



Australian Government
Australian Industrial Registry

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Mr Paul Schroder
National Secretary
Finance Sector Union of Australia
341 Queen Street
MELBOURNE VIC 3000

By email - fsuinfo@fsunion.org.au

Dear Mr Schroder,

Attention: Mr Ken MacRae, Finance Director

Re: Financial Documents - Year ending 30 June 2006 - FR2006/329
Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report and concise report for the Finance Sector Union of Australia for year ending 30 June 2006. The documents were lodged on 24 January 2007.

The documents have been filed however the following matter requires your further attention:

Grants and Donations – years ending 30 June 2005 and 2006

The accounts for years ending 30 June 2005 and 2006 disclosed the following information:

	<i>Donations and Grants</i>	<i>Amelioration Fund Grants</i>
• Year ending 30 June 2005	\$5,209	\$21,057
• Year ending 30 June 2006	\$8,513	\$8,597

The organisation should provide information regarding any grant(s) or donation(s) made in excess of \$1,000 – see s237 of the RAO Schedule and the attached form.

The following comment is to assist you in future financial years:

Concise Report

In future financial years the Concise Report must also include:

- The Committee of Management Statement, and
- A 'discussion and analysis' of the principal factors affecting the financial performance, position and investing activities of the reporting unit.

For your assistance I have enclosed a copy of the requirements relating to Concise Reports - see s265 of the RAO Schedule and RAO Regulation 161 at Attachment A.

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,

Andrew Schultz
Statutory Services Branch

25 January 2007

265 Copies of full report or concise report to be provided to members

(1) A reporting unit must provide free of charge to its members either:

(a) a full report consisting of:

(i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and

(ii) a copy of the general purpose financial report to which the report relates; and

(iii) a copy of the operating report to which the report relates; or

(b) a concise report for the financial year that complies with subsection (3).

Note: This subsection is a civil penalty provision (see section 305).

(2) A concise report may only be provided if, under the rules of the reporting unit, the committee of management of the reporting unit resolves that a concise report is to be provided.

(3) A concise report for a financial year consists of:

(a) a concise financial report for the year drawn up in accordance with the regulations; and

(b) the operating report for the year; and

(c) a statement by the auditor:

(i) that the concise financial report has been audited; and

(ii) whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and

(d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and

(e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

(4) If a member requests a copy of the full report and auditor's report, as mentioned in paragraph (3)(e), the reporting unit must send those reports to the person within 28 days of the request being made.

Note: This subsection is a civil penalty provision (see section 305).

(5) The copies referred to in subsection (1) must be provided within:

(a) if a general meeting of members of the reporting unit to consider the reports is held within 6 months after the end of the financial year—the period starting at the end of the financial year and ending 21 days before that meeting; or

(b) in any other case—the period of 5 months starting at the end of the financial year.

A Registrar may, upon application by the reporting unit, extend the period during which the meeting referred to in paragraph (a) may be held, or the period set out in paragraph (b), by no more than one month.

Note: This subsection is a civil penalty provision (see section 305).

(6) Where a reporting unit publishes a journal of the reporting unit that is available to the members of the reporting unit free of charge, the reporting unit may comply with subsection (1):

(a) by publishing in the journal the full report; or

(b) by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.

(7) Where a reporting unit consists of 2 or more branches of an organisation and one of those branches publishes a journal of the branch that is available to the members of the branch free of charge, the reporting unit may comply with subsection (1) in relation to those members:

(a) by publishing in the journal the full report; or

(b) by preparing a concise report as described in subsection (3) and publishing the concise report in the journal.

RAO REGULATIONS 161 - Concise Report (RAO Schedule, s 265 (3) (a))

(1) For subsection 265 (3) of the RAO Schedule, a concise financial report must include:

- (a) the following financial statements presented as in the full report except for the omission of cross-references to notes to the financial statements in the full report:
 - (i) a profit and loss statement for the financial year;*
 - (ii) a balance sheet for the end of the financial year;*
 - (iii) a statement of cash flows for the financial year; and**
- (b) disclosure of information for the preceding financial year corresponding to the disclosures made for the current financial year; and*
- (c) discussion and analysis of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members; and*
- (d) any reports or statements mentioned in paragraph 253 (2) (c) of the RAO Schedule; and*
- (e) in addition to the statement required by paragraph 265 (3) (e) of the RAO Schedule, a statement that 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; and*
- (f) the notice mentioned in subsection 272 (5) of the RAO Schedule.*

(2) A concise report may include any other information consistent with the full report.



FSU
AUSTRALIA
www.fsunion.org.au

January 22, 2007

Industrial Registrar,
Australian Industrial Registry,
Level 5,
11 Exhibition Street,
MELBOURNE, Vic., 3000

2006 / 329

Dear Sir/Madam,

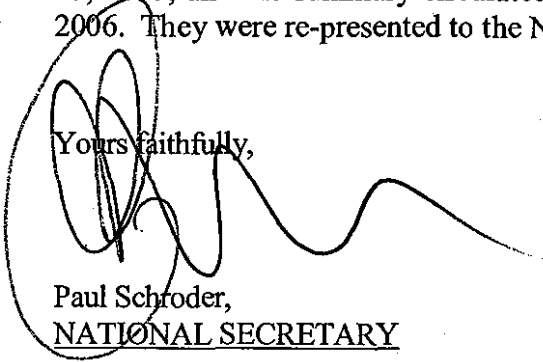
ANNUAL ACCOUNTS

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, 2006 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 27, 2005, and the summary circulated to members during November/December 2006. They were re-presented to the National Executive on December 22, 2006.

Yours faithfully,


Paul Schroder,
NATIONAL SECRETARY



FINANCE
SECTOR
UNION OF
AUSTRALIA

National Office

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Melbourne
Victoria 3000

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*All correspondence must
be addressed to the
Secretary*

Finance Sector Union
of Australia

Annual Report

2005/06



Operating Report for the period 1 July 2005 to 30 June 2006

Finance Sector Union of Australia
(the reporting unit)

Operating Report for the period 1 July 2005 to 30 June 2006

Prepared in accordance with Schedule 1 - Registration and Accountability of Organisation Chapter 8 - Records and Accounts; Part 3 - Accounts and Audit Section 254 - Reporting unit to prepare Operating Report 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 1/7/05 - 30/6/06, the Finance Sector Union:

- ◆ Received application for and admitted 7,050 members;
- ◆ Appointed over 623 members as FSU workplace representatives;
- ◆ Provided training to 912 workplace representatives;
- ◆ Provided representation to 4,480 members at the workplace or enterprise level;
- ◆ Was party to 79 Awards and more than 90 collective agreements in current operation across the finance sector;
- ◆ Made approximately 190 applications to the Australian Industrial Relations Commission regarding industrial disputes, award variations and seeking award coverage of award free employees;
- ◆ Negotiated and had certified 28 union collective agreements covering approx. 32,500 employees;
- ◆ Made submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and State Parliament Committee of Inquiry or Review, including the Senate Inquiry into the Provisions of the Workplace Relations Amendment (WorkChoices) Bill 2005.

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.

In accordance with section 230 of the Registration and Accountability of Organisations (RAO) Schedule, the reporting unit had a recorded 51,429 members at the end of the period.

The reporting unit employed 129.5 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:

Beattie N. (from 14/10/05)	Derrick G.	Noye C.A.	Schroder P.J.
Black D.A.	Ferrari P.R.M.	Oxley C. (from 13/09/05)	Smailes K.
Brinkley K.M.	Gordon C.A.	Peddie D.H.	Stacey L.G.
Brown L.K.	Logan A.	Presdee P. K. (to 14/10/05)	Wilson J.S.
Caddie S.M.	Marsh B. (to 13/09/05)	Ruwoldt J.M.	
Clifford M.S.	Martin D.L.	Schofield-Olsen L.D.	

Paul Schroder
National Secretary

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

FINANCIAL STATEMENTS

30 JUNE 2006

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

STATEMENT OF THE NATIONAL EXECUTIVE

On November 27, 2006 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, 2006:

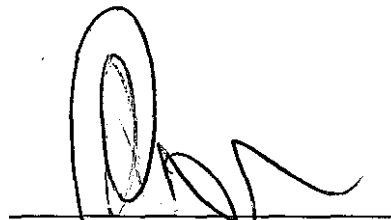
The National Executive declares in relation to the GPFR that in its opinion:

- (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 27th day of November, 2006

FINANCE SECTOR UNION OF AUSTRALIA
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
Revenue from ordinary activity	2	18,740,199	17,752,857	19,021,848	17,972,036
Expenses From Ordinary Activities					
Employee Benefits		(11,531,061)	(11,173,576)	(11,531,061)	(11,173,576)
Building & Equipment expenses		(1,788,128)	(1,735,928)	(2,487,303)	(2,377,538)
Printing, Postage, Telephone & Stationery		(884,367)	(919,756)	(884,367)	(919,756)
Industrial & Campaign expenses		(973,414)	(1,509,145)	(973,414)	(1,509,145)
Depreciation		(668,114)	(682,314)	(251,239)	(265,439)
ACTU Affiliation fees		(666,726)	(146,344)	(666,726)	(146,344)
Other expenses		(1,678,613)	(1,429,460)	(1,677,962)	(1,423,904)
NET PROFIT FROM ORDINARY ACTIVITIES	2	549,776	156,334	549,776	156,334
Total revenues, expenses and valuation adjustments recognised directly in equity.		5,880,095	-	1,129,470	-
TOTAL CHANGES IN EQUITY		6,429,871	156,334	1,679,246	156,334

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
BALANCE SHEET
AS AT 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
ACCUMULATED FUNDS					
General Fund		36,529,184	35,917,688	36,529,182	35,917,686
Asset Revaluation Reserve	3	7,259,648	1,441,273	1,949,832	882,082
TOTAL ACCUMULATED FUNDS		43,788,832	37,358,961	38,479,014	36,799,768
represented by:					
CURRENT ASSETS					
Cash	14 (a)	8,768,370	8,692,940	8,463,129	8,401,759
Receivables	4	1,751,631	1,672,858	1,719,606	1,651,056
Prepayments		116,163	88,623	74,670	51,793
TOTAL CURRENT ASSETS		10,636,164	10,454,421	10,257,405	10,104,608
NON CURRENT ASSETS					
Receivables	4	608,230	647,833	21,108,230	21,147,833
Financial assets	5	9,667,563	8,526,148	9,667,563	8,526,148
Available-for-sale financial assets	5	477,234	415,535	477,234	415,535
Property, Plant & Equipment	6	27,459,635	22,042,752	2,949,635	1,866,502
TOTAL NON CURRENT ASSETS		38,212,662	31,632,268	34,202,662	31,956,018
TOTAL ASSETS		48,848,826	42,086,689	44,460,067	42,060,626
CURRENT LIABILITIES					
Accounts Payable	7	1,963,521	1,754,496	2,884,580	2,287,626
Provision - Employee Entitlements	1(f)/10	1,726,526	2,126,750	1,726,526	2,126,750
TOTAL CURRENT LIABILITIES		3,690,047	3,881,246	4,611,106	4,414,376
NON CURRENT LIABILITIES					
Provision - Employee Entitlements	1(f)/10	1,369,947	846,482	1,369,947	846,482
TOTAL NON CURRENT LIABILITIES		1,369,947	846,482	1,369,947	846,482
TOTAL LIABILITIES		5,059,994	4,727,728	5,981,053	5,260,858
NET ASSETS		43,788,832	37,358,961	38,479,014	36,799,768

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Total equity at the beginning of the financial year		36,970,359	36,814,025	36,411,166	36,254,832
Adjustment to reserves on adoption of AASB 139 re: change in the fair value of available-for-sale financial assets - listed company shares	1(i)	366,669	-	366,669	-
Correction of prior year error re: calculation of OLI Scheme liability	1(i)	21,933	-	21,933	-
Restated total equity at the beginning of the financial year		37,358,961	36,814,025	36,799,768	36,254,832
Change in the fair value of available-for-sale financial assets:					
- listed company shares	1(i)	61,720	-	61,720	-
Gain on revaluation of land and buildings	1(f) & 3	5,818,375	-	1,067,750	-
Net income recognised directly in equity		5,880,095	-	1,129,470	-
Profit for the year		549,776	156,334	549,776	156,334
Total recognised income and expense for the year		6,429,871	156,334	1,679,246	156,334
Total equity at the end of the financial year		<u>43,788,832</u>	<u>36,970,359</u>	<u>38,479,014</u>	<u>36,411,166</u>

The accompanying notes form part of these financial statements

FINANCE SECTOR UNION OF AUSTRALIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Members		14,760,424	15,622,099	14,760,424	15,622,099
Interest Received		1,701,208	1,819,196	1,689,620	1,814,106
Rent		926,845	806,488	-	-
Other		1,445,243	622,505	1,445,243	622,488
Payments to Suppliers and Employees		(17,305,011)	(17,629,854)	(16,481,966)	(16,590,331)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	14 (b)	1,528,709	1,240,434	1,413,321	1,468,362
CASH FLOWS FROM INVESTING ACTIVITIES					
Amelioration Fund loans advanced		(1,493,707)	(1,694,316)	(1,493,707)	(1,694,316)
Amelioration Fund loans repaid		1,454,998	1,788,327	1,454,998	1,788,327
Net OLI bonus payments distributed		(10,688)	(19,781)	(10,688)	(19,781)
Purchase of property, plant and equipment		(388,038)	(291,717)	(388,038)	(291,717)
Proceeds from the sale of fixed assets		125,569	171,612	125,569	171,612
Purchase of managed funds		(1,141,413)	(857,853)	(1,141,415)	(857,853)
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES		(1,453,279)	(903,728)	(1,453,281)	(903,728)
CASH FLOWS FROM FINANCING ACTIVITIES					
Funding from Property Trust		-	-	101,330	-
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES		-	-	101,330	-
NET CASH INCREASE		75,430	336,706	61,370	564,634
CASH AT THE BEGINNING OF THE YEAR		8,692,940	8,356,234	8,401,759	7,837,125
CASH AT THE END OF THE FINANCIAL YEAR	14 (a)	8,768,370	8,692,940	8,463,129	8,401,759

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 2006

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) Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

In accordance with the requirements of AASB 1: First-time adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the financial report resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. This is the first financial report prepared for the Union based on AIFRS.

Reconciliations and descriptions of the effect of transition from previous AGAAP to AIFRS on the Unions equity and its net income are given in note 1 (i) below.

(b) 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 8 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.

(c) 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.

(d) Property, Plant and Equipment

Property, plant and equipment are brought to account at fair value less 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 been discounted to their present values in determining recoverable amounts.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

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

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%		

(e) *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.

(f) *Financial assets*

Financial assets at fair value through profit or loss:

This category comprises investments in managed funds that are held by fund managers on behalf of the Union for trading to make a profit. They are non-derivatives and are included in non current assets as it is the intention of management to maintain a portfolio of investments for the longer term. They are recorded in the balance sheet at market value and any gains or losses are recorded through the Income Statement.

Investments in Unlisted Unit Trusts where no active market exists 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. Any gains or losses are recorded through the Income Statement.

Available-for-sale financial assets:

This category comprises shares in listed companies. They are non-derivatives and are included in non current assets as it is the intention of management to hold these shares as a strategic investment for the longer term. The shares are disclosed at their fair value at year end in accordance with quoted market pricing provided by the Australian Stock Exchange and any gains and losses arising from changes in the fair value are recorded directly to equity and disclosed in the 'Statement of Changes in Equity'.

(g) *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.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

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

(h) *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.

(i) *Impact of the introduction of International Financial Reporting Standards*

Reconciliation of Equity:

Only two amendments were necessary this year to recognise the impact of the introduction of international financial reporting standards (IFRS). Both impacts are shown as adjustments to the opening retained earnings as set out for the first time this year in the new statement – “Statement of changes in equity”. There was no impact on the current year profit.

- 1) Previously the Union disclosed its investment in listed shares at cost rather than market value, which at 30 June 2006 was \$477,234 (2005 - \$415,535). This year IFRS requires those shares to be stated at their market value. The revaluation increment to June 2005 of \$366,669 has been recorded against general funds brought forward at 30 June 2005 and the movement for the current year of \$61,720 has been taken directly to general funds as at 30 June 2006. Although the shares are listed on the Australian Stock Exchange the Union does not generally trade them and holds them for the longer term as a strategic investment.
- 2) During the year ended 30 June 2006 an error of \$21,933 was detected in the way a liability had been calculated in relation to payments owing from the OLI Scheme administered by the Union on behalf of some members. The liability had been overstated and the error was tracked back to several years ago. In line with IFRS, the correction of the error has been made against general funds brought forward at 30 June 2005 rather than increase the current year profit.

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
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	990,587	1,102,650	990,587	1,102,650
- Employees remuneration	6,755,408	6,831,518	6,755,407	6,831,518
- Superannuation contributions	1,304,632	1,278,144	1,304,632	1,278,144
- Redundancy and termination payments	690,714	399,698	690,714	399,698
- Other payroll on-costs	1,555,811	1,310,713	1,555,811	1,310,713
Allowances	66,641	71,577	66,641	71,577
Meeting expenses	203,562	162,183	203,562	162,183
Office rent	1,250	4,815	1,385,944	1,385,944
Other office expenses	952,679	931,970	225,452	192,451
Auditors remuneration:-				
- Auditing the accounts	70,000	60,000	70,000	55,000
- Other services	635	939	635	939
Legal fees	537,528	537,528	535,393	711,108
Other professional fees	27,600	10,500	27,600	10,500
Operating lease/rental of office equipment	400,932	450,001	400,932	450,001
Depreciation	241,989	256,189	241,989	256,189
Amortisation of freehold buildings	426,125	426,125	9,250	9,250
(Profit)/Loss on sale of property, plant & equipment	(4,153)	48,389	(4,153)	48,389
Affiliations – ACTU, TLCs, ALP, Other	897,232	363,317	897,232	363,317
Bad and doubtful debts	-	7,488	-	7,488
Donations and grants	8,513	5,209	8,513	5,209
Amelioration fund				
- Mortuary benefits	194,200	140,587	194,200	140,587
- Grants	8,597	21,057	8,597	21,057
- Remission of debts	71,862	64,344	71,862	64,344
<i>(b) Crediting as income</i>				
Subscriptions	14,911,929	14,861,608	14,911,929	14,861,608
Interest	417,333	407,385	405,744	402,295
Dividend income	39,117	42,535	39,117	42,535
Increase in market value of managed funds	1,283,876	1,410,840	1,283,876	1,410,840
Grants – Workcover NSW	-	50,056	-	50,056
Rent received	937,069	740,807	-	-

FINANCE SECTOR UNION OF AUSTRALIA
 NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006 \$	2005 \$	2006 \$	2005 \$
<u>NOTE 3: ASSET REVALUATION RESERVE</u>				
Opening balance	1,441,273	1,441,273	882,082	882,082
Revaluation increment due to revaluing land & buildings to independent valuation	5,818,375	-	1,067,750	-
Closing balance	<u>7,259,648</u>	<u>1,441,273</u>	<u>1,949,832</u>	<u>882,082</u>
 <u>NOTE 4: RECEIVABLES</u>				
<i>CURRENT</i>				
Subscriptions deducted not remitted	401,556	438,532	401,556	438,532
Sundry debtors	220,506	111,207	188,481	89,405
Less provision for doubtful debts	-	-	-	-
	<u>622,062</u>	<u>549,739</u>	<u>590,037</u>	<u>527,937</u>
Amelioration fund loans to members	1,209,569	1,203,119	1,209,569	1,203,119
Less provision for doubtful debts	(80,000)	(80,000)	(80,000)	(80,000)
	<u>1,129,569</u>	<u>1,123,119</u>	<u>1,129,569</u>	<u>1,123,119</u>
	<u>1,751,631</u>	<u>1,672,858</u>	<u>1,719,606</u>	<u>1,651,056</u>
<i>NON-CURRENT</i>				
Amelioration fund loans to members	608,230	647,833	608,230	647,833
FSU Property Pty Ltd	-	-	20,500,000	20,500,000
	<u>608,230</u>	<u>647,833</u>	<u>21,108,230</u>	<u>21,147,833</u>

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NOTE 5: NON CURRENT ASSETS				
Financial assets at fair value through profit or loss				
- Managed investments	9,661,541	8,520,126	9,661,541	8,520,126
- Units - unlisted trusts	32,955	32,955	32,955	32,955
less provision for diminution	(26,933)	(26,933)	(26,933)	(26,933)
	6,022	6,022	6,022	6,022
Total financial assets through profit or loss	9,667,563	8,526,148	9,667,563	8,526,148
Available-for-sale financial assets				
- Shares in listed companies at market value	477,234	415,535	477,234	415,535

NOTE 6: PROPERTY, PLANT & EQUIPMENT

Freehold Land & Buildings:

Freehold land at:				
- independent valuation December 2005	5,880,000	5,020,000	1,285,000	685,000
- at cost	-	-	-	-
Total Freehold Land	5,880,000	5,020,000	1,285,000	685,000
Buildings at:				
- independent valuation December 2005	20,725,000	17,045,000	810,000	370,000
- at cost	-	-	-	-
less accumulated depreciation	-	(852,250)	-	(18,500)
Total Buildings	20,725,000	16,192,750	810,000	351,500
Total Freehold Land & Buildings	26,605,000	21,212,750	2,095,000	1,036,500

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
<u>NOTE 6: PROPERTY, PLANT & EQUIPMENT</u>				
<u>(CONTINUED)</u>				
<i>Plant & Equipment:</i>				
Furniture & Fittings - at cost	3,471,143	3,373,553	3,471,143	3,373,553
less accumulated depreciation	(3,299,555)	(3,213,904)	(3,299,555)	(3,213,904)
	<u>171,588</u>	<u>159,649</u>	<u>171,588</u>	<u>159,649</u>
Motor Vehicles - at cost	1,023,099	985,093	1,023,099	985,093
less accumulated depreciation	(340,052)	(314,740)	(340,052)	(314,740)
	<u>683,047</u>	<u>670,353</u>	<u>683,047</u>	<u>670,353</u>
Total Plant & Equipment	<u>854,635</u>	<u>830,002</u>	<u>854,635</u>	<u>830,002</u>
Total Property, Plant & Equipment	<u>27,459,635</u>	<u>22,042,752</u>	<u>2,949,635</u>	<u>1,866,502</u>

The revaluations of freehold land and buildings were based on the assessment of their market value as at 31 December 2005.

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 2008.

NOTE 7: ACCOUNTS PAYABLE

Legal costs	13,723	89,223	4,500	80,000
Other	1,949,798	1,665,273	2,880,080	2,207,626
	<u>1,963,521</u>	<u>1,754,496</u>	<u>2,884,580</u>	<u>2,287,626</u>

**FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 8: GROUP ENTITIES

Subsidiary

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

	<u>2006</u>	<u>2005</u>
Country of incorporation	Australia	Australia
Percentage owned	100%	100%
Investment at cost	\$2	\$2
Contribution to group operating surplus	\$nil	\$nil

Rent of \$1,427,652 (2005 - \$1,385,944) 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 \$1,230,307 (2005 - \$965,093) at the end of the year.

<u>Economic Entity</u>		<u>Parent Entity</u>	
<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

NOTE 9: REMUNERATION & RETIREMENT BENEFITS

a) Remuneration received or receivable by National Executive Delegates.	<u>1,145,398</u>	<u>1,164,113</u>	<u>1,145,398</u>	<u>1,164,113</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>214,420</u>	<u>202,163</u>	<u>214,420</u>	<u>202,163</u>

NOTE 10: PROVISION – EMPLOYEE ENTITLEMENTS

Officers	614,024	746,005	614,024	746,005
Employees	2,482,449	2,227,227	2,482,449	2,227,227
	<u>3,096,473</u>	<u>2,973,232</u>	<u>3,096,473</u>	<u>2,973,232</u>
<i>Shown as:</i>				
Current	1,726,526	2,126,750	1,726,526	2,126,750
Non Current	1,369,947	846,482	1,369,947	846,482
	<u>3,096,473</u>	<u>2,973,232</u>	<u>3,096,473</u>	<u>2,973,232</u>

NOTE 11: RELATED PARTY TRANSACTIONS

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

**FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006**

NOTE 12: SEGMENT REPORTING

	Trade Union		Property Trust		OLI Scheme/Union Care Fund		Economic Entity	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$	\$	\$	\$	\$	\$	\$	\$
Primary Reporting - Business Segments								
<i>Turnover</i>								
Segment Revenue	17,388,679	16,595,025	948,658	745,914	402,861	411,918	18,740,198	17,752,857
Total Segment Revenue							18,740,198	17,752,857
<i>Result</i>								
Segment Result	627,998	163,744	-	-	(78,222)	(7,410)	549,776	156,334
Net Profit							549,776	156,334
<i>Assets</i>								
Segment Assets	16,975,013	13,802,543	24,888,759	21,231,182	6,985,054	7,052,964	48,848,826	42,086,689
Total Segment Assets							48,848,826	42,086,689
<i>Liabilities</i>								
Segment Liabilities	4,486,273	4,158,060	186,730	171,989	386,991	397,679	5,059,994	4,727,728
Total Liabilities							5,059,994	4,727,728

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 2006

NOTE 13: 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 272 of Schedule 1B which reads as follows:

- (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 sub-section (1).

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
		\$	\$	\$
NOTE 14: 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	5,555	5,555	5,540	5,540
Cash at bank	6,246,322	6,313,353	5,941,096	6,022,187
Managed investments – cash component	2,516,493	2,374,032	2,516,493	2,374,032
Bank overdraft	-	-	-	-
	<u>8,768,370</u>	<u>8,692,940</u>	<u>8,463,129</u>	<u>8,401,759</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>549,776</u>	<u>156,334</u>	<u>549,776</u>	<u>156,334</u>
Non Cash Flows in Operating Surplus/(Deficit)				
Amortisation of leased assets	-	-	-	-
Depreciation & amortisation	668,114	682,314	251,239	265,439
Write-off of bad debts	71,862	64,344	71,862	64,344
Loss/(Profit) on sale of assets	(4,153)	48,389	(4,153)	48,389
Changes in Assets & Liabilities				
Increase / (Decrease) in accounts payable	239,730	221,298	224,990	283,562
Increase / (Decrease) in provision for employee entitlements	123,243	73,735	123,243	73,735
Increase / (Decrease) in accrued interest	-	971	-	971
Increase / (Decrease) in loan – Property Trust	-	-	301,341	629,100
Decrease / (Increase) in subscriptions owing	(151,505)	(48,172)	(151,505)	(48,172)
Decrease / (Increase) in sundry receivables	59,182	40,964	69,405	(23,149)
Decrease / (Increase) in prepayments	(27,541)	258	(22,877)	17,809
Cash Flow from Operations	<u>1,528,709</u>	<u>1,240,434</u>	<u>1,413,321</u>	<u>1,468,362</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 (2005: \$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 2006

NOTE 15: 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
	\$	\$	\$	\$	\$	\$
2006						
<i>Financial Assets</i>						
Cash	5.20%	6,246,322	5,555	-	-	-
Managed investments	11.80%	12,178,034	6,022	-	-	-
Available for sale assets	N/A	-	477,234	-	-	-
Receivables	5.00%	-	622,062	1,129,569	608,230	-
Total Financial Assets		18,424,356	1,110,873	1,129,569	608,230	-
<i>Financial Liabilities</i>						
Overdrafts	8.90%	-	-	-	-	-
Accounts payable	N/A	-	1,963,521	-	-	-
Total Financial Liabilities		-	1,963,521	-	-	-
2005						
<i>Financial Assets</i>						
Cash	5.50%	6,313,353	5,555	-	-	-
Managed investments	15.00%	10,894,158	6,022	-	-	-
Available for sale assets	N/A	-	415,535	-	-	-
Receivables	5.00%	-	549,739	1,123,119	647,833	-
Total Financial Assets		17,207,511	976,851	1,123,119	647,833	-
<i>Financial Liabilities</i>						
Overdrafts	9.40%	-	-	-	-	-
Accounts payable	N/A	-	1,754,496	-	-	-
Total Financial Liabilities		-	1,754,496	-	-	-

FINANCE SECTOR UNION OF AUSTRALIA
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2006

(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 Income Statement, Balance Sheet, Statement of Changes in Equity, 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 2006. 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.

Auditors

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INDEPENDENT AUDIT REPORT (CONTINUED)

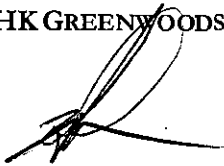
Independence

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

Audit Opinion

In our opinion, the general purpose financial report of the Finance Sector Union of Australia for the year ended 30 June 2006, 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.

WHK GREENWOODS AUDIT & ASSURANCE



.....
Peter Sexton
Partner

Dated: 27 November 2006

Recommendation:

- (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, 2006, 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.
- (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, 2006 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, 2006 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.



Auditor's certification

To the members of the Finance Sector Union of Australia

In our opinion, the attached Concise Financial Report of the Finance Sector Union of Australia for the year ended 30 June 2006 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:

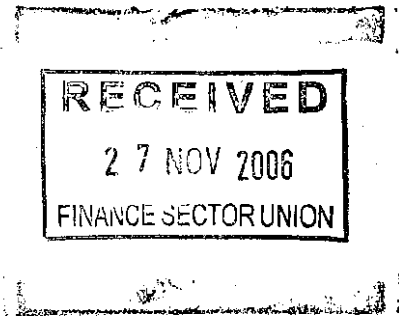
Audit Opinion

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.

WHK GREENWOODS AUDIT & ASSURANCE

.....
Peter T. Sexton
Partner

Dated: 27 November 2006



.....
Auditors

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FSU CONCISE REPORT TO MEMBERS 2005/2006

Finance Sector Union of Australia

(the reporting unit)

Operating Report for the period 1 July 2005 to 30 June 2006

Prepared in accordance with Schedule 1 - Registration and Accountability of Organisation Chapter 8 - Records and Accounts; Part 3 - Accounts and Audit Section 254 - Reporting unit to prepare Operating Report 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 1/7/05 - 30/6/06, the Finance Sector Union:

- ◆ Received application for and admitted 7,050 members;
- ◆ Appointed over 623 members as FSU workplace representatives;
- ◆ Provided training to 912 workplace representatives;
- ◆ Provided representation to 4,480 members at the workplace or enterprise level;
- ◆ Was party to 79 Awards and more than 90 collective agreements in current operation across the finance sector;
- ◆ Made approximately 190 applications to the Australian Industrial Relations Commission regarding industrial disputes, award variations and seeking award coverage of award free employees;
- ◆ Negotiated and had certified 28 union collective agreements covering approx. 32,500 employees;
- ◆ Made submissions to, and appeared before, Commonwealth of Australia Parliamentary Committees and State Parliament Committee of Inquiry or Review, including the Senate Inquiry into the Provisions of the Workplace Relations Amendment (WorkChoices) Bill 2005.

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.

In accordance with section 230 of the Registration and Accountability of Organisations (RAO) Schedule, the reporting unit had a recorded 51,429 members at the end of the period.

The reporting unit employed 129.5 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:

Beattie N. (from 14/10/05)	Derrick G.	Noye C.A.	Schroder P.J.
Black D.A.	Ferrari P.R.M.	Oxley C. (from 13/09/05)	Smailes K.
Brinkley K.M.	Gordon C.A.	Peddie D.H.	Stacey L.G.
Brown L.K.	Logan A.	Presdee P. K. (to 14/10/05)	Wilson J.S.
Caddie S.M.	Marsh B. (to 13/09/05)	Ruwoldt J.M.	
Clifford M.S.	Martin D.L.	Schofield-Olsen L.D.	

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, 2006.

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 - INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006 (\$)	2005 (\$)	2006 (\$)	2005 (\$)
Revenue from ordinary activity	18,740,199	17,752,857	19,021,848	17,972,036
<i>Expenses from Ordinary Activities</i>				
Employee Benefits	11,531,061	11,173,576	11,531,061	11,173,576
Building & Equipment expenses	1,788,128	1,735,928	2,487,303	2,377,538
Printing, Postage, Telephone & Stationery	884,367	919,756	884,367	919,756
Industrial & Campaign expenses	973,414	1,509,145	973,414	1,509,145
Depreciation	668,114	682,314	251,239	265,439
ACTU Affiliation fees	666,726	146,344	666,726	146,344
Other expenses	1,678,613	1,429,460	1,677,962	1,423,904
NET PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX	549,776	156,334	549,776	156,334
Total revenues, expenses and valuation adjustments recognised directly in equity.	5,880,095	-	1,129,470	-
TOTAL CHANGES IN EQUITY	6,429,871	156,334	1,679,246	156,334

FINANCE SECTOR UNION OF AUSTRALIA - BALANCE SHEET AS AT 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006 (\$)	2005 (\$)	2006 (\$)	2005 (\$)
ACCUMULATED FUNDS				
General Fund	36,529,184	35,917,688	36,529,182	35,917,686
Asset Revaluation Reserve	7,259,648	1,441,273	1,949,832	882,082
TOTAL ACCUMULATED FUNDS	43,788,832	37,358,961	38,479,014	36,799,768
<i>represented by</i>				
CURRENT ASSETS				
Cash	8,768,370	8,692,940	8,463,129	8,401,759
Receivables	1,751,631	1,672,858	1,719,606	1,651,056
Prepayments	116,163	88,623	74,670	51,793
TOTAL CURRENT ASSETS	10,636,164	10,454,421	10,257,405	10,104,608
NON CURRENT ASSETS				
Receivables	608,230	647,833	21,108,230	21,147,833
Financial assets	9,667,563	8,526,148	9,667,563	8,526,148
Available-for-sale financial assets	477,234	415,535	477,234	415,535
Property, Plant & Equipment	27,459,635	22,042,752	2,949,635	1,866,502
TOTAL NON CURRENT ASSETS	38,212,662	31,632,268	34,202,662	31,956,018
TOTAL ASSETS	48,848,826	42,086,689	44,460,067	42,060,626
CURRENT LIABILITIES				
Accounts Payable	1,963,521	1,754,496	2,884,580	2,287,626
Provision - Employee Entitlements	1,726,526	2,126,750	1,726,526	2,126,750
TOTAL CURRENT LIABILITIES	3,690,047	3,881,246	4,611,106	4,414,376
NON CURRENT LIABILITIES				
Provision - Employee Entitlements	1,369,947	846,482	1,369,947	846,482
TOTAL NON CURRENT LIABILITIES	1,369,947	846,482	1,369,947	846,482
TOTAL LIABILITIES	5,059,994	4,727,728	5,981,053	5,260,858
NET ASSETS	43,788,832	37,358,961	38,479,014	36,799,768

FINANCE SECTOR UNION OF AUSTRALIA - STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006 (\$)	2005 (\$)	2006 (\$)	2005 (\$)
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	36,970,359	36,814,025	36,411,166	36,254,832
Adjustments to reserves on adoption of AASB 139 re: change in the fair value of available-for-sale financial assets - listed company shares	366,669	-	366,669	-
Correction of prior year error re: calculation of OLI Scheme liability	21,933	-	21,933	-
RESTATED TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	37,358,961	36,814,025	36,799,768	36,254,832
Change in the fair value of available-for-sale financial assets - listed company shares	61,720	-	61,720	-
Gain on revaluation of land and buildings	5,818,375	-	1,067,750	-
Net income recognised directly in equity	5,880,095	-	1,129,470	-
Profit for the year	549,776	156,334	549,776	156,334
TOTAL RECOGNISED INCOME AND EXPENSES FOR THE YEAR	6,429,871	156,334	1,679,246	156,334
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	43,788,832	36,970,359	38,479,014	36,411,166

FINANCE SECTOR UNION OF AUSTRALIA - STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2006

	ECONOMIC ENTITY		PARENT ENTITY	
	2006 (\$)	2005 (\$)	2006 (\$)	2005 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Members	14,760,424	15,622,099	14,760,424	15,622,099
Interest Received	1,701,208	1,819,196	1,689,620	1,814,106
Rent	926,845	806,488	-	-
Other	1,445,243	622,505	1,445,243	622,488
Payments to Suppliers and Employees	(17,305,011)	(17,629,854)	(16,481,966)	(16,590,331)
CASH FLOW PROVIDED BY OPERATING ACTIVITIES	1,528,709	1,240,434	1,413,321	1,468,362
CASH FLOWS FROM INVESTING ACTIVITIES				
Amelioration Fund loans advanced	(1,493,707)	(1,694,316)	(1,493,707)	(1,694,316)
Amelioration Fund loans repaid	1,454,998	1,788,327	1,454,998	1,788,327
Net OLI bonus payments distributed	(10,688)	(19,781)	(10,688)	(19,781)
Purchase of property, plant and equipment	(388,038)	(291,717)	(388,038)	(291,717)
Proceeds from the sale of fixed assets	125,569	171,612	125,569	171,612
Purchase managed funds	(1,141,415)	(857,853)	(1,141,415)	(857,853)
CASH FLOW PROVIDED BY / (USED) IN INVESTING ACTIVITIES	(1,453,281)	(903,728)	(1,453,281)	(903,728)
CASH FLOWS FROM FINANCING ACTIVITIES				
Funding from Property Trust	-	-	101,330	-
CASH FLOW PROVIDED BY / (USED) IN FINANCING ACTIVITIES	-	-	101,330	-
NET CASH INCREASE	75,430	336,706	61,370	564,634
CASH AT THE BEGINNING OF THE YEAR	8,692,940	8,356,234	8,401,759	7,837,125
CASH AT THE END OF THE FINANCIAL YEAR	8,768,370	8,692,940	8,463,129	8,401,759



WHK Greenwoods Audit & Assurance

Auditor's certification

To the members of the Finance Sector Union of Australia

In our opinion, the attached Concise Financial Report of the Finance Sector Union of Australia for the year ended 30 June 2006 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.

WHK GREENWOODS AUDIT & ASSURANCE

.....
Peter T. Sexton
Partner

Dated: 27 November 2006

.....
Auditors

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