

Mining and Energy Division
NSW Energy District

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President *Allen Drew* ♦ Secretary *Lorraine Usher*

21st June, 2006.

Certificate of Secretary or other Authority Officer
S268 of Schedule 1B Workplace Relations Act 1996

I, LORRAINE USHER, being the Secretary of the NSW Energy District Branch, Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on 26th April, 2006; and
- That the full report was presented to the last of a series of general meetings of members of the reporting unit on 31st May, 2006; in accordance with section 266 of the RAO Schedule.
- The resolution was adopted by the Board of Management on 14th June, 2006.

.....
SECRETARY

Encl.

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION
NEW SOUTH WALES ENERGY DISTRICT**

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

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OPERATING REPORT

Your Board of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division, New South Wales Energy ("the Union") present their Operating Report on the Union for the year ended 31 December 2005.

Board of Management

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

Name	Position	Period of Appointment
Mr A Drew	District President	1/1/2005 to 31/12/2005
Ms L Usher	District Secretary	1/1/2005 to 31/12/2005
Mr R Fuller	District Vice President	1/1/2005 to 31/12/2005
Mr P McGuire	District Vice President	1/1/2005 to 31/12/2005
Mr W De Vecchis	District Vice President	1/1/2005 to 31/12/2005
Mr G Sellers	Board of Management	1/1/2005 to 31/12/2005
Mr L Gleeson	Board of Management	1/1/2005 to 31/12/2005
Mr S Palfrey	Board of Management	1/1/2005 to 31/12/2005
Mr L Brydson	Board of Management	1/1/2005 to 31/12/2005
Mr P Fisher	Board of Management	1/1/2005 to 31/12/2005
Mr G O'Connell	Board of Management	1/1/2005 to 31/12/2005
Mr M McGrath	Board of Management	1/1/2005 to 31/12/2005
Mr B Brown	Board of Management	1/1/2005 to 6/4/2005
Mr A Warburton	Board of Management	1/1/2005 to 31/12/2005
Mr G Devine	Board of Management	1/1/2005 to 31/12/2005
Mr P Samaras	Board of Management	6/12/2005 to 31/12/2005
Mr M Connor	Board of Management (Alternate)	1/1/2005 to 31/12/2005

Principal Activities

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

- Adherence to the rules of the District in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the District Executive and Board 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 District on issues affecting the rank and file.

Results of Activities

The result for the year was a Profit of \$30,463 (2004: Profit of \$9,931). Membership contributions in the current year amounted to \$576,107 being a \$87,807 increase on last year.

The District 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 District has successfully implemented certified agreements and awards for the benefits of members.

OPERATING REPORT

Continued

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

Significant changes in the financial affairs of the Union include a rise in income from contributions and levies during the year of 15.2% as a consequence of revision of the contributions rates. In addition the expenditure relating to sustentation fees increased by 27.8%.

Membership of the Union

There were 1,045 members of the Union as at 31 December 2005. (2004: 1,036)

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 the District Secretary.

Employees of the Union

As at 31 December 2005 the Union employed 3 full time employees. (2004: 3)

Superannuation Trustees

No officer or member of the Union acts:

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



Lorraine Usher


Signed this 23rd day of March 2006.

BOARD OF MANAGERMENTS' CERTIFICATE

The Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division, New South Wales Energy District, do state that in the opinion of the Board, that:

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

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


.....
Lorraine Usher


.....
Allen Drew

Signed this 23rd day of March 2006.

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Independent audit report to the members of the members of the Construction Forestry Mining and Energy Union – Mining and Energy Division, New South Wales Energy District (“the Union”);

SCOPE

We have audited the financial report comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements of the Union for the year ended 31 December 2005. The Union’s Board of Management 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 in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Union’s financial position and the results of its operations and cash flows.

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

AUDIT OPINION

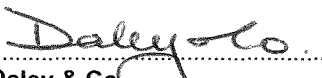
We have received all the information and explanations required for the purposes of our audit.

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

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

- (b) The financial report has been prepared in accordance with Accounting Standards in Australia and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that where necessary for the purposes of our audit.


Daley & Co
Chartered Accountants


M L Gleeson
Registered Company Auditor

Signed this 23rd day of March 2006.

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

	NOTES	2005 \$	2004 \$
Revenue	3(a)	<u>597,808</u>	<u>529,340</u>
Expenses			
Salaries, Superannuation and On Costs		270,584	279,144
Sustentation Fees to Central Council		170,430	133,380
Delegate Expenses		31,155	27,613
Depreciation Expense		11,744	12,176
Motor Vehicle Expenses		16,944	13,817
Loss on Sale of Assets		8,710	-
Administration Costs		<u>57,778</u>	<u>53,279</u>
		<u>567,345</u>	<u>519,409</u>
Net Profit Attributable to Members		<u>30,463</u>	<u>9,931</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2005**

	NOTES	2005 \$	2004 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	10,933	12,379
Trade and Other Receivables	5	40,917	29,791
Financial Assets	6	310,750	274,998
Other Current Assets		5,165	5,368
TOTAL CURRENT ASSETS		<u>367,765</u>	<u>322,536</u>
NON-CURRENT ASSETS			
Plant and Equipment	7	61,571	58,226
TOTAL NON-CURRENT ASSETS		<u>61,571</u>	<u>58,226</u>
TOTAL ASSETS		<u>429,336</u>	<u>380,762</u>
CURRENT LIABILITIES			
Trade and Other Payables	8	30,445	21,840
Interest Bearing Liability	9	2,012	750
Provisions	11	123,135	114,219
TOTAL CURRENT LIABILITIES		<u>155,592</u>	<u>136,809</u>
NON CURRENT LIABILITIES			
Trade and Other Payables	8	29,262	33,798
Provisions	11	13,786	12,288
TOTAL NON CURRENT LIABILITIES		<u>43,048</u>	<u>46,086</u>
TOTAL LIABILITIES		<u>198,640</u>	<u>182,895</u>
NET ASSETS		<u>230,696</u>	<u>197,867</u>
ACCUMULATED FUNDS			
Members' Funds		<u>230,696</u>	<u>197,867</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		197,867	187,936
Net Gains on Available for Sale Financial Assets	1(e)	2,366	-
Profit Attributable to Members		30,463	9,931
Closing Balance as at 31 December		<u>230,696</u>	<u>197,867</u>

The accompanying notes form part of this financial report

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

	NOTES	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions Received from Members		618,404	522,915
Interest Received		14,664	15,208
Reimbursement of Expenses		4,176	24,202
Other Receipts		1,658	147
Payments to Suppliers and Employees		(584,425)	(617,657)
CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES	16(a)	<u>54,477</u>	<u>(55,185)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds (Payments) for Investments		(33,386)	51,526
Proceeds from Sale of Property, Plant and Equipment		14,091	20,581
Payments for Property, Plant and Equipment		(37,890)	(35,706)
CASH FLOW PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(57,185)</u>	<u>36,401</u>
NET (DECREASE) IN CASH HELD		(2,708)	(18,784)
CASH AT THE BEGINNING OF THE YEAR		<u>11,629</u>	<u>30,413</u>
CASH AT THE END OF THE YEAR	16(b)	<u><u>8,921</u></u>	<u><u>11,629</u></u>

The accompanying notes form part of this financial report

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

1. STATEMENT OF ACCOUNTING POLICIES

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

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

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

Basis of Preparation

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

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

Reporting Basis and Conventions

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

Accounting Policies

(a) PLANT AND EQUIPMENT

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

Plant and Equipment

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

The carrying amount of 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**

continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(a) PLANT & EQUIPMENT
CONTINUED

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

Depreciation

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

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

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

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

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

(b) EMPLOYEE BENEFITS

Provision for employee benefits in the form of untaken Accrued Annual Leave have been made for the estimated accrued benefits of all employees on the basis of their terms of employment. Provision for employee benefits in the form of Long Service leave has also been made for the estimated accrued benefits of the Office Staff. Related on-costs are included in these provisions.

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

(c) INCOME TAX

No provision for Income Tax is necessary as the Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act.

(d) PROVISIONS

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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

continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(e) FINANCIAL INSTRUMENTS

Recognition

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

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-Maturity Investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

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

Financial Liabilities

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

Impairment

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

(f) IMPAIRMENT OF ASSETS

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

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

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

continued

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(g) 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.

(h) 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).

(i) COMPARATIVE FIGURES

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

(j) 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.

(k) IMPACT OF FIRST TIME ADOPTION OF AIFRS

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

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

With the exception of adjustments to presentation and disclosure formatting of the financial statements, the only other change has been in relation to the following reclassification in the Income Statement for the year ended 31 December 2004: under Australian equivalents to IFRS the sale of non-current assets must be reflected as a gain or loss on sale and not separately split between proceeds and cost of disposal. This reclassification has no effect on the net result for the 2005 financial year.

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

continued

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).

	2005	2004
	\$	\$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities is arrived at after taking into account:		
(a) Revenue		
<i>Operating Activities</i>		
Contributions and Levies	576,107	488,300
Interest Received	15,867	14,672
Other Income	5,834	24,349
	597,808	527,321
 <i>Non Operating Activities</i>		
Profit on Sale of Assets	-	2,019
	597,808	529,340
 (b) Expenses		
Depreciation of Non Current Assets		
Motor Vehicles	9,596	9,825
Office Equipment	2,148	2,351
Total Depreciation	11,744	12,176
Movements in Employee Benefits	10,414	22,784
Remuneration of Auditors		
- Auditing of Financial Report	4,000	3,500
- Other Services	4,170	4,130

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

Continued

	2005	2004
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	300	300
Cash at Bank	10,633	12,079
	<u>10,933</u>	<u>12,379</u>
5. TRADE AND OTHER RECEIVABLES		
Current		
Accounts Receivable	33,220	23,297
Accrued Interest	7,697	6,494
	<u>40,917</u>	<u>29,791</u>
6. FINANCIAL ASSETS		
Current		
Held to Maturity Financial Assets	307,201	274,998
Available for Sale Financial Assets	3,549	-
	<u>310,750</u>	<u>274,998</u>
(a) <i>Held-to-maturity Financial Assets Comprise:</i>		
Term Deposits and Bank Bills held with Financial Institutions.	<u>307,201</u>	<u>274,998</u>
(b) <i>Available for Sale Financial Assets Comprise:</i>		
Shares in Listed Corporations – at Fair Value	<u>3,549</u>	<u>-</u>
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.		
7. PLANT AND EQUIPMENT		
Furniture, Fittings and Equipment		
• At Cost	13,408	15,525
• Accumulated Depreciation	(7,782)	(12,779)
	<u>5,626</u>	<u>2,746</u>
Motor Vehicles		
• At Cost	67,342	66,671
• Accumulated Depreciation	(11,397)	(11,191)
	<u>55,945</u>	<u>55,480</u>
TOTAL PLANT AND EQUIPMENT	<u>61,571</u>	<u>58,226</u>

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

Continued

	2005	2004	
	\$	\$	
7. PROPERTY, PLANT AND EQUIPMENT			
Continued			
Movements In Carrying Amounts			
Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.			
	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
	\$	\$	\$
Balance at Start of Year	2,746	55,480	58,226
Additions	5,124	32,766	37,890
Disposals – Assets	(7,242)	(32,096)	(39,338)
Amort/Depreciation Expense	(2,148)	(9,596)	(11,744)
Disposals – Accum Dep'n	7,146	9,391	16,537
Balance at End of Year	<u>5,626</u>	<u>55,945</u>	<u>61,571</u>
8. TRADE AND OTHER CREDITORS			
Current			
Creditors and Accruals	<u>30,445</u>	<u>21,840</u>	
Non Current			
Creditors and Accruals	<u>29,262</u>	<u>33,798</u>	
TOTAL ACCOUNTS PAYABLE	<u>59,707</u>	<u>55,629</u>	
Amount(s) relating to: -			
• CFMEU – Mining & Energy Division	<u>33,462</u>	<u>37,997</u>	
• CFMEU – Mining & Energy Division – Nth District	<u>550</u>	<u>550</u>	
9. INTEREST BEARING LIABILITY			
Bank Overdraft	<u>2,012</u>	<u>750</u>	
10. LEGAL AND PROFESSIONAL FEES & EXPENSES			
Amounts received, or due and receivable, by the auditors for:			
• Auditing	4,000	3,500	
• Other Services	4,170	4,130	
	<u>8,170</u>	<u>7,630</u>	
Legal Expenses	<u>1,596</u>	<u>1,895</u>	
	<u>9,766</u>	<u>9,525</u>	

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

Continued

	2005	2004
	\$	\$
11. PROVISIONS		
	<i>Provision for Annual Leave</i>	<i>Provision For LSL</i>
	\$	\$
Opening balance at 1 January 2005	114,219	12,288
Additional provisions	26,514	1,498
Amounts used	(17,598)	-
Balance at 31 December 2005	<u>123,135</u>	<u>13,786</u>
		TOTAL
		\$
		126,507
		28,012
		(17,598)
		<u>136,921</u>
(a) Analysis of ageing of provisions		
Current	123,135	114,219
Non Current	13,786	12,288
	<u>136,921</u>	<u>126,507</u>
(b) Number of Employees at Balance Date	<u>3</u>	<u>3</u>
(c) Total Employee Benefits Attributable to:		
Office Holders	115,642	108,155
Staff	21,279	18,352
	<u>136,921</u>	<u>126,507</u>

12. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled In Australia. The registered office and principle place of business of the Union is: Level One, 365 Sussex Street, Sydney NSW 2000

13. 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 23rd day of March 2006 by the Board of Management.

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

Continued

14. RELATED PARTY INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT

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

DISTRICT EXECUTIVES

- Mr A Drew (District President)
- Mr R Fuller (Vice President)
- Mr W De Vecchis (Vice President)
- Mr P McGuire (Vice President)
- Ms L Usher (District Secretary)

DISTRICT BRANCH COUNCILORS

- Mr L Gleeson
- Mr P Fisher
- Mr G O'Connell
- Mr S Palfrey
- Mr A Warburton
- Mr G Sellers
- Mr L Brydson
- Mr G Devine
- Mr M McGrath
- Mr B Brown (resigned 6/4/2005)
- Mr P Samara (Appointed 6/12/2005)
- Mr M Connor (alternate)

RELATED PARTY TRANSACTIONS

- i) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division during the year. Commercial rent totaling \$12,000 (2004: \$12,000) was paid during the year.
- ii) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division, Northern District during the year. Commercial rent totaling \$5,200 (2004: \$5,200) was paid during the year.
- iii) Sustentation fees totaling \$170,430 (2004: \$133,380) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.

15. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr A Drew (District President)
- Ms L Usher (District Secretary)

Board of Management Members

- Mr R Fuller
- Mr P McGuire
- Mr W De Vecchis
- Mr L Gleeson
- Mr G Sellers
- Mr G Devine
- Mr G O'Connell
- Mr P Fisher
- Mr B Brown (resigned 6/4/2005)
- Mr A Warburton
- Mr S Palfrey
- Mr P Samara (Appointed 6/12/2005)
- Mr L Brydson
- Mr M McGrath
- Mr M Connor (alternate)

	2005	2004
	\$	\$
Total Compensation		
- Short Term Benefits	211,012	244,317
- Post Employment Benefits	22,039	16,269
- Termination Benefits	8,447	7,972
	<u>241,498</u>	<u>268,558</u>

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

Continued

	2005 \$	2004 \$
16. CASH FLOW INFORMATION		
(a) RECONCILIATION OF OPERATING RESULT TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Profit for the Year	30,463	9,931
Non Cash Items:		
Depreciation	11,744	12,176
Net Profit on Sale of Fixed Assets	-	(2,019)
Loss on Disposal of Property, Plant and Equipment	(8,710)	-
Changes in Assets and Liabilities		
(Increase) in Accounts Receivable	(11,126)	(16,555)
Decrease in Other Current Assets	203	244
Increase (Decrease) in Accounts Payable	4,069	(81,746)
Increase in Provision	10,414	22,784
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>54,477</u>	<u>(55,185)</u>
(b) Reconciliation of Cash		
Cash at the end of the financial year as shown in the Cash Statement is reconciled to items in the Balance Sheet as follows:		
Cash and Cash Equivalents [Note 4]	10,933	12,379
Bank Overdraft [Note 9]	(2,012)	(750)
	<u>8,921</u>	<u>11,629</u>
(c) Net cash flows (excluding GST) relating to another reporting units of the organisation are as follows:		
CFMEU – Mining & Energy Division	<u>(187,479)</u>	<u>(215,746)</u>
CFMEU – Mining & Energy Division – Nth District	<u>(6,115)</u>	<u>(5,600)</u>

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

Continued

17. FINANCIAL INSTRUMENTS

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

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

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

(a) Interest Rate Risk

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

2005	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	0.60	10,633	-	-	-	10,633
Investments	5.29	-	307,201	-	3,549	310,750
Receivables		-	-	-	40,917	40,917
Total Financial Assets		10,633	307,201	-	44,466	362,300
Financial Liabilities						
Interest Bearing Liabilities	0.85	2,012	-	-	-	2,012
Trade & Sundry Creditors		-	-	-	59,707	59,707
Total Financial Liabilities		2,012	-	-	59,707	61,719
2004						
2004	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	0.60	12,079	-	-	-	12,079
Investments	5.10	-	274,998	-	-	274,998
Receivables		-	-	-	29,791	29,791
Total Financial Assets		12,079	274,998	-	29,791	316,868
Financial Liabilities						
Interest Bearing Liabilities	0.85	750	-	-	-	750
Trade & Sundry Creditors		-	-	-	55,638	55,638
Total Financial Liabilities		750	-	-	55,638	56,388

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

Continued

17. FINANCIAL INSTRUMENTS

Continued

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

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

(c) Net Fair Values

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

18. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

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

	2005	2004
	\$	\$
i) ITEMS OF REVENUE		
Donations or Grants Income	-	-
ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	4,444	5,669
Donations or Grant Expenses.		
• General (individually less than \$1,000)	850	50
Employee Benefits Expense:		
- Office Holders	188,281	192,970
- Employees (Other than Office Holders)	48,726	42,840
	<u>237,007</u>	<u>235,810</u>
Attendance Fees/Allowances – Conferences and Meetings	21,577	19,169
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	9,578	8,445



Australian Government
Australian Industrial Registry

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Ms Lorraine Usher
Branch Secretary
CFMEU Mining & Energy Division
NSW Energy District
PO Box 364
CESSNOCK NSW 2325

Dear Ms Usher

**Lodgement of Financial Statements and Accounts for the CFMEU Mining & Energy Division
NSW Energy District Branch for the year ending 31 December 2005 (FR2005/566)**

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 21 June 2006.

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

Board of Management Certificate

Please note that the Board of Management Certificate must specify the date on which the resolution is made by the by the Board of Management. It is not sufficient that the certificate is dated. The Certificate must also clearly state the date that the resolution was made by the Board. Please see Paragraph 26 of the enclosed Industrial Registrars Reporting Guidelines.

Levies

I note that an amount is included in Note 3(a) to the accounts as "Contributions and Levies". Paragraph 10 (d) of the Industrial Registrars Reporting guidelines requires that a brief description of the purpose of any levies be included in the financial statements.

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

I would also like to take this opportunity to advise you that for financial years beginning after 1 November 2004 information about any recovery of wages activity undertaken by the branch is required to be disclosed in the financial statements, and various declarations to be made in the Committee of Management Statement. Further information is contained on pages 5-7 of the enclosed Industrial Registrars' Reporting Guidelines.

Yours sincerely,

A handwritten signature in black ink that reads 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

21 June 2006