Number of employees at balance date</b>				
			14	18
<b>(c) Total employee benefits attributable to:</b>				
Officeholders			496,386	517,774
Staff			<u>294,325</u>	<u>304,149</u>
			<u>790,711</u>	<u>821,923</u>

**15. CAPITAL AND LEASING COMMITMENTS**

**(a) OPERATING LEASE COMMITMENTS**

An operating lease commitment exists in respect of the lease of printers/photocopiers.  
The maximum amount committed is as follows:

The total operating lease commitment is:

Due within 1 year	7,938	15,876
Due within 1-2 years	-	7,938
Due within 2-5 years	-	-
	<u>7,938</u>	<u>23,814</u>

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

	NOTE	2005 \$	2004 \$
15. CAPITAL AND LEASING COMMITMENTS (continued)			
(b) CAPITAL EXPENDITURE COMMITMENTS			
Capital expenditure commitments contracted for at balance date		<u>-</u>	<u>-</u>
16. CASH FLOW INFORMATION			
(a) RECONCILIATION OF CASH			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash	4	<u>2,173,694</u>	<u>1,872,292</u>
BALANCE PER STATEMENT OF CASH FLOWS		<u>2,173,694</u>	<u>1,872,292</u>
(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating Surplus for the Year		<u>409,707</u>	<u>4,867,545</u>
Depreciation		156,559	163,641
(Profit)/Loss on disposal of property, plant & equipment		31,855	15,780
Non recurring (profit)/loss on sale of investment		-	(4,043,964)
Share of Joint Venture entities net (profit)/loss		473,915	(451,808)
Fair value (gain)/loss		(140,000)	-
Changes in Assets and Liabilities			
(Increase)/Decrease in debtors		1,460,964	(506,951)
(Increase)/Decrease in inventories		(19,196)	-
(Increase)/Decrease in prepayments		20,277	(26,560)
Increase/(Decrease) in creditors		45,520	36,321
Increase/(Decrease) in employee provisions		(31,212)	59,872
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>2,408,389</u>	<u>113,876</u>
(c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES			
Standby arrangements with the Union's bankers to provide funds and support facilities comprise:			
Other Short-Term Credit			
• Limit		-	-
• Amount utilised		-	-
UNUSED CREDIT FACILITY		<u>-</u>	<u>-</u>

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

**17. FINANCIAL INSTRUMENTS**

	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total	
		1 year or less	Over 1 to 5 years		
	\$	\$	\$	\$	
<b>31 December 2005</b>					
<b>Financial Assets</b>					
Cash	2,173,194	-	-	500	2,173,694
Receivables	-	-	-	87,202	87,202
Investments	-	9,001,527	-	2,133,495	11,135,022
	<u>2,173,194</u>	<u>9,001,527</u>	<u>-</u>	<u>2,221,197</u>	<u>13,395,918</u>
Weighted average interest	4.32%	5.69%			
<b>Financial Liabilities</b>					
Payables	-	-	-	784,382	784,382
Net financial assets/(liabilities)	<u>2,173,194</u>	<u>9,001,527</u>	<u>-</u>	<u>1,436,815</u>	<u>12,611,536</u>
<b>31 December 2004</b>					
<b>Financial Assets</b>					
Cash	1,871,792	-	-	500	1,872,292
Receivables	-	-	-	1,548,166	1,548,166
Investments	574,904	6,895,934	-	2,133,495	9,604,333
	<u>2,446,696</u>	<u>6,895,934</u>	<u>-</u>	<u>3,682,161</u>	<u>13,024,791</u>
Weighted average interest	4.60%	5.45%			
<b>Financial Liabilities</b>					
Payables	-	-	-	738,862	738,862
Net financial assets/(liabilities)	<u>2,446,696</u>	<u>6,895,934</u>	<u>-</u>	<u>2,943,299</u>	<u>12,285,929</u>



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

	2005	2004
	\$	\$

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

- Mr Peter Murray - President
- Mr Ian Murray - Vice President & President
- Mr Robert Barker - Secretary
- Mr Peter Jordan - Vice President
- Mr Ronald Stothard
- Mr Leslie Yates
- Mr Grahame Kelly

Persons holding honorary positions as members of the Committee of Management during the year:

- |                |                 |
|----------------|-----------------|
| Mick Dunn      | Ross Smith      |
| Ronald Edwards | David Power     |
| Geoffrey Gal   | Russell Trappel |
| Greg Sharp     | Ross Whitaker   |
| Colin Shaw     | Robin Williams  |

(b) RELATED PARTY TRANSACTIONS

Sustentation fees paid to the Construction Forestry Mining and Energy Union, Mining & Energy Division, Federal Office during the year totalled \$2,513,583 (2004: \$2,113,650).

19. SALARIES

The following analysis of salaries paid during the year is given in compliance with the requirements of the Workplace Relations Act, 1996:

Paid to office holders	746,477	746,477
Paid to employees	484,916	439,466
	1,231,393	1,207,832

20. AUDITORS' REMUNERATION

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

• Auditing	24,900	23,500
• Other services	29,100	30,500
TOTAL	54,000	54,000

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

2005                      2004  
\$                                 \$

**21. ORGANISATION DETAILS**

The Union is a Trade Union registered and domiciled In Australia. The registered office and principal place of business of the Union is: 67A Aberdare Road Aberdare NSW 2325

**22. 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 10 May 2006 by the Committee of Management.

**23. CHANGE IN ACCOUNTING POLICY**

The Union has adopted the following Accounting Standard for application on or after 1 January 2005:

AASB 102: Inventories

The adoption of AASB 102 has not resulted in material differences in the recognition and measurement of inventories. Prior to the current year, the Union expensed items of inventory (mainly Union badged merchandise) in the year of acquisition.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 December 2005 is as follows:

	Previously Stated	2005 Adjustments	Restated
	\$	\$	\$
<b>Income Statement</b>			
Changes in inventories of finished goods and work in progress	-	(19,196)	(19,196)
Profit before income tax expense	390,511	19,196	409,707
<b>Balance Sheet</b>			
Inventories	-	19,196	19,196

**24. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of Section 272 of the RAO Schedule, the attention of members is drawn to the following:

- (1) A member of the Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the Union to be made available to the person making the application.

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

2005	2004
\$	\$

24. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR (continued)

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Union

(3) The Union must comply with an application made under subsection (1).

25. 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:

i) INCOME STATEMENT

ITEMS OF REVENUE

Compulsory levies raised from members or appeals for voluntary contributions:

- CFMEU Fighting Fund	1,084,037	1,001,497
Donations or Grants Income	-	-

ITEMS OF EXPENSE

Expenses paid to employers for payroll deduction costs incurred relating to membership contributions.

Affiliation fees/subscriptions to organisations with an interest in industrial matters.	19,560	12,684
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Compulsory levies imposed on the Union.	-	-
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Donations or Grant Expenses.	61,828	36,087
------------------------------	--------	--------

Employee Benefits Expense:

- Office Holders	819,280	771,787
- Employees (Other than Office Holders)	412,113	376,862

	1,231,393	1,148,649
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Attendance Fees/Allowances – Conferences and Meetings	1,795	1,425
---	-------	-------

Legal Costs and Related Expenses	10,044	7,401
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Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	54,800	34,020
--	--------	--------

Penalties imposed under the Act or Regulations.	-	-
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OTHER BALANCES

Transfers (from)/to a fund or account kept for specific purposes:

- CFMEU Fighting Fund	1,084,037	1,001,497
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**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
<b>INCOME</b>			
Contributions		5,639,888	4,963,253
Fair value gain		140,000	-
Interest received		610,179	398,230
Investment income		-	-
Rents received and building outgoings		82,787	78,580
Medical & legal fees reimbursements		232,967	290,017
Profit on disposal of non-current assets		-	5,145
Share of Joint Venture income		(473,915)	451,808
Wage subsidy & reimbursement		339,511	143,431
Sundry Income		39,217	75,958
<b>TOTAL INCOME</b>		<u>6,610,634</u>	<u>6,406,422</u>
<b>EXPENDITURE</b>			
Accountancy fees		1,810	3,165
Advertising		2,197	454
Affiliation fees		19,560	12,684
Audit fees	20	54,000	54,000
Bank fees & charges		3,457	3,338
Board of management expenses		26,445	23,383
Cleaning expenses		50,727	2,838
Delegates & members expenses		245,344	314,190
Depreciation		156,559	163,641
Donations		61,828	36,087
Electricity		15,480	12,841
Fringe benefits tax		63,206	39,363
Functions & entertainment		14,617	14,005
Funeral benefits expenses		192,831	172,052
Hire of plant & equipment		16,958	15,358
Honorariums		60,851	13,797
Insurance		37,465	34,750
Internet expenses		2,894	2,354
Legal fees		10,044	7,401
Loss on disposal of fixed assets		31,855	20,925
Medical expenses		173,318	164,404
Motor vehicle expenses		56,170	59,814
Payroll tax		134,275	123,449
Postage, printing & stationery		29,049	34,072
Provision for annual leave & sick leave		194,459	182,291
Provision for long service leave		9,499	18,838
Rates		18,218	15,700
Repairs & maintenance		49,590	63,552
Salaries & wages		1,231,393	1,207,832
Security services		4,559	3,362
<b>Brought forward over page</b>		<u>2,968,658</u>	<u>2,819,940</u>

The accompanying notes form part of this financial report

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2005**

	NOTE	2005 \$	2004 \$
EXPENDITURE (Continued)			
Carried over from previous page		<u>2,968,658</u>	<u>2,819,940</u>
Special levy payments		34,500	-
Staff amenities		1,826	2,673
Staff training		2,332	1,950
Subscriptions		9,525	9,303
Superannuation		384,909	378,772
Sustentation fees		2,513,583	2,113,650
Telephone		111,338	108,561
Travel & accommodation		83,275	128,562
General office expenses		90,981	19,430
TOTAL EXPENDITURE		<u>6,200,927</u>	<u>5,582,841</u>
OPERATING SURPLUS FOR THE YEAR BEFORE NON RECURRING ITEMS		<u>409,707</u>	<u>823,581</u>
NON RECURRING ITEMS			
Profit on disposal of investments		-	4,043,964
		-	4,043,964
OPERATING SURPLUS FOR THE YEAR AFTER NON RECURRING ITEMS		<u>409,707</u>	<u>4,867,545</u>

The accompanying notes form part of this financial report



**Contact Officer:** Belinda Penna  
**Telephone No:** 02 8374 6618  
**Facsimile No:** 02 9380 6990

**File Reference:** FR2005/565

**Financial Documents – CFMEU Mining & Energy Division, Northern District Branch  
for the year ending 31 December 2005**

I spoke to Bernadette on 13 July 2006 in the Northern District Branch office, who advised that Robert Barker had recently retired, and that she would contact the Auditor to check what date the Audit report was signed, and what date the documents were distributed to the members.

Mr Barry Lindbeck, the Branch Auditor rang this morning, and advised me that the date the report was provided to the members on the Secretary's certificate is incorrect, and should have been 11 May 2006, after he signed the Audit Report. He stated the members definitely got the Audit Report and that he would write and confirm this.

Belinda Penna  
17 July 2006

**Certificate of Secretary or other Authorised Officer**  
*s268 of Schedule 1B Workplace Relations Act 1996*



I, Robert Barker, being the District Secretary of the Construction, Forestry, Mining and Energy Union Mining & Energy Division Northern District Branch 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 on Tuesday, 11 May 2006; and
- that the full report was presented to the last of a series of general meetings of members of the reporting unit on Wednesday, 21 June 2006; in accordance with section 266 of the RAO Schedule.

Signature:

A handwritten signature in cursive script, appearing to read 'Barker'.

Date: 21 July 2006



**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 Graham Kelly  
Acting Branch Secretary  
CFMEU Mining & Energy Division  
Northern District Branch  
PO Box 364  
CESSNOCK NSW 2325

Dear Mr Kelly

**Re: Financial Statements and Accounts for the CFMEU Mining and Energy Division,  
Northern District Branch for the year ending 31 December 2005 (FR2005/565)**

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

On 28 July a Secretary's Certificate was lodged in the Registry which clarified the date that the financial documents were made available to the members.

Following the receipt of that additional information the documents have now been filed, and may be viewed on the internet at [www.e-airc.gov.au/105nndst/financial](http://www.e-airc.gov.au/105nndst/financial).

If you have any queries about this letter please contact me on 02 8374 6666.

Yours sincerely,

A handwritten signature in cursive script that reads 'Belinda Penna'.

Belinda Penna  
for Deputy Industrial Registrar

10 August 2006