



**Australian Government**  
**Australian Industrial Registry**

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

**Ref: FR2004/702-[105N-SWDT]**

Mr Bob Mitchell  
District Secretary  
CFMEU Mining & Energy Division  
South Western District Branch  
Wollongong Office  
Box 1, Fred Moore House  
Lowden Square  
WOLLONGONG NSW 2500

Dear Mr Mitchell

**Financial Return - year ending 31 December, 2004**

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

**New legislation**

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

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'<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: **FR2004/702**.

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

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

### **Complying with time limits**

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

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

### **Extensions of Time**

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

## Reduced Reporting Requirements

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

## Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [peter.mckerrow@air.gov.au](mailto:peter.mckerrow@air.gov.au) or [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  
19 January 2005

# DALEY

## CO.

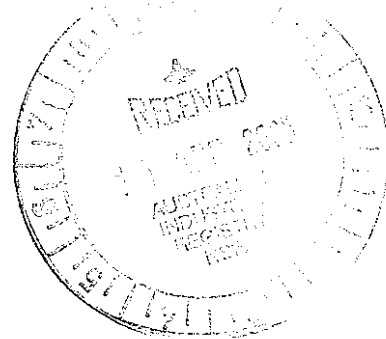
C H A R T E R E D

A C C O U N T A N T S

12 April 2005

Our Ref: MQ/BJ:0405/01060150  
Reply To: Wollongong

Peter McKerrow  
Australian Industrial Registrar  
Level 8, Terrace Towers  
80 William Street  
East Sydney NSW 2011



Dear Sir,

### **RE: 2004 FINANCIAL REPORTING REQUIREMENTS**

We refer to our discussions with you 7 April 2005 regarding the various changes that have occurred by virtue of Schedule 1B 'Registration and Accountability of Organisations' [RAO Schedule] of the Workplace Relations Act 1996.

We write to you to specifically review the intended reporting process to members to be instigated by the United Mine Workers – South Western District.

The purpose of this letter is to advise you of the approach and to obtain the Registrar's view as to whether or not the Union is satisfying its reporting to members and the general meeting requirements.

### ***Our Understanding***

As soon as practicable after the financial year, the Union must prepare a General Purpose Financial Report (GPFR), an Operating Report and an Auditors Report.

The Committee of Management meets to consider and if thought fit pass a resolution resolving to express an opinion on the GPFR and then issues a 'Committee of Management Statement.' [First Meeting]

Under section 265(1) the Union is required to provide the report to its members free of charge.

Under section 266 the Union needs to present the full report to a general meeting. Under section 266(2), where the rules provide for a general meeting to be a series of meetings at different locations (ie. Lodge meetings) the presenting of the full report to such a series of meetings is taken to be the presenting of the report to a general meeting of members.

Under section 268 the Union, within 14 days of the general meeting, is required to lodge the full report with the Registrar.

We note that the Union rules do not appear to contain a 5% member rule for the convening of general meetings.

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

CONSULTANT  
DAVID DALEY

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ABN 43 152 844 291

### ***The Unions' Intended Approach***

The Annual Board [first meeting] has already been held with the GPFR, Operating Report and Auditors Report and Committee of Management Statement being signed and a resolution endorsed by the COM to this affect.

The Union, as part of its normal reporting procedures, will now distribute the full report to the Lodges of the District. The Lodge will make the full report available for the members immediately and will advise of scheduled shift meetings to occur no sooner than 21 days from notice being given.

At the Lodge meeting(s) the members are able to discuss the full report, can ask questions with the meetings concluded with a vote on the resolution of the COM.

This process would be occurring at the various Lodge geographic locations.

The COM collates the voting of all lodges to see if it has majority support. If a clear majority did not endorsed the full report a COM meeting would be scheduled to address the concerns of the members.

At a time no later than the 14<sup>th</sup> day of the last Lodge meeting (in the series of meetings) the Union would lodge the full report with the Registrar. (Where the Union has received a clear majority)

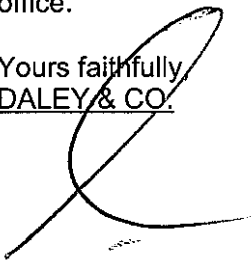
### ***Conclusion***

We trust the above details provides you with enough feedback to advise whether the Unions intended approach to reporting to members is suffice. Obviously your quick response would be helpful to ensure compliance with the 30 June deadline for reporting to the Registrar.

We (and our client) look forward to working with you to ensure full compliance with the new RAO requirements.

As always should you have any other questions on the above please do not hesitate to contact our office.

Yours faithfully,  
DALEY & CO.

A large, stylized handwritten signature in black ink, written over the typed name 'DALEY & CO.' and extending upwards and to the right.



**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

Messrs Daley & Co  
Chartered Accountants  
PO Box 333  
WOOLONGONG NSW 2520

**CFMEU Mining & Energy Division - South Western District Branch**  
**Our ref: FR2004/702 - Yr ref: MQ/BJ:0405/01060150**

Dear Sirs

I refer to your letter of 12 April 2005 seeking the Registry's view on whether the Branch's proposed methods of providing members with its full report and presenting it to meetings of members would satisfy its financial reporting requirements under Part 3 Chapter 8 of the RAO Schedule.

As you have indicated, the rules of the Branch make no provision of the type described in s266(3) which would enable the Branch to present the full report to a meeting of its committee of management after provision to members.

Therefore the Branch must present the full report to a general meeting of members. This requirement can, under s266(2) also be satisfied by presenting the report to a series of meetings of members at different locations "if the rules of the reporting unit permit" a general meeting to be conducted this way.

I have examined the rules of the South Western District Branch to ascertain if they allow for a series of meetings of members and for other relevant matters.

I note that sub-rule 8(ii)(e) provides for the Secretary of the Branch to prepare and present to the committee of management the "balance sheet" of the Branch. Sub-rule 7(v)(g) provides for the Board to "receive and adopt or otherwise deal with the Annual Report" of the Branch.

Sub-rule 7(iv)(a) requires "all business transacted by the Board of Management" to be confirmed in its minutes which "shall be posted to the Lodges of the District Branch". Sub-rule 7(iv)(b) provides for the resolutions of the Board to be submitted to "a meeting of the Lodge membership" and for the recording of the number of members' votes "for and against each Board resolution". A "return of the votes" must be sent to the Branch Secretary when voting is completed.

Sub-rule 7(iv)(c) provides for a resolution of the Board to become "binding policy" of the Branch "if an aggregate majority of members of the District Branch attending and voting at Lodge meetings which consider the Board of Management resolutions, vote in favour of the resolution".

Your description of the Branch's intended approach would seem to reflect the process required under rules 7 and 8 of its rules. I also note that sub-rules 11(iii)(g) and (i) require Lodges to meet "at least monthly" and that "all meetings shall be convened by Notice" as specified.

It is not clear if the "scheduled shift meetings" to which you refer are synonymous with the "lodge meetings" referred to in Rule 11 of the Branch rules.

While I believe it would be open to the Branch to treat the meetings of the lodges required to be held under sub-rule 11(iii)(g) as "a general meeting of the members" of the Branch, an informal meeting not otherwise provided for in the rules may not necessarily be a "general meeting" if its status is unclear.



You have also indicated that the Branch will ensure the full report is provided to members at least 21 days before the meetings which they attend at which the full report is presented.

I also note that the Branch rules provide in sub-rule 10(vii)(f) that "...the keeping of and presentation of accounts to the Board of Management and to the membership, shall be according to the requirements, forms and procedures of the law affecting the accounting and auditing practices of organisations registered under the provisions of the Workplace Relations Act 1996".

This provision of its rules would appear to require and permit the Branch to adopt financial reporting processes which are consistent with the relevant legislation.

In implementing the Branch's intended approach, it should, as you note ensure that the full report is provided to all members 21 days before the meeting which they attend. The method of provision is a matter for the Branch but its committee of management should note that s265(1) - provision to members - and s265(5) - 21 day period - are civil penalty provisions. Therefore the committee should satisfy itself that its arrangements for distribution to members and presentation to meetings of members will be consistent with these requirements.

Within 14 days of the last of the meetings of members in the series, the Branch Secretary, if satisfied that the full report has been provided to members and presented in accordance with s266, should lodge copies in the Registry with the certificate. A sample form of certificate was attached to the Registry's letter of 19 January 2005.

I should also note that although I have expressed the view that the Branch's intended approach appears consistent with its rules and with the RAO Schedule, a Registrar's views of the meaning of rules or legislation are not conclusive. Only a court can conclusively determine these matters. Therefore, if the Branch committee of management has not already done so, it should consider obtaining its own independent advice on these matters.

To put beyond doubt the Branch's capacity to meet its financial reporting obligations under the RAO Schedule in the manner proposed or otherwise, it or the Division generally, may wish to consider alterations to rules which clearly provide for all relevant matters. It would also be open to the Branch to provide for the matters referred to in s266(3) if it wished.

If you have any questions, please contact me or Peter McKerrow on (02) 8374 6666.

Yours sincerely



Barry Jenkins  
Deputy Industrial Registrar

10 May 2005



**Australian Government**  
**Australian Industrial Registry**

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

**Ref: FR2004/702-[105N-SWDT]**

Mr Bob Mitchell  
District Secretary  
Construction, Forestry, Mining and Energy Union-  
Mining and Energy Division South Western District  
Branch  
Wollongong Office  
Box 1, Fred Moore House  
Lowden Square  
Wollongong NSW 2500

Dear Mr Mitchell

**Construction, Forestry, Mining and Energy Union-Mining and Energy Division South  
Western District Branch - Outstanding Financial Return**  
*Workplace Relations Act 1996*

The Accounts and Audit Part of Schedule 1B of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2004. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

In particular there is no record of lodgement of copies of:

- the general purpose financial report;
- the auditor's report; or
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule<sup>1</sup> requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266(1) requires that the full report be presented to the meeting within 6 months from the end of the financial year. Therefore, lodgement of the documents in the Registry was required by 17 July, 2005.

<sup>1</sup> Schedule 1B of the *Workplace Relations Act 1996*

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by 16 September 2005:

- whether the auditor has audited the general purpose financial report, and if so, the date on which the auditor signed the audit report;
- whether the committee of management has prepared the operating report;
- whether the full report has been provided to members, and if so, when;
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a certificate of the secretary or other authorised officer that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

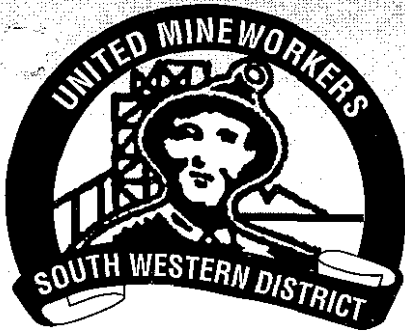
If you wish to discuss this letter, please contact me on (02) 8374 6666 or email [riasydney@air.gov.au](mailto:riasydney@air.gov.au). In reply please quote the FR reference number at top left on the first page.

Yours sincerely



Peter McKerrow  
for Deputy Industrial Registrar

31 August 2005



# THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 49 954 293 181

Box 1 Trade Union Centre  
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Ph: (02) 4229 7166  
Fax: (02) 4228 7962  
Email: admin@umw.com.au

50 Main Street  
P.O. Box 364  
Lithgow NSW 2790  
Ph: (02) 6351 3287  
Fax: (02) 6352 3229  
Email: umfa@lisp.com.au

BM

7<sup>th</sup> September 2005

Peter McKerrow  
Australian Industrial Registrar  
Level , Terrace Towers  
80 Williams Street  
East Sydney NSW 2011

Dear Sir

Enclosed you will find a copy of the Audited financial report for the CFMEU mining & Energy Division of the South/Western District of New South Wales. You will also have a copy of the report from our auditors "Daley & Co" which I understand is a requirement of your office for me to supply. This financial report was presented to the Board of Management of the District in April of 2005 at the annual board of management which was held in our Wollongong Office boardroom. The report was presented by myself and our auditors "Michael Quinn & Brendan Jones of Daley & Co" at the completion of the report being presented it was accepted and endorsed by the Members of the Board of Management. The report along with the minutes of that annual meeting was then presented to all lodge executives to take to their respective minesites and present to the members of the union to allow them to vote to accept or reject the financial report and the minutes of the meeting, the executive would then record the voting figures and present them to the District Office. At the completion of the process the figures were given to the District Secretary and the record shows that both the financial report and the minutes of the annual meeting were accepted by the members of the South/Western District of the CFMEU Mining & Energy Division.

If I can assist in any way any further please contact me in my office.

Yours Sincerely  
Robert Mitchell

District Secretary  
South/Western District  
CFMEU Mining & Energy Division



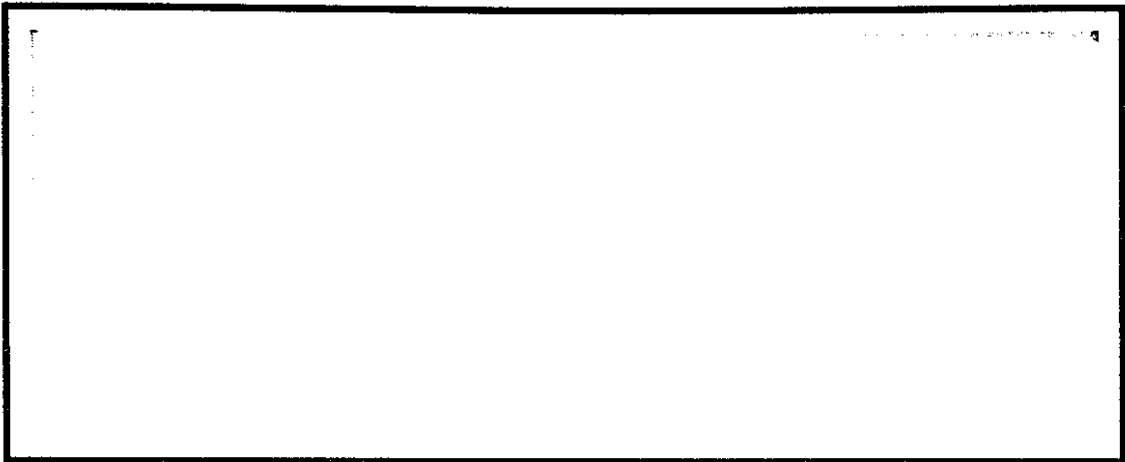
President  
W. McAndrew

Secretary  
B. Mitchell

Vice President  
G. Osborne

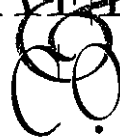
Vice President  
G. White

Check Inspectors  
Garry Horne



DALEY

CHARTERED



ACCOUNTANTS

**THE UNITED MINE WORKERS – SOUTH WESTERN DISTRICT**  
(A Division of the Construction, Forestry, Mining and Energy Union – Mining Division)

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

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## OPERATING REPORT

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

### *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 W McAndrew	District President	1/1/04 to 31/12/04
Mr R Mitchell	District Secretary	1/1/04 to 31/12/04
Mr G White	District Vice President - South	1/1/04 to 31/12/04
Mr E Butcher	District Vice President - Metalliferous	1/1/04 to 31/12/04
Mr G Osborne	District Vice President - West	1/1/04 to 31/12/04
Mr S Winter	BOM Member	1/1/04 to 31/12/04
Mr K Fitzpatrick	BOM Member	1/1/04 to 31/12/04
Mr G Whiteley	BOM Member	1/1/04 to 31/12/04
Mr R Marjoram	BOM Member	1/1/04 to 31/12/04
Mr A Townsend	BOM Member	1/1/04 to 31/12/04
Mr S Field	BOM Member	1/1/04 to 31/12/04
Mr N Everill	BOM Member	1/7/04 to 31/12/04
Mr A Giddings	BOM Member	1/7/04 to 31/12/04
Mr R Crawford	BOM Member	1/7/04 to 31/12/04
Mr T Case	BOM Member	1/7/04 to 31/12/04
Mr B O'Halloran	BOM Member	1/1/04 to 30/6/04
Mr G Guest	BOM Member	1/1/04 to 30/6/04
Mr P Taylor	BOM Member	1/1/04 to 30/6/04
Mr T Brignull	BOM Member	1/1/04 to 30/6/04
Mr A Honeysett	Central Councillor	1/1/04 to 31/12/04

### *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 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 for the benefits of members.

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

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**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 17% as a consequence of being the first full year since revision of the contributions rate in late 2003.

During the 2004 year certain District executive roles were filled by newly appointed persons arising from the June 2004 elections. Accordingly the District has remitted to the National LSL Fund the top-up amounts required under the operation of the National Fund.

***Membership of the Union***

There were 2,118 members of the Union as at 31 December 2004.

***Rights of Members to Resign***

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

***Employees of the Union***

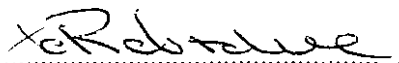
As at 31 December 2004 the Union employed 10 full time employees.

***Superannuation Trustees***

Mr G Osborne is an executive of the Union and holds an alternate directorship of Auscoal Superannuation.

No other officer or member of the Union acts:

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



Robert Mitchell

Signed this 4<sup>th</sup> day of April 2005.

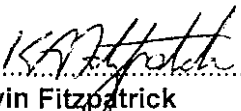


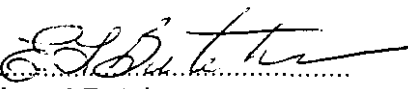
## BOARD OF MANAGEMENT STATEMENT

The Board of Management of The United Mine Workers – South Western District Branch (A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division), do state that in the opinion of the Board, that:

- (a) The financial report and notes comply with 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 year ended 31 December 2004;
- (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 2004 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 2003; and
  - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
  - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

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

  
.....  
Kevin Fitzpatrick

  
.....  
Edward Butcher

Signed at Wollongong, NSW this 4<sup>th</sup> day of April 2005.

## INDEPENDENT AUDIT REPORT TO THE MEMBERS

To the members of The United Mine Workers – South Western District Branch ( A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division), "the Union";

### SCOPE

We have audited the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of the Union for the year ended 31 December 2004. 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 and statutory requirements, so as to present a view which is consistent with our understanding of the Union's financial position and the results of its operations and cash flows.

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

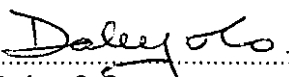
### AUDIT OPINION

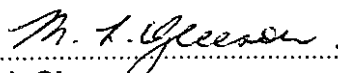
We have received all the information and explanations required for the purposes of our audit.

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

- (a) The Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of the Union's financial position as at 31 December 2004 and of its performance and cash flows for the year ended on that date; and
  - (ii) complying with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.
- (b) The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements.

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

  
.....  
**Daley & Co**  
Chartered Accountants  
98 Kembla Street  
Wollongong NSW 2500

  
.....  
**M L Gleeson**  
Registered Company Auditor

Dated this 4<sup>th</sup> day of April 2005.

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 31 DECEMBER 2004

	NOTES	2004 \$	2003 \$
Revenue from Ordinary Activities	3(a)	<u>2,426,498</u>	<u>2,172,868</u>
<b>Expenses from Ordinary Activities</b>			
Wages and Related Costs		1,094,593	1,071,320
Depreciation and Amortisation Expenses		70,831	69,411
Other Expenses		1,122,600	1,129,751
Written Down Value of Assets Sold		<u>114,811</u>	<u>24,053</u>
		<u>2,402,835</u>	<u>2,294,535</u>
<b>Profit (Loss) From Ordinary Activities Attributable to Members</b>		<u>23,663</u>	<u>(121,667)</u>

The accompanying notes form part of this financial report

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

	NOTES	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash	4	355,830	284,560
Receivables	5	210,475	238,428
Investments	6	690,288	809,676
Other	7	26,040	32,275
<b>TOTAL CURRENT ASSETS</b>		<u>1,282,633</u>	<u>1,364,939</u>
<b>NON-CURRENT ASSETS</b>			
Receivables	5	237,073	260,621
Investments	6	375,733	375,733
Property, Plant and Equipment	8	715,856	650,195
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,328,662</u>	<u>1,286,549</u>
<b>TOTAL ASSETS</b>		<u>2,611,295</u>	<u>2,651,488</u>
<b>CURRENT LIABILITIES</b>			
Interest Bearing Liabilities	9	-	12,980
Accounts Payable	10	567,998	705,006
Provisions	11	336,602	255,823
Other	12	103,982	98,629
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,008,582</u>	<u>1,072,438</u>
<b>TOTAL LIABILITIES</b>		<u>1,008,582</u>	<u>1,072,438</u>
<b>NET ASSETS</b>		<u>1,602,713</u>	<u>1,579,050</u>
<b>MEMBERS' FUNDS</b>			
Members' Funds	13	<u>1,602,713</u>	<u>1,579,050</u>

The accompanying notes form part of this financial report

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

	NOTES	2004 \$	2003 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		2,033,303	1,671,264
Payments to Suppliers and Employees		(2,379,061)	(2,382,530)
Administration Fees		40,556	-
Interest and Distributions Received		52,181	53,692
Dividends Received		1,016	1,050
Grants Received		40,000	40,000
LSL Receipts		-	179,096
Rent Received		34,694	30,914
Caravan Park Site and Other Fees		201,061	180,144
Sundry Income		5,969	3,818
Subsidy Received – NSW Government		25,000	25,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	16(a)	54,719	(197,552)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Movement in Investments		168,825	310,821
Proceeds from Sale of Fixed Assets		115,181	16,591
Payments for Fixed Assets		(251,303)	(41,362)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		32,703	286,050
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		-	13,944
Repayment from Borrowings		(6,972)	(6,972)
Movement in Loan – Trade Union Centre Wollongong Pty Ltd		(3,172)	7,700
NET CASH PROVIDED BY FINANCING ACTIVITIES		(10,144)	14,672
NET INCREASE (DECREASE) IN CASH HELD		77,278	103,170
CASH AT START OF YEAR		278,552	175,382
CASH AT END OF YEAR	16(b)	355,830	278,552

The accompanying notes form part of this financial report

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

**1. STATEMENT OF ACCOUNTING POLICIES**

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

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

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report.

(a) COMPARATIVES

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

(b) PROPERTY, PLANT AND EQUIPMENT

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

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

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i> %
Buildings	2.50
Leasehold Improvements	20.00
Office Furniture and Equipment	7.50 to 33.00
Plant and Equipment	7.50 to 33.00
Motor Vehicles	22.50

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

continued

**1. STATEMENT OF ACCOUNTING POLICIES**

(Continued)

(C) EMPLOYEE BENEFITS

Provision for employee benefits in the form of untaken Sick Leave and 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.

(d) 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.

(E) INVESTMENTS

Shares in listed companies held at balance date are carried at cost. The gains or losses realised are included in profit from ordinary activities.

Non-current investments are also measured on the cost basis. The carrying amount of non-current investments are reviewed periodically by the Union to ensure they are not carried in excess of the recoverable amount of those investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

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

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

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

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

Impairment of Assets

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

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

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).

	2004 \$	2003 \$
<b>3. OPERATING PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities is arrived at after taking into account:		
<b>(a) REVENUE:</b>		
<i>Operating Activities</i>		
Administration Fees	30,859	40,556
Contributions and Levies	1,872,027	1,598,411
Rents Received	34,694	30,914
Rental Income	192,452	175,962
Investment Revenue	27,902	34,895
Grants Received	40,000	40,000
Long Service Leave – National Office	-	179,096
Subsidy – NSW State Government	25,000	25,000
Other Income	42,134	31,443
	2,265,068	2,156,277
<i>Non-Operating Activities</i>		
Proceeds from Sale of Assets	115,181	16,591
Write Back of Provision for Diminution	46,249	-
	2,426,498	2,172,868
<b>(b) EXPENSES</b>		
Depreciation of Non-Current Assets		
Buildings	20,385	16,993
Plant & Equipment	50,446	52,418
Total Depreciation	70,831	69,411
Movements in Employee Benefits	150,579	(77,277)
Written - Down Value of Assets Sold	114,811	24,053
Remuneration of Auditors		
- Auditing the Financial Report	12,500	15,000
- Other Services	22,024	12,743



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

continued

	NOTES	2004 \$	2003 \$
<b>4. CASH</b>			
Petty Cash		1,510	1,510
Cash at Bank/Credit Unions		334,076	263,272
Cash at Solicitors Trust Account		20,244	19,778
		<u>355,830</u>	<u>284,560</u>
<b>5. RECEIVABLES</b>			
<b>Current</b>			
Sundry Debtors		199,108	226,866
Accrued Interest		11,367	11,562
		<u>210,475</u>	<u>238,428</u>
<b>Non-Current</b>			
Deposits Refundable		300	300
Investment – The Trade Union Centre W'Gong Pty Ltd		236,773	260,321
		<u>237,073</u>	<u>260,621</u>
TOTAL		<u>447,548</u>	<u>499,049</u>
Amount(s) relating to CFMEU – Mining & Energy Division		<u>58,525</u>	<u>82,112</u>
<b>6. INVESTMENTS</b>			
<b>Current</b>			
NAB Managed Funds		444,109	614,606
CBA/Colonial State Deposits		246,179	241,319
		<u>690,288</u>	<u>855,925</u>
Less: Provision for Diminution in Value		-	(46,249)
		<u>690,288</u>	<u>809,676</u>
<b>Non-Current</b>			
Shares in the Trade Union Centre W'Gong Pty Ltd	14	308,568	308,568
Shares in Public Companies		11,165	11,165
Debenture Investments		56,000	56,000
		<u>375,733</u>	<u>375,733</u>
TOTAL		<u>1,066,021</u>	<u>1,185,409</u>

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

continued

	2004	2003
	\$	\$
<b>7. OTHER</b>		
Prepayments	10,926	17,156
UMW Trust Fund – Brock Stephenson	15,114	15,119
	<u>26,040</u>	<u>32,275</u>
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>Land and Buildings – at Cost</u>		
Caravan Park Holiday Centre	474,685	474,685
Less Provision for Depreciation	<u>(220,287)</u>	<u>(208,418)</u>
	254,398	266,267
Land and Buildings	224,245	224,245
Less Provision for Depreciation	<u>(74,476)</u>	<u>(69,353)</u>
	149,769	154,892
Leasehold Improvements	36,920	36,920
Less Provision for Depreciation	<u>(23,028)</u>	<u>(19,635)</u>
	13,892	17,285
<b>TOTAL LAND AND BUILDINGS</b>	<u>418,059</u>	<u>438,444</u>
<u>Plant and Equipment – at Cost</u>		
Motor Vehicles	222,073	178,272
Less Provision for Depreciation	<u>(18,574)</u>	<u>(55,784)</u>
	203,499	122,488
Office Furniture and Equipment	288,098	270,215
Less Provision for Depreciation	<u>(232,526)</u>	<u>(227,251)</u>
	55,572	42,964
Partitioning	96,585	96,585
Less Provision for Depreciation	<u>(96,585)</u>	<u>(96,585)</u>
	-	-
Improvements	2,433	2,433
Less Provision for Depreciation	<u>(2,433)</u>	<u>(2,433)</u>
	-	-
Caravan Park Machinery and Equipment	96,421	96,421
Less Provision for Depreciation	<u>(57,695)</u>	<u>(50,122)</u>
	38,726	46,299
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<u>297,797</u>	<u>211,751</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>715,856</u>	<u>650,195</u>

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

continued

**PROPERTY, PLANT AND EQUIPMENT**

Continued

(a) 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 \$	MOTOR VEHICLES \$	OFFICE EQUIPMENT \$	FURNITURE, PLANT AND EQUIPMENT \$	TOTAL \$
Balance at Start of Year	438,444	122,488	42,964	46,299	650,195
Additions	-	222,073	29,230	-	251,303
Disposals	-	(112,100)	(2,711)	-	(114,811)
Amortisation/Depreciation Expense	(20,385)	(28,962)	(13,911)	(7,573)	(70,831)
Carrying Amount -End of Year	418,059	203,499	55,572	38,726	715,856

	2004 \$	2003 \$
<b>9. INTEREST BEARING LIABILITIES</b>		
<b>Current – Unsecured</b>		
Bank Overdraft	-	6,008
Other Loans	-	6,972
	<u>-</u>	<u>12,980</u>
<b>10. ACCOUNTS PAYABLE</b>		
<b>Current</b>		
Creditors and Accruals	<u>567,998</u>	<u>705,006</u>
Amount(s) relating to CFMEU – Mining & Energy Division	<u>330,906</u>	<u>556,436</u>
<b>11. PROVISIONS</b>		
<b>Employee Benefits</b>		
Annual Leave	240,129	172,392
Sick Pay	79,723	61,357
Long Service Leave	16,750	22,074
TOTAL PROVISIONS	<u>336,602</u>	<u>255,823</u>
Number of employees at year end	<u>10</u>	<u>11</u>
Employee Benefits attributable to:		
o Office holders	300,956	207,844
o Staff	35,646	47,979
TOTAL PROVISIONS	<u>336,602</u>	<u>255,823</u>

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

continued

	2004 \$	2003 \$
<b>12. OTHER</b>		
<b>Current</b>		
Income in Advance	68,868	63,510
Grant in Advance	20,000	20,000
UMW Trust Fund – B Stephenson	15,114	15,119
	<u>103,982</u>	<u>98,629</u>
<b>13. MEMBERS FUNDS</b>		
Balance at Start Of Year	1,579,050	1,700,717
Add: Net Profit (Loss ) Attributable to Members	23,663	(121,667)
Balance at End of Year	<u>1,602,713</u>	<u>1,579,050</u>
<b>14. THE TRADE UNION CENTRE WOLLONGONG PTY LTD</b>		
The Union has acquired the following shares in this Company for the purposes of obtaining office accommodation:		
1 Ordinary Share	1	1
374 (2003 - 303) 'A' Class Shares	619,194	619,194
11 (2003 - 10) 'B' Class Shares	114,217	114,217
	<u>733,412</u>	<u>733,412</u>
Less: Provision for Diminution in Value	(424,844)	(424,844)
	<u>308,568</u>	<u>308,568</u>
<b>15. UMW TRUST FUND – BROCK STEPHENSON</b>		
Balance at Beginning of Year	15,119	15,124
Add: Interest (Net)	519	495
Less: Advances	(524)	(500)
BALANCE AT END OF YEAR	<u>15,114</u>	<u>15,119</u>

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

continued

	2004 \$	2003 \$
<b>16. CASH FLOW INFORMATION</b>		
<b>(a) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT</b>		
Operating Result from Ordinary Activities	23,663	(121,667)
<b>Non-Cash Flows in Operating Deficit</b>		
Profit on Sale of Fixed Assets	(7,952)	-
Loss on Sale of Fixed Assets	7,582	7,462
Depreciation and Amortisation	70,831	69,411
Provision for Annual Leave	67,737	(71,295)
Provision for Sick Leave	18,366	(5,431)
Provision for Long Service Leave	(1,139)	(551)
Write Back of Provision for Diminution	(46,249)	-
Profit on Realisation of Investments	(3,188)	-
<b>Changes in Assets and Liabilities</b>		
(Increase) in Receivables	54,673	(104,103)
Decrease in Other Assets	6,235	257
Increase (Decrease) in Accounts Payable	(135,840)	28,365
<b>NET CASH FLOWS PROVIDED BY (USED IN) OPERATIONS</b>	<u>54,719</u>	<u>(197,552)</u>
<b>(b) Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of Financial Position as follows:</b>		
Cash on Hand [Note 4]	355,830	284,560
Bank Overdraft [Note 9]	-	(6,008)
	<u>355,830</u>	<u>278,552</u>
<b>(c) Net cash flows relating to another reporting unit of the organisation are as follows:</b>		
CFMEU – Mining & Energy Division	<u>(201,943)</u>	<u>152,887</u>

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

continued

	2004	2003
	\$	\$
<b>17. SALARIES</b>		
<p>The following analysis of salaries paid during the year ended 31 December 2004 is given in compliance with the requirements of the Workplace Relations Act, 1996.</p>		
Paid to Office Holders	654,465	860,663
Paid to Employees	171,560	188,580
	<u>826,025</u>	<u>1,049,243</u>
<b>18. LEASING COMMITMENTS</b>		
<b>(a) OPERATING LEASE LAND AT WRIGHTS BEACH EROWAL BAY</b>		
<p>Operating lease commitments exist in respect of Land at Wrights Beach Erowal Bay (Caravan Park Site). The maximum amount contracted for but not capitalised in the financial report is as follows:</p>		
Payable:		
• not later than one year	14,300	14,300
• later than one year but not later than two years	14,300	14,300
• later than two years but not later than five years	28,600	42,900
• later than five years	-	-
	<u>57,200</u>	<u>71,500</u>
<b>19. LEGAL AND PROFESSIONAL FEES</b>		
Auditors Remuneration		
• Auditing	12,500	15,000
• Other Services	8,699	12,743
• Bookkeeping Services	13,325	-
Legal Expenses	-	3,755
	<u>34,524</u>	<u>31,498</u>

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

continued

**20. RELATED PARTY INFORMATION**

**MEMBERS OF THE BOARD OF MANAGEMENT**

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

**UNION OFFICIALS**

- Mr W McAndrew (District President)
- Mr R Mitchell (District Secretary)
- Mr G White (District Vice President - South)
- Mr E Butcher (District Vice President - Metalliferous)
- Mr G Osborne (District Vice President - West)

**BOARD OF MANAGEMENT MEMBERS**

- Mr S Winter
- Mr K Fitzpatrick
- Mr G Whiteley
- Mr R Marjoram
- Mr A Townsend
- Mr S Field
- Mr N Everill (elected, 1 July 2004)
- Mr A Giddings (elected, 1 July 2004)
- Mr R Crawford (elected, 1 July 2004)
- Mr T Case (elected, 1 July 2004)
- Mr B O'Halloran (not re-elected, 1 July 2004)
- Mr G Guest (not re-elected, 1 July 2004)
- Mr P Taylor (not re-elected, 1 July 2004)
- Mr T Brignull (not re-elected, 1 July 2004)

**CENTRAL COUNCILORS**

- Mr A Honeysett (elected, 1 July 2004)
- Mr G Osborne (ceased from 30 June 2004)

Other elected officials not members of the Board of Management

**DISTRICT CHECK INSPECTOR**

- Mr G Horne (Check Inspector)
- Mr T Schram (Check Inspector)

## DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on pages 19 to 21 is in accordance with the books and records of The United Mine Workers – South Western District Branch (A Division of the Construction Forestry Mining and Energy Union - Mining & Energy Division) ("the Union"), which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2004. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

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

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

Signed this 4th day of April 2005.



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

**GENERAL FUNDS**

	<b>2004</b>	<b>2003</b>
	\$	\$
<b>INCOME</b>		
Administration Fees	11,355	-
Directors Fees	19,504	40,556
Contributions and Levies	1,872,027	1,598,411
Rents Received	34,694	30,914
Dividends Received	1,016	1,050
Distributions Received – Managed Funds	27,902	34,895
Grants Received	-	
• Department of Minerals	40,000	40,000
Interest Received	34,339	26,575
Long Service Leave – National Office	-	179,096
Profit on Sale of Fixed Assets	7,952	-
Profit on Realisation of Investments	3,188	-
Sales of Promotional Material	905	2,330
Sundry Income	5,064	846
Subsidy – NSW State Government Re: 2nd Check Inspector	25,000	25,000
<b>TOTAL INCOME</b>	<u>2,082,946</u>	<u>1,979,673</u>

**EXPENSES**

Advertising	1,025	-
Affiliation Fees	14,652	19,060
Accrued Annual Leave	67,737	(71,296)
Bank Charges	5,942	3,072
Board of Management, Wages and Expenses	34,874	35,284
Car Expenses	27,857	23,566
CFMEU, Mining Division – National Office	604,471	628,344
Cleaning	2,465	2,544
Depreciation	47,996	46,073
Delegates Expenses and Conferences	480	4,297
Donations and Presentations	358	10,585
Election Costs	9,399	-
Electricity and Gas	6,378	6,247
<b>Carried Forward</b>	<u>823,634</u>	<u>707,776</u>

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

continued

**GENERAL FUNDS**

continued

	2004	2003
	\$	\$
<b>Brought Forward</b>	<b>823,634</b>	<b>707,776</b>
Fringe Benefits Tax	5,252	3,309
Funeral and Eye Benefits	8,005	10,997
Insurance	32,573	31,701
Interest Expense	3,020	1,919
Legal and Professional Fees	33,024	31,498
Loss on Sale of Fixed Assets	7,582	7,462
Payroll Tax	47,355	69,818
Petty Cash	-	4,884
Postage	1,979	1,658
Printing and Stationery	10,207	11,570
Provision for Sick Leave	18,366	(5,430)
Provision for Long Service Leave	(1,139)	(551)
Purchases of Promotional Materials	5,545	5,514
Rates	4,244	4,844
Rent	34,915	11,340
Repairs and Maintenance	13,229	16,565
Salaries	826,025	1,049,243
Staff Amenities	3,039	4,837
Staff Training	3,507	2,492
Subscriptions	5,203	4,401
Sundry Expenses	3,240	4,936
Superannuation	112,737	95,380
Telephone	33,291	32,579
Travel Expenses and Seminars	32,853	15,310
Uniforms	995	2,880
<b>TOTAL EXPENDITURE</b>	<b>2,068,681</b>	<b>2,126,932</b>
<b>OPERATING RESULT BEFORE NON RECURRING ITEMS</b>	<b>14,265</b>	<b>(147,259)</b>
<b>NON RECURRING ITEMS</b>		
Write Back of Provision for Diminution	46,249	-
Bad Debt Expenses	(5,806)	-
Long Service Leave – National Office	(65,615)	-
	<u>(25,172)</u>	<u>-</u>
<b>OPERATING RESULT FOR THE YEAR</b>	<b>(10,907)</b>	<b>(147,259)</b>

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

**CARAVAN PARK**

	2004	2003
	\$	\$
<b>INCOME</b>		
Interest Received	810	440
Rentals		
• Site Fees	166,913	155,133
• Other	19,246	19,326
• Van Hire	6,293	1,503
Sundry Income	-	202
<b>TOTAL INCOME</b>	<u>193,262</u>	<u>176,604</u>
<b>EXPENSES</b>		
Advertising & Promotion	2,174	-
Bank Charges	637	371
Car Expenses	5,242	3,541
Depreciation	22,835	23,338
Donations	1,250	-
Electricity and Gas	18,344	17,521
General Expenses	1,172	386
Hire of Plant	953	817
Insurance	285	287
Licences	126	-
Legal and Professional Fees	1,500	-
Petty Cash	2,018	3,256
Printing, Postage and Stationery	455	52
Rates	24,410	20,720
Repairs and Maintenance	15,233	24,149
Subcontractors	51,102	45,658
Telephone	2,637	3,765
Waste Removal	8,319	7,151
<b>TOTAL EXPENDITURE</b>	<u>158,692</u>	<u>151,012</u>
<b>OPERATING RESULT FOR THE YEAR</b>	<u>34,570</u>	<u>25,592</u>



**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 R Mitchell  
District Secretary  
CFMEU Mining & Energy Division  
South Western District Branch  
Box 1, Trade Union Centre  
WOOLLONGONG NSW 2500

Dear Mr Mitchell

**Branch financial return - year ending 31 December 2004 (FR2004/702)**

I refer to the financial documents of the Branch lodged in the Registry on 8 September 2005.

Before the documents are filed, could you please comment on the following:

Auditor's Disclaimer on Additional Financial Information

The auditors state on page 18 of the documents that they express no opinion on the financial information on pages 19 – 21.

This information appears to include items which should, under the Guidelines of the Industrial Registrar, be disclosed in the notes to the financial statements or on the face of the profit and loss statement.

In particular, the expense item described as "affiliation fees" on page 19 would appear to be of the type referred to in paragraph 11(d) of the Guidelines. Similarly the item "travel expenses and seminars" would appear to be of the type covered by paragraph 11(k) and the item "contribution and levies", by paragraph 10(a).

In addition, under paragraph 10(d) of the Guidelines, a reporting unit must, in respect of "compulsory levies" or "appeals for voluntary contributions" disclose the amount and give a brief description of the purpose of each such levy or appeal. There does not appear to be an amount or description for "levies" in the notes or in the financial statements.

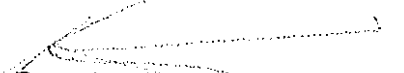
Your comments or those of the auditor on the financial report's consistency with the Guidelines are invited. If these disclosures have not yet been made as required, the Branch should arrange to do so.

Board of Management Statement

The Guidelines require the date of the resolution of the Board to be specified. Please note this for next year's Statement.

I have forwarded a copy of this letter to the Branch auditors for their information

Yours sincerely,

  
Peter McKerrow  
for Deputy Industrial Registrar  
23 September 2005

c.c. Daley & Co



C H A R T E R E D

A C C O U N T A N T S

20<sup>th</sup> December 2005

Our Ref: MQ/BJ/RPJ:1205/R513  
Reply To: Wollongong

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

Dear Sir,

**RE: CFMEU MINING & ENERGY DIVISION – SOUTH WESTERN DISTRICT BRANCH  
BRANCH FINANCIAL RETURN – YEAR ENDED 31 DECEMBER 2004 (FR2004/702)**

We refer to your recent correspondence directed to the District Secretary of the United Mine Workers – South Western District Branch and ourselves regarding the above client's 2004 financial report.

#### BACKGROUND

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

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

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

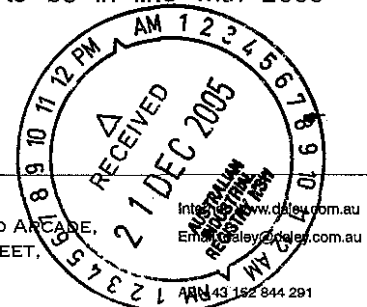
We have discussed these matters with our client, and advise that all the statutory disclosures required by the Guidelines will be inserted into 'Notes to the Financial Report' to ensure it is subject to our audit.

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

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

WOLLONGONG OFFICE  
98 KEMBLA STREET,  
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BOWRAL NSW 2576  
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BOWRAL NSW 2576  
TELEPHONE (02) 4862 1082  
FAX (02) 4862 2326



**AFFILIATION FEES**

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

**TRAVEL EXPENSES AND SEMINARS**

We confirm that these expenses are payments made to external parties and are in relation to safety issues/seminars. The Union is not responsible for conducting these seminars.

**CONTRIBUTIONS AND LEVIES**

This particular revenue item is disclosed at Note 3(a) and therefore has been subject to audit. We confirm that the revenue derived is Membership contributions and no special levies have been raised during the course of the 2004 financial year.

Thank you for raising these matters with us.

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

Yours faithfully,  
DALEY & Co.





**Australian Government**

**Australian Industrial Registry**

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

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

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

Dear Mr Quinn

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

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett', written over a horizontal line.

Stephen Kellett  
for Deputy Industrial Registrar

21 December 2005



**Australian Government**  
**Australian Industrial Registry**

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

Mr R Mitchell  
Secretary, South Western District Branch  
Mining & Energy Division, CFMEU  
Box 1, Trade Union Centre  
WOLLONGONG NSW 2500

Dear Mr Mitchell

**Financial Return - year ending 31 December 2004 (FR2004/702)**

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

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

Yours sincerely,

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

Stephen Kellett  
for Deputy Industrial Registrar

21 December 2005