



Australian Government

Australian Industrial Registry

Level 36, 80 Collins Street
Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401
Email: melbourne@air.gov.au

Mr Paul Schroder
National Secretary
Finance Sector Union of Australia
GPO Box 2829AA
MELBOURNE VIC 3001

Dear Mr Schroder,

**Re: Finance Sector Union of Australia - Workplace Relations Act 1996 -
Financial documents for year ended 30 June 2004 - FR 2004/390**

I have received your letter dated 10 December 2004 accompanied by the financial documents of the Finance Sector Union of Australia for the year ended 30 June 2004, together with a copy of the summary (concise report) of the auditor's report, accounts and statements for that year. The documents and summary were received in this office on 15 December 2004.

In addition I have received your statement lodged under s237 of the Act detailing loans, grants and donations made by the organisation for the year ended 30 June 2004. This statement may only be inspected in a Registry by a member of the organisation concerned. Accordingly, the statement will be maintained on a Registry file that is not available to the general public.

The documents have been filed.

I note the General Purpose Financial Report (GPFR), which was contained in the summary accounts circulated to the members, was not contained in the full financial documents. I recommend that the GPFR also be included in the full financial documents.

Yours sincerely,

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

Paul Herrod
Statutory Services Branch
14 February 2005

December 10, 2004

Industrial Registrar,
Australian Industrial Registry,
Nauru House,
80 Collins Street,
MELBOURNE, Vic., 3000

Dear Sir/Madam,

ANNUAL ACCOUNTS

In accordance with the requirements of the Workplace Relations Act, I submit copies of the Union's financial statement for the year ended June 30, 2004 together with copies of the Auditor's Report and certificate provided by the National Executive.

I also submit copies of the Auditor's Report and resolution of the National Executive in relation to the summary of the accounts provided to members. A copy of the concise report is also enclosed.

I certify that the attached documents are true copies of the documents presented to the Union's National Executive (Committee of Management) on November 5, 2004, and the summary circulated to members during November 2004. They were re-presented to the National Executive on December 2, 2004.

Yours faithfully,


Paul Schroder,
NATIONAL SECRETARY



FINANCE SECTOR UNION OF AUSTRALIA

**MINUTES OF A MEETING OF NATIONAL EXECUTIVE HELD AT THE FSU
CONFERENCE CENTRE, LEVEL 2, 321 PITT STREET, SYDNEY ON
THURSDAY 2 AND CONTINUING ON FRIDAY 3 DECEMBER 2004
COMMENCING AT 3.21 PM**

Final Adoption of Annual Accounts

Chief Finance Officer Ken MacRae reported that under new legislative requirements, finalisation of the Annual Accounts needed to be presented to the Committee of Management again after they had been circulated to members and following final adoption they are to be lodged with the Industrial Registry.

It was resolved:

- 66/04** "That the 2004 Annual Accounts having been circulated to members, National Executive finally adopt the Annual Accounts, and authorises the National Secretary to provide the appropriate certification to the Industrial Registry."

CARRIED

Annual Report – 2003/2004

On 27 October 2004 a ballot of National Executive Delegates was conducted and Delegates were asked to endorse the Annual Accounts for 2003/2004.

At the close of the ballot, the recommendation was carried.

It was resolved:

64/04

“That the following motion carried by National Executive by postal ballot be minuted:

- (1) The National Executive, as the Committee of Management of the Finance Sector Union declares in relation to the general purpose financial report (GPFR) of the Finance Sector Union of Australia for the financial year ended June 30, 2004, that in the opinion of the National Executive:
 - (a) the financial statements and notes comply with the Australian Accounting Standards;
 - (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
 - (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
 - (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
 - (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) no requests for information have been received from a member of the reporting unit or a Registrar under section 272 of the RAO Schedule during the period; and
 - (v) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

National Executive Minutes 2 & 3 December 2004

- (2) That the National President and National Secretary be authorised to sign the Certificate to be included in the GPFR, on behalf of National Executive.
- (3) That the summary of the GPFR for the year ended June 30, 2004 be adopted for presentation to members in accordance with Section 265 (2) of the RAO Schedule to the Workplace Relations Act 1996.
- (4) That the Operating Report for the year ended June 30, 2004 be adopted in accordance with Section 254 of the RAO Schedule to the Workplace Relations Act 1996 for inclusion in the full report and the concise report for presentation to members.

CARRIED



FSU CONCISE REPORT TO MEMBERS 2003/2004

Finance Sector Union of Australia
(the reporting unit)

Operating Report for the period 1 July 2003 to 30 June 2004

Prepared in accordance with section 254 of the Workplace Relations Act 1996 (Commonwealth)

Review of Activities

The Finance Sector Union is a member based, federally registered trade union, representing finance sector workers who are actively pursuing better working lives and stronger communities.

The reporting unit's activities are directed by its National Executive in pursuit of this aim and in accordance with its rules of registration.

Principally, the reporting unit's activities consist of:

- ◆ Organising finance sector employees;
- ◆ Training and education of members;
- ◆ Providing individual members with informed and expert representation in workplace related matters;
- ◆ Maintaining and monitoring the compliance with relevant industrial awards and agreements;
- ◆ Collectively bargaining with employers on behalf of and in the interests of members;
- ◆ Representing and assisting members in all matters pursuant to the Workplace Relations Act 1996;
- ◆ Representing and assisting members in all matters pursuant to the relevant national and state Occupational, Health and Safety Acts;
- ◆ Advocating on behalf of members and in the interests of finance sector employees in all relevant tribunals, courts of law, parliamentary committees and inquiries;
- ◆ Administering union resources;
- ◆ Other matters as directed by the National Executive.

Results of Activities

During the period 1/7/03 - 30/6/04, the Finance Sector Union:

- ◆ Received application for and admitted 8,256 members;
- ◆ Appointed over 900 members as FSU workplace representatives;
- ◆ Provided training to 835 workplace representatives;
- ◆ Provided representation to 8,951 members at the workplace or enterprise level;
- ◆ Was party to 77 Awards and more than 80 collective agreements in current operation across the finance sector;
- ◆ Made approximately 150 applications to the Australian Industrial Relations Commission regarding industrial disputes, award variations and seeking award coverage of award free employees;
- ◆ Negotiated and had certified 35 Section 170 LJ agreements covering 20,100 employees;
- ◆ Consulted with employers on behalf of members and agreed to be bound by 4 Section 170LK collective agreements;
- ◆ Made submissions to and appeared before Commonwealth of Australia Parliamentary Committees and State Parliamentary Committees of Inquiry or Review.

There was no significant change to the nature of the activities of the reporting unit during the reporting period.

There were no significant changes to the reporting unit's financial affairs during the period.

In accordance with Section 174 of the Workplace Relations Act, members of the reporting unit may resign from membership by written notice addressed and delivered to the National Secretary or the relevant Branch Secretary.

National Assistant Secretary and National Executive Member, Ms. Sharron M. Caddie, is a member appointed trustee of Finsuper ABN 98 425 453 262 since 24/09/03.

Former National Secretary and Former National Executive Member, Mr. Anthony J. Beck, is a member appointed trustee of Finsuper ABN 98 425 453 262 since 26/06/98.

In accordance with section 230 of the Registration and Accountability of Organisations (RAO) Schedule, the reporting unit had a recorded 58,332 members at the end of the period.

The reporting unit employed 152 FTE employees nationally at the end of the reporting period.

The name of each person holding a position on the National Executive of the reporting unit during the reporting period is as follows:

Atkinson M. (to 12/5/04)	Caddie S.M.	Locke M.P.	Ruwoldt J.M.
Beck A.J. (to 15/2/04)	Christie K. (to 12/5/04)	Marsh B.	Schofield-Olsen L.D.
Black D.A.	Clifford M.S.	Martin D.L.	Schroder P.J.
Brinkley K.M.	Derrick G.	Noye C.A. (from 15/3/04)	Smailes K. (from 12/5/04)
Brown L.K.	Ferrari P.R.M. (from 12/5/04)	Peddie D.H.	Stacey L.G.
Buckland J. (to 12/5/04)	Gordon C.A.	Presdee P. K.	Wilson J.S.

Paul Schroder
National Secretary



FINANCE SECTOR UNION OF AUSTRALIA AND CONTROLLED ENTITY CONCISE FINANCIAL REPORT

The National Executive (Committee of Management) of the Finance Sector Union of Australia has resolved to provide a concise financial report to members for the financial year ended June 30, 2004.

The concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report. A copy of the full report and auditor's report will be sent to any member who

requests them free of charge.

Members are advised of the following provision of the RAO Schedule of the Workplace Relations Act:

- 272 Information to be provided to members or Registrar
- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the

application.

- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

FINANCE SECTOR UNION OF AUSTRALIA - STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2004

	ECONOMIC ENTITY		PARENT ENTITY	
	2004 (\$)	2003 (\$)	2004 (\$)	2003 (\$)
Revenue from ordinary activity	17,438,281	20,695,313	17,523,687	20,295,170
Expenses from Ordinary Activities				
Employee Benefits	10,586,326	10,897,306	10,586,326	10,897,306
Building & Equipment expenses	1,567,480	1,377,914	2,274,668	795,300
Printing, Postage, Telephone & Stationery	941,818	989,355	941,818	989,355
Industrial & Campaign expenses	906,419	721,988	906,419	721,988
Depreciation	730,133	770,035	313,258	446,016
ACTU Affiliation fees	150,918	155,458	150,918	155,458
Other expenses	1,706,886	1,786,343	1,501,979	1,619,348
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	848,301	3,996,914	848,301	4,670,399
Income tax expense relating to ordinary activities	-	-	-	-
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX	848,301	3,996,914	848,301	4,670,399
Net increase in asset revaluation reserve	-	1,441,273	-	208,595
Total revenues, expenses and valuation adjustments recognised directly in equity.	-	1,441,273	-	208,595
TOTAL CHANGES IN EQUITY	848,301	5,438,187	848,301	4,878,994

FINANCE SECTOR UNION OF AUSTRALIA - STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	ECONOMIC ENTITY		PARENT ENTITY	
	2004 (\$)	2003 (\$)	2004 (\$)	2003 (\$)
ACCUMULATED FUNDS				
General Fund	35,372,752	34,524,451	35,372,750	34,524,449
Asset Revaluation Reserve	1,441,273	1,441,273	882,082	882,082
TOTAL ACCUMULATED FUNDS	36,814,025	35,965,724	36,254,832	35,406,531
<i>represented by</i>				
CURRENT ASSETS				
Cash	8,356,234	8,268,829	7,837,125	8,101,421
Receivables	2,216,236	2,480,182	2,130,323	2,537,045
Prepayments	88,881	107,052	69,602	104,403
TOTAL CURRENT ASSETS	10,661,351	10,856,063	10,037,050	10,742,869
NON CURRENT ASSETS				
Receivables	256,571	363,172	20,756,571	20,863,172
Investments	7,717,162	6,103,634	7,717,162	6,103,634
Property, Plant & Equipment	22,653,349	23,181,452	2,060,224	2,171,452
TOTAL NON CURRENT ASSETS	30,627,082	29,648,258	30,533,957	29,138,258
TOTAL ASSETS	41,288,433	40,504,321	40,571,007	39,881,127
CURRENT LIABILITIES				
Accounts Payable	1,574,912	1,707,755	1,416,679	1,643,754
Provision - Employee Entitlements	1,868,204	1,861,227	1,868,204	1,861,227
TOTAL CURRENT LIABILITIES	3,443,116	3,568,982	3,284,883	3,504,981
NON CURRENT LIABILITIES				
Provision - Employee Entitlements	1,031,292	969,615	1,031,292	969,615
TOTAL NON CURRENT LIABILITIES	1,031,292	969,615	1,031,292	969,615
TOTAL LIABILITIES	4,474,408	4,538,597	4,316,175	4,474,596
NET ASSETS	36,814,025	35,965,724	36,254,832	35,406,531



FINANCE SECTOR UNION OF AUSTRALIA - STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004

	ECONOMIC ENTITY		PARENT ENTITY	
	2004 (\$)	2003 (\$)	2004 (\$)	2003 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Members	15,413,003	14,951,561	15,413,003	14,951,561
Interest Received	1,588,463	527,867	1,587,693	525,414
Rent	895,190	997,478	-	-
Other	71,889	755,122	71,889	755,122
Payments to Suppliers and Employees	(16,120,545)	(16,371,775)	(15,576,288)	(14,836,173)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1,848,000	860,253	1,496,297	1,395,924
CASH FLOWS FROM INVESTING ACTIVITIES				
Amelioration Fund loans repaid / (advanced)	167,984	(4,503)	167,986	(4,503)
Net OLI bonus payments received / (distributed)	(120,756)	(270,753)	(120,756)	(270,753)
Purchase of property, plant and equipment	(323,877)	(277,259)	(323,877)	(277,259)
Proceeds from the sale of property, plant and equipment	131,442	744,386	131,442	166,780
Purchase of shares & managed funds	(1,615,388)	(380,923)	(1,615,388)	(380,923)
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES	(1,760,595)	(189,052)	(1,760,593)	(766,658)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of finance leases	-	-	-	-
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES	-	-	-	-
NET CASH INCREASE	87,405	671,201	(264,296)	629,266
CASH AT THE BEGINNING OF THE YEAR	8,268,829	7,597,628	8,101,421	7,472,155
CASH AT THE END OF THE FINANCIAL YEAR	8,356,234	8,268,829	7,837,125	8,101,421



Hayes Knight

*chartered accountants & business advisors
your partners in success*

Victorian Partnership
Level 3, 60 Collins Street
Melbourne 3000, Victoria, Australia
• tel 03 9663 0333 • fax 03 9663 0311
• email mail@hkmel.com.au
• www.hayesknight.com.au

Auditor's certification

To the members of the Finance Sector Union of Australia

In our opinion, the Concise Financial Report of the Finance Sector Union of Australia is in accordance with the full audited general purpose financial report available for inspection by members. The audit opinion expressed in that report is as follows:

Audit Opinion

In our opinion, the general purpose financial report of the Finance Sector Union of Australia presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia as well as the requirements of the RAO Schedule of the Workplace Relations Act 1996.

HAYES KNIGHT

.....
Peter T. Sexton
Partner

Dated: 5th November 2004



**FINANCE SECTOR UNION OF AUSTRALIA
& CONTROLLED ENTITY**

FINANCIAL STATEMENTS

30 JUNE 2004

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**FINANCE SECTOR UNION OF AUSTRALIA
AND CONTROLLED ENTITY**

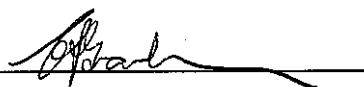
STATEMENT OF THE NATIONAL EXECUTIVE

On November 5, 2004 the National Executive (Committee of Management) of the Finance Sector Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended June 30, 2004:

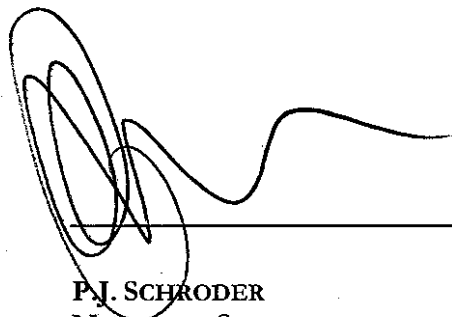
The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organization including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) no requests for information have been received from a member of the reporting unit or a Registrar under section 272 of the RAO Schedule during the period; and
 - (v) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Signed on behalf of the National Executive



**C. GORDON
NATIONAL PRESIDENT**



**P.J. SCHRODER
NATIONAL SECRETARY**

Signed at Melbourne this 5th day of November, 2004

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004	2003	2004	2003
		\$	\$	\$	\$
Revenue from ordinary activity	2	17,438,281	20,695,313	17,523,687	20,295,170
Expenses From Ordinary Activities					
Employee Benefits		(10,586,326)	(10,897,306)	(10,586,326)	(10,897,306)
Building & Equipment expenses		(1,567,480)	(1,377,914)	(2,274,668)	(795,300)
Printing, Postage, Telephone & Stationery		(941,818)	(989,355)	(941,818)	(989,355)
Industrial & Campaign expenses		(906,419)	(721,988)	(906,419)	(721,988)
Depreciation		(730,133)	(770,035)	(313,258)	(446,016)
ACTU Affiliation fees		(150,918)	(155,458)	(150,918)	(155,458)
Other expenses		(1,706,886)	(1,786,343)	(1,501,979)	(1,619,348)
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	2	848,301	3,996,914	848,301	4,670,399
Income tax expense relating to ordinary activities	1 (b)	-	-	-	-
NET PROFIT/(LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX		848,301	3,996,914	848,301	4,670,399
Net increase in asset revaluation reserve		-	1,441,273	-	208,595
Total revenues, expenses and valuation adjustments recognised directly in equity.		-	1,441,273	-	208,595
TOTAL CHANGES IN EQUITY		848,301	5,438,187	848,301	4,878,994

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
ACCUMULATED FUNDS					
General Fund		35,372,752	34,524,451	35,372,750	34,524,449
Asset Revaluation Reserve	3	1,441,273	1,441,273	882,082	882,082
TOTAL ACCUMULATED FUNDS		36,814,025	35,965,724	36,254,832	35,406,531
represented by:					
CURRENT ASSETS					
Cash	12 (a)	8,356,234	8,268,829	7,837,125	8,101,421
Receivables	4	2,216,236	2,480,182	2,130,323	2,537,045
Prepayments		88,881	107,052	69,602	104,403
TOTAL CURRENT ASSETS		10,661,351	10,856,063	10,037,050	10,742,869
NON CURRENT ASSETS					
Receivables	4	256,571	363,172	20,756,571	20,863,172
Investments	5	7,717,162	6,103,634	7,717,162	6,103,634
Property, Plant & Equipment	6	22,653,349	23,181,452	2,060,224	2,171,452
TOTAL NON CURRENT ASSETS		30,627,082	29,648,258	30,533,957	29,138,258
TOTAL ASSETS		41,288,433	40,504,321	40,571,007	39,881,127
CURRENT LIABILITIES					
Accounts Payable		1,574,912	1,707,755	1,416,679	1,643,754
Provision - Employee Entitlements	1(f)	1,868,204	1,861,227	1,868,204	1,861,227
TOTAL CURRENT LIABILITIES		3,443,116	3,568,982	3,284,883	3,504,981
NON CURRENT LIABILITIES					
Provision - Employee Entitlements	1 (f)	1,031,292	969,615	1,031,292	969,615
TOTAL NON CURRENT LIABILITIES		1,031,292	969,615	1,031,292	969,615
TOTAL LIABILITIES		4,474,408	4,538,597	4,316,175	4,474,596
NET ASSETS		36,814,025	35,965,724	36,254,832	35,406,531

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

	Note	Economic Entity		Parent Entity	
		2004 \$	2003 \$	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Members		15,413,003	14,951,561	15,413,003	14,951,561
Interest Received		1,588,463	527,867	1,587,693	525,414
Rent		895,190	997,478	-	-
Other		71,889	755,122	71,889	755,122
Payments to Suppliers and Employees		(16,120,545)	(16,371,775)	(15,576,288)	(14,836,173)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	12 (b)	1,848,000	860,253	1,496,297	1,395,924
CASH FLOWS FROM INVESTING ACTIVITIES					
Amelioration Fund loans repaid / (advanced)		167,984	(4,503)	167,986	(4,503)
Net OLI bonus payments received/ (distributed)		(120,756)	(270,753)	(120,756)	(270,753)
Purchase of property, plant and equipment		(323,877)	(277,259)	(323,877)	(277,259)
Proceeds from the sale of property, plant and equipment		131,442	744,386	131,442	166,780
Purchase of shares & managed funds		(1,615,388)	(380,923)	(1,615,388)	(380,923)
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES		(1,760,595)	(189,052)	(1,760,593)	(766,658)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of finance leases		-	-	-	-
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES		-	-	-	-
NET CASH INCREASE		87,405	671,201	(264,296)	629,266
CASH AT THE BEGINNING OF THE YEAR		8,268,829	7,597,628	8,101,421	7,472,155
CASH AT THE END OF THE FINANCIAL YEAR	12 (a)	8,356,234	8,268,829	7,837,125	8,101,421

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES

This financial report is a general-purpose report that has been prepared in accordance with the Workplace Relations Act 1996 applicable Accounting Standards and other mandatory professional reporting requirements. The financial report has been prepared on an accruals basis and on the basis of historical costs and does not take into account changing-money values or, except where specifically stated, current valuations of non-current assets. Cost is based on 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 economic entity in the preparation and presentation of the financial report:

(a) Principles of Consolidation

The consolidated accounts comprise the accounts of the Finance Sector Union of Australia (FSUA) and of its controlled entity.

A controlled entity is any entity controlled by the FSUA. Control exists where the FSUA has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so as that other entity operates with the FSUA to achieve the objectives of the FSUA. Details of the controlled entity are contained in note 7 to the financial statements.

All inter-entity balances and transactions between the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(b) Income Tax

No provision for income tax is necessary, as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at independent or Officers' valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by the National Executive to ensure that 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 building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the economic entity commencing from the date the asset is installed ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

All items of property, plant and equipment other than freehold land are depreciated using the straight line method at the following rates:

Buildings	2.5%	Computers	27%
Motor vehicles	15%	Furniture and fittings	13%
Plant & equipment	13%		

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES (CONT'D)

(d) *Leases*

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(e) *Investments*

Shares in listed financial institutions held as non current assets are valued at cost, although market value is shown in Note 5. Dividends are brought to account in the income and expenditure statement when received.

Investments in Managed Funds are recorded at market value where the underlying investment is represented by units in a pooled fund.

Investments in Unlisted Unit Trusts are shown at recoverable amount. Recoverable amount is assessed as cost less any provision for diminution in value caused by a shortfall in net assets of the investment entity.

(f) *Employee Entitlements*

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable after one year, have been measured at the present value of the estimated future outflows to be made for those entitlements.

Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

(g) *Cash*

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with financial institutions net of bank overdrafts plus managed investments that are at call.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 1 : STATEMENT OF ACCOUNTING POLICIES (CONT'D)

(h) Adoption of Australian Equivalents to International Financial Reporting Standards

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 entity's management are assessing the significance of these changes and preparing for their implementation.

The National Executive is of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are:

Impairment of assets

The entity 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 the 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 will lead to impairments being recognised more often than under the existing policy.

Non-current investments

Under the pending AASB 139: Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by National Executive to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$	\$	\$	\$
NOTE 2: OPERATING SURPLUS/(DEFICIT)				
Operating surplus/(deficit) before abnormal items and income tax has been determined after:				
<i>(a) Charging as an expense</i>				
Salaries and salary oncosts				
- Officers remuneration	1,140,422	1,088,331	1,140,422	1,088,331
- Employees remuneration	6,693,871	6,405,953	6,693,871	6,405,953
- Superannuation contributions	1,214,473	1,264,781	1,214,473	1,264,781
- Redundancy and termination payments	11,708	333,868	11,708	333,868
- Other payroll on-costs	1,275,095	1,192,492	1,275,095	1,192,492
Allowances	68,809	73,566	68,809	73,566
Meeting expenses	109,044	109,004	109,044	109,004
Office rent	17,347	21,322	1,355,145	-
Other office expenses	817,556	780,564	186,946	219,270
Auditors remuneration:-				
- Auditing the accounts	63,000	60,000	58,000	55,000
- Other services	4,570	2,048	4,570	2,048
Other professional fees	48,218	94,694	38,499	85,117
Operating lease/rental of office equipment	447,113	381,847	447,113	381,847
Depreciation	304,008	433,151	304,008	433,151
Amortisation of freehold buildings	426,125	336,884	9,250	12,865
(Profit)/Loss on sale of property, plant & equipment	(9,596)	(341,452)	(9,596)	(7,672)
Affiliations – ACTU, TLCs, Other	318,070	386,167	318,070	386,167
Bad and doubtful debts	224,641	152,139	35,000	-
Donations and grants	7,004	7,166	7,004	7,166
Amelioration fund				
- Mortuary benefits	144,787	136,645	144,787	136,645
- Grants	27,134	23,457	27,134	23,457
- Remission of debts	29,631	72,467	29,631	72,467
<i>(b) Crediting as income</i>				
Subscriptions	14,627,500	14,881,855	14,627,500	14,881,855
Interest	380,873	385,069	380,103	382,616
Dividend income	17,510	15,583	17,150	15,583
Increase in market value of managed funds	1,207,529	143,032	1,207,529	143,032
Rent received	933,002	1,125,602	-	-
<i>(c) Significant items of revenue</i>				
Write-back previous devaluation following revaluation of land and buildings in December 1999	-	3,514,552	-	-
Effect on loan due to a reduction in the shortfall in net assets in related party	-	-	-	4,188,037

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
<u>NOTE 3: ASSET REVALUATION RESERVE</u>				
Opening balance	1,441,273	-	882,082	673,487
Revaluation increment due to revaluing land & buildings to independent valuation	-	1,441,273	-	208,595
Closing balance	<u>1,441,273</u>	<u>1,441,273</u>	<u>882,082</u>	<u>882,082</u>
 <u>NOTE 4: RECEIVABLES</u>				
<i>CURRENT</i>				
Subscriptions deducted not remitted	390,360	419,832	390,360	419,832
Sundry debtors	494,920	443,368	67,227	348,092
Less provision for doubtful debts	(341,780)	(152,139)	-	-
	<u>543,500</u>	<u>711,061</u>	<u>457,587</u>	<u>767,924</u>
Amelioration fund loans to members	1,752,736	1,814,121	1,752,736	1,814,121
Less provision for doubtful debts	(80,000)	(45,000)	(80,000)	(45,000)
	<u>1,672,736</u>	<u>1,769,121</u>	<u>1,672,736</u>	<u>1,769,121</u>
	<u>2,216,236</u>	<u>2,480,182</u>	<u>2,130,323</u>	<u>2,537,045</u>
<i>NON-CURRENT</i>				
Amelioration fund loans to members	256,571	363,172	256,571	363,172
FSU Property Pty Ltd	-	-	20,500,000	20,500,000
	<u>256,571</u>	<u>363,172</u>	<u>20,756,571</u>	<u>20,863,172</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
<u>NOTE 5: NON CURRENT ASSETS</u>				
Shares - listed financial institutions at cost	48,886	50,748	48,886	50,748
Units - unlisted trusts	77,955	77,955	77,955	77,955
less provision for diminution	(26,933)	(26,933)	(26,933)	(26,933)
	<u>51,022</u>	<u>51,022</u>	<u>51,022</u>	<u>51,022</u>
Managed investments	7,617,254	6,001,864	7,617,254	6,001,864
Total Investments	<u>7,717,162</u>	<u>6,103,634</u>	<u>7,717,162</u>	<u>6,103,634</u>
Shares - listed financial institutions at market value	<u>357,124</u>	<u>349,089</u>	<u>357,124</u>	<u>349,089</u>

NOTE 6: PROPERTY, PLANT & EQUIPMENT

Freehold Land & Buildings:

Freehold land at:				
- independent valuation December 2002	5,020,000	5,020,000	685,000	685,000
- at cost	-	-	-	-
Total Freehold Land	<u>5,020,000</u>	<u>5,020,000</u>	<u>685,000</u>	<u>685,000</u>
Buildings at:				
- independent valuation December 2002	17,045,000	17,045,000	370,000	370,000
- at cost	-	-	-	-
less accumulated depreciation	(426,125)	-	(9,250)	-
Total Buildings	<u>16,618,875</u>	<u>17,045,000</u>	<u>360,750</u>	<u>370,000</u>
Total Freehold Land & Buildings	<u>21,638,875</u>	<u>22,065,000</u>	<u>1,045,750</u>	<u>1,055,000</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004 \$	2003 \$	2004 \$	2003 \$
<u>NOTE 6: PROPERTY, PLANT & EQUIPMENT</u> <u>(CONTINUED)</u>				
<i>Plant & Equipment:</i>				
Furniture & Fittings - at cost	3,585,969	3,462,201	3,585,969	3,462,201
less accumulated depreciation	<u>(3,311,979)</u>	<u>(3,179,345)</u>	<u>(3,311,979)</u>	<u>(3,179,345)</u>
	<u>273,990</u>	<u>282,856</u>	<u>273,990</u>	<u>282,856</u>
Motor Vehicles - at cost	1,093,594	1,138,671	1,093,594	1,138,671
less accumulated depreciation	<u>(353,110)</u>	<u>(305,075)</u>	<u>(353,110)</u>	<u>(305,075)</u>
	<u>740,484</u>	<u>833,596</u>	<u>740,484</u>	<u>833,596</u>
Total Plant & Equipment	<u>1,014,474</u>	<u>1,116,452</u>	<u>1,014,474</u>	<u>1,116,452</u>
Total Property, Plant & Equipment	<u>22,653,349</u>	<u>23,181,452</u>	<u>2,060,224</u>	<u>2,171,452</u>

The revaluations of freehold land and buildings were based on the assessment of their market value as at 31 December 2002.

The revaluations were made in accordance with a policy of revaluing land and buildings every three years.

The valuations were undertaken by principals and employees of Charter Keck Cramer Valuers. All of these principals and employees are qualified valuers and members of the Australian Institute of Valuers and Land Economists. The next valuation is due 31 December 2005.

**FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 7: GROUP ENTITIES

Subsidiary

FSU Property Trust Pty. Limited as trustee for the FSU Property Trust.

	<u>2004</u>	<u>2003</u>
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$nil	\$nil

Rent of \$1,355,145 was invoiced by the Property Trust to the FSUA during the year at commercial rates.

The FSU Property Trust made a trust distribution to FSUA, its sole beneficiary, of \$1,019,179 at the end of the year.

<u>Economic Entity</u>		<u>Parent Entity</u>	
<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 8: REMUNERATION & RETIREMENT BENEFITS

a) Remuneration received or receivable by National Executive Delegates.	<u>1,152,862</u>	<u>1,091,653</u>	<u>1,152,862</u>	<u>1,091,653</u>
b) The amount paid to a superannuation fund or other entity by the Union or any related party for retirement of the Union's National Executive	<u>174,153</u>	<u>183,253</u>	<u>174,153</u>	<u>183,253</u>

**FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

Economic Entity		Parent Entity	
2004	2003	2004	2003
\$	\$	\$	\$

NOTE 9: RELATED PARTY TRANSACTIONS

There were no related party transactions with any members of National Executive during the year.

NOTE 10: SEGMENT REPORTING

	Trade Union		Property Trust		OLI Scheme/Union Care Fund		Economic Entity	
	2004	2003	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$	\$	\$
Primary Reporting - Business Segments								
<i>Turnover</i>								
Segment Revenue	16,101,035	15,656,937	933,773	1,073,628	403,473	450,196	17,438,281	17,180,761
Asset Revaluation			-	3,514,552			-	3,514,552
Total Segment Revenue							17,438,281	20,695,313
<i>Result</i>								
Segment Result	815,012	427,912	0	3,514,552	33,289	54,449	848,301	3,996,913
Net Profit							848,301	3,996,913
<i>Assets</i>								
Segment Assets	12,989,852	11,917,900	21,217,426	21,417,799	7,081,155	7,168,622	41,288,433	40,504,321
Total Segment Assets							41,288,433	40,504,321
<i>Liabilities</i>								
Segment Liabilities	3,800,762	3,947,647	234,253	64,001	439,393	526,949	4,474,408	4,538,597
Total Liabilities							4,474,408	4,538,597

Secondary Reporting - Geographical Segments

The Union operates in only one geographical sector ie: Australia.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 11: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, as amended, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed;
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
		\$	\$	\$
NOTE 12: CASH FLOW INFORMATION				
(a) Reconciliation of Cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:				
Cash on hand	6,205	6,205	6,190	6,190
Cash at bank	6,483,964	6,488,699	5,964,870	6,321,306
Managed investments – cash component	1,866,065	1,773,925	1,866,065	1,773,925
Bank overdraft	-	-	-	-
	<u>8,356,234</u>	<u>8,268,829</u>	<u>7,837,125</u>	<u>8,101,421</u>
Overdraft facility limit	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
(b) Reconciliation of Cash Flow from Operations with Operating Surplus / (Deficit) after income tax:				
Operating surplus (deficit) after income tax	<u>848,301</u>	<u>3,996,914</u>	<u>848,301</u>	<u>4,670,399</u>
Non Cash Flows in Operating Surplus/(Deficit)				
Amortisation of leased assets	-	-	-	-
Depreciation	304,008	433,151	304,008	433,151
Amortisation of buildings	426,125	336,884	9,250	12,865
Lease interest	-	-	-	-
Write down of shares	1,861	-	1,861	-
Revaluation of non current assets	-	(3,514,552)	-	-
Write off of provision for Property Trust shortfall	-	-	-	(4,188,037)
Loss/(Profit) on sale of assets	(9,596)	(341,452)	(9,596)	(7,672)
Changes in Assets & Liabilities				
Increase / (Decrease) in accounts payable	55,570	81,369	155,093	(163,713)
Increase / (Decrease) in provision for employee entitlements	68,654	114,974	68,654	114,974
Increase / (Decrease) in accrued interest	61	(234)	61	(234)
Increase / (Decrease) in loan – Property Trust	-	-	-	348,115
Decrease / (Increase) in subscriptions owing	29,472	69,705	29,472	69,705
Decrease / (Increase) in sundry receivables	105,373	(326,372)	54,392	96,364
Decrease / (Increase) in prepayments	18,171	9,865	34,801	10,007
Cash Flow from Operations	<u>1,848,000</u>	<u>860,253</u>	<u>1,496,297</u>	<u>1,395,924</u>

(c) Non Cash Financing and Investing Activities

During the year the parent entity acquired plant and equipment with an aggregate fair value of \$Nil (2003: \$Nil) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

NOTE 13: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The economic entity'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 those financial assets and financial liabilities, is as follows:

	Weighted Average Interest Rate	Floating Interest Rate	Non Interest Bearing	Fixed Interest Rate Maturing		
				Within 1 Year	1 to 5 Years	Over 5 Years
	\$	\$	\$	\$	\$	\$
2004						
<i>Financial Assets</i>						
Cash	5.50%	6,483,964	6,205	-	-	-
Managed investments	15.40%	9,483,318	-	-	-	-
Receivables	5.00%	-	543,500	1,672,736	256,571	-
Total Financial Assets		15,967,282	549,705	1,672,736	256,571	-
<i>Financial Liabilities</i>						
Overdrafts	9.45%	-	-	-	-	-
Accounts payable	N/A	-	1,574,913	-	-	-
Lease liabilities	N/A	-	-	-	-	-
Total Financial Liabilities		-	1,574,913	-	-	-
2003						
<i>Financial Assets</i>						
Cash	4.80%	6,488,699	6,205	-	-	-
Managed investments	1.90%	7,775,789	-	-	-	-
Receivables	4.50%	-	711,061	1,769,121	363,172	-
Total Financial Assets		14,264,488	717,266	1,769,121	363,172	-
<i>Financial Liabilities</i>						
Overdrafts	8.95%	-	-	-	-	-
Accounts payable	N/A	-	1,707,755	-	-	-
Lease liabilities	N/A	-	-	-	-	-
Total Financial Liabilities		-	1,707,755	-	-	-

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

(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 of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

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

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF THE FINANCE SECTOR UNION OF AUSTRALIA

Scope

The financial report and directors' responsibility:

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Statement of the National Executive of the Finance Sector Union of Australia (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises both the Union and the entities it controlled during that year.

The National Executive of the Union is responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We conducted an independent audit in order to express an opinion to the members of the Union. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Union's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the National Executive.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

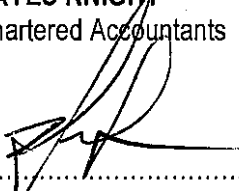
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *section 256 of the Workplace Relations Act 1996*.

INDEPENDENT AUDIT REPORT (CONTINUED)

Audit Opinion

In our opinion, the general purpose financial report of the Finance Sector Union of Australia presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia as well as the requirements of the RAO Schedule of the Workplace Relations Act 1996.

HAYES KNIGHT
Chartered Accountants



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Peter T. Sexton
Partner

Dated: 5 November 2004

