



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
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Mr Peter Murray
General Secretary, Mining and Energy Division
Construction, Forestry, Mining and Energy Union
PO Box Q1641
SYDNEY NSW 1230

Dear Mr Murray

**Re: Lodgement of Financial Statements and Accounts – Mining and Energy Division,–
for year ending 31 December 2007 (FR2007/538)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 30 May 2008.

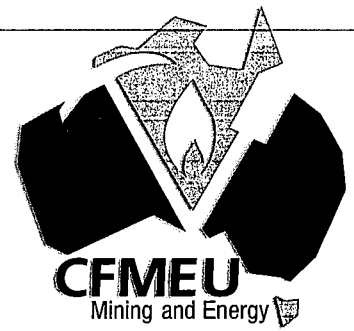
The documents have been filed.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

6 June 2008



Ref: MW/PM 290508

29 May 2008

Belinda Penna
Australian Industrial Registry
Level 8, Terrace Towers
80 William St
East Sydney NSW 2011



Dear Belinda,

Please find enclosed the audited financial statements and secretary's certificate for 2007 for the CFMEU Mining & Energy Division.

Should you require any further information for the 2007 year so that our division meets its reporting requirements, please do not hesitate to contact myself on 02 9267 1035 or at mark.watson@cfmeu.com.au

Yours sincerely,

A handwritten signature in black ink, appearing to read "Mark Watson".

Mark Watson
Finance Manager

CFMEU Mining & Energy | t: +61 2 9267 1035 | f: +61 2 9267 3198 | e: info@cfmeu.com.au

www.cfmeu.com.au | Level 1, 365 Sussex Street, Sydney NSW 2000 | PO Box Q1641, Sydney NSW 1230 Australia

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION
MINING & ENERGY DIVISION**

SECRETARY'S CERTIFICATE

I, Peter Murray, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on 18 April 2008, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 16 May 2008; in accordance with section 266 of the RAO Schedule.



**Peter Murray
General Secretary**

29 May 2008

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**

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OPERATING REPORT

Your Committee of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union") present their Operating Report on the Union for the year ended 31 December 2007.

Committee of Management

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

Name	Position	Period of Appointment
Mr T Maher	General President	1/01/2007 to 31/12/2007
Mr P Murray	General Secretary	1/01/2007 to 31/12/2007
Mr A Vickers	General Vice President	1/01/2007 to 31/12/2007
Mr A Drew	Central Councillor	1/01/2007 to 31/12/2007
Mr G Betts	Central Councillor	1/01/2007 to 31/12/2007
Mr W McAndrew	Central Councillor	1/01/2007 to 31/12/2007
Mr C Hinds	Central Councillor	1/01/2007 to 31/12/2007
Mr L Van der Meulen	Central Councillor	1/01/2007 to 31/12/2007
Mr R Whittaker	Central Councillor	1/01/2007 to 31/12/2007
Mr A Honeysett	Central Councillor	1/01/2007 to 31/12/2007
Mr G Wood	Central Councillor	1/11/2007 to 31/12/2007
Mr D Power	Central Councillor	1/01/2007 to 31/12/2007
Mr F Baker	Central Councillor	1/01/2007 to 31/12/2007
Mr G Power	Central Councillor	1/01/2007 to 02/04/2007
Mr R Smith	Central Councillor	1/01/2007 to 31/12/2007
Mr I Murray	Central Councillor	1/01/2007 to 31/12/2007
Mr A Curtis	Central Councillor	1/01/2007 to 31/12/2007
Mr S Bruncker	Central Councillor	2/04/2007 to 31/12/2007

Principal Activities

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

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Division Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Workplace Relations Act and the Union rules.
- Media and other communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

Results of Activities

The result for the year was a profit of \$2,150,858 (2006: profit of \$5,189,647). Membership contributions in the current year amounted to \$5,242,184 being a \$26,891 decrease on last year.

The Division has been involved in lobbying and negotiating with different levels of Government and key industry organisations around issues of importance to the members, including but not limited to health and safety issues, industrial and compensation matters, superannuation entitlements and environmental matters impacting the mining industry.

The Division has successfully implemented certified agreements for the benefits of members.

OPERATING REPORT

Continued

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Union during the year.

Membership of the Union

There were 18,981 members of the Union as at 31 December 2007 (2006: 18,630).

Rights of Members to Resign

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

Employees of the Union

As at 31 December 2007 the Union employed 24 full time employees (2006: 24).

Superannuation Trustees

No officer or member of the Union acts:

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



.....
Peter Murray

Dated this 9th day of April 2008.

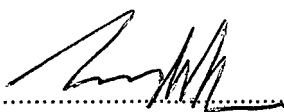
COMMITTEE OF MANAGEMENT STATEMENT

On 9 April 2008, the Committee of Management of the Construction Forestry Mining and Energy Union – Mining & Energy Division passed the following resolution in relation to the financial report of the Union, for the year ended 31 December 2007:


The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- a) The financial statements and notes comply with 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 Union for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the general purpose financial report relates and since the end of that year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
 - (vi) No orders have been made by the Commission in regard to inspection of financial records under section 273 of the RAO Schedule.

Signed for and on behalf of the Committee of Management by:



Tony Maher



Wayne McAndrew

Dated this 9th day of April 2008.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY
DIVISION**

Report on the Financial Report

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union"), which comprises the Balance Sheet as at 31 December 2007 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Management's Responsibility for the Financial Report

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. In Note 1, the Committee of Management also state, in accordance with Australian Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDIT REPORT TO THE MEMBERS
OF THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY
DIVISION**
(Continued)

AUDIT OPINION

In our opinion, the general purpose financial report of the Construction Forestry Mining and Energy Union – Mining and Energy Division is in accordance with:

- (a) The Workplace Relations Act 1996, including:
- (i) Giving a true and fair value of the Union's financial position as at 31 December 2007 and of its performance for the year ended on that date; and
 - (ii) Complying with Accounting Standards in Australia and other mandatory professional reporting requirements.
- (b) The requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Act.

DALEY & CO.
.....
DALEY & CO
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500

Dated this *9th* day of April 2008.

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

Liability limited by a scheme approved under Professional Standards Legislation

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
Revenue	3	9,040,851	8,346,354
Other Income	3	1,919,934	3,914,844
TOTAL REVENUES		<u>10,960,785</u>	<u>12,261,198</u>
EXPENSES			
Employee Benefits and On-Costs Expense		3,621,692	3,119,509
Depreciation and Amortisation Expense		182,022	166,326
Legal Campaign Fund Expenses		245,131	544,227
Recruitment & Training Expenses		409,125	635,731
Advertising Expenses		926,602	-
Donations		1,465,318	370,016
Operating Expenditure		1,837,651	2,208,262
Loss on Sale of Property, Plant and Equipment		22,386	27,480
Write down of Investments		100,000	-
		<u>8,809,927</u>	<u>7,071,551</u>
PROFIT ATTRIBUTABLE TO MEMBERS		<u>2,150,858</u>	<u>5,189,647</u>

The accompanying notes form part of these financial statements

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	739,981	967,340
Trade and Other Receivables	6	5,166,732	4,165,010
Financial Assets	8	13,343,405	11,281,915
Other Current Assets		246,691	28,799
Inventories		-	29,618
TOTAL CURRENT ASSETS		<u>19,496,809</u>	<u>16,472,682</u>
NON-CURRENT ASSETS			
Investments Accounted for Using the Equity Method	7	3,610,900	3,911,616
Property, Plant and Equipment	9	2,221,165	2,649,012
TOTAL NON-CURRENT ASSETS		<u>5,832,065</u>	<u>6,560,628</u>
TOTAL ASSETS		<u>25,328,874</u>	<u>23,033,310</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	563,650	518,591
Short-term Provisions	11	1,325,372	1,160,888
TOTAL CURRENT LIABILITIES		<u>1,889,022</u>	<u>1,679,479</u>
TOTAL LIABILITIES		<u>1,889,022</u>	<u>1,679,479</u>
NET ASSETS		<u>23,439,852</u>	<u>21,353,831</u>
ACCUMULATED FUNDS			
Retained Earnings		23,501,945	21,351,087
Reserves		(62,093)	2,744
MEMBERS' FUNDS		<u>23,439,852</u>	<u>21,353,831</u>

The accompanying notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Retained Earnings	Financial Assets Reserve	TOTAL
	\$	\$	\$
Balance as at 1 January 2006	16,161,440	-	16,161,440
Profit Attributable to Members	5,189,647	-	5,189,647
Net increase in value of Available for Sale Financial Assets	-	2,744	2,744
Balance as at 31 December 2006	21,351,087	2,744	21,353,831
Profit Attributable to Members	2,150,858	-	2,150,858
Net decrease in value of Available for Sale Financial Assets	-	(64,837)	(64,837)
Balance as at 31 December 2007	23,501,945	(62,093)	23,439,852

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		5,102,584	5,327,625
Receipts from Grants		338,600	350,519
Receipts from Interest		1,026,822	623,269
Receipts from Dividends		2,220	-
Receipts from Rents		14,990	27,356
Balance of Income Received		2,070,876	1,649,359
Joint Venture Distribution		1,459,045	5,584,113
Transfer to Employee Entitlement Trust		(269,573)	(2,200,000)
Payments to Suppliers and Employees		(8,272,230)	(6,500,998)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12	<u>1,473,334</u>	<u>4,861,243</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(192,844)	(1,405,189)
Proceeds from Sale of Property, Plant and Equipment		718,477	824,502
Purchase of Assets Available for Sale		(100,000)	(59,983)
Purchase of Investments		(2,126,326)	(3,716,386)
NET CASH USED IN INVESTING ACTIVITIES		<u>(1,700,693)</u>	<u>(4,357,056)</u>
NET INCREASE (DECREASE) IN CASH HELD		(227,359)	504,187
CASH AT THE START OF THE FINANCIAL YEAR		<u>967,340</u>	<u>463,153</u>
CASH AT THE END OF THE FINANCIAL YEAR	5	<u>739,981</u>	<u>967,340</u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report is for the entity Construction Forestry Mining and Energy Union – Mining & Energy Division, as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

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

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

Basis of Preparation

Reporting Basis and Conventions

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

Accounting Policies

(a) PROPERTY, PLANT AND EQUIPMENT

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

Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by the Union to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. STATEMENT OF ACCOUNTING POLICIES

continued

(a) PROPERTY, PLANT & EQUIPMENT
CONTINUED

Depreciation

The depreciation amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Union. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i> %
Buildings	2.5 to 20.0
Furniture Fittings & Equipment	5.0 to 40.0
Motor Vehicles	22.5

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

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

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

(b) EMPLOYEE BENEFITS

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

(c) INCOME TAX

No provision for income tax is necessary as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(d) COMPARATIVE FIGURES

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

(e) PROVISIONS

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. STATEMENT OF ACCOUNTING POLICIES

continued

(f) INVENTORIES

Inventory comprises saleable promotional items and is valued at cost price being the lower of cost and net realisable value.

(g) FINANCIAL INSTRUMENTS

Recognition

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

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Loans and Receivables

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

Held-to-Maturity Investments

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

Available-for-Sale Financial Assets

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

Financial Liabilities

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

Impairment

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. STATEMENT OF ACCOUNTING POLICIES

Continued

(h) IMPAIRMENT OF ASSETS

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

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

(i) CASH AND CASH EQUIVALENTS.

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

(j) REVENUE

Revenue from membership contributions are recognised on an accruals basis.

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

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

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

(k) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

1. STATEMENT OF ACCOUNTING POLICIES

continued

(l) LEASES

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

(m) GRANTS

The Union receives grant funding from various sources for varying purposes. Grants are recognised at fair value where there are reasonable assurances that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Where grant projects have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet.

(n) INTEREST IN JOINT VENTURES

The Union's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Union's interest are shown at Note 7.

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

(o) LEASES

Leased assets are depreciated on a straight line basis over the shorter of their estimated lives or the lease term.

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.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B which reads as follows:

- (1) A member of a Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) An application must be made in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Union.
- (3) The Union must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
3. REVENUE			
<i>Operating Revenue</i>			
Administration Fees		20,717	24,109
Contributions		5,242,184	5,269,075
ACTU Campaign Levy		345,977	330,219
Trust Distribution Received		1,421,823	1,085,219
Interest Received		962,116	666,839
Grants Received		338,600	350,519
Rents Received		14,990	27,356
Refunds/Reimbursements		59,334	6,467
Income other than listed above		635,110	586,551
		<u>9,040,851</u>	<u>8,346,354</u>
<i>Other Revenue</i>			
Joint Venture Distribution		1,617,738	3,914,844
Gain on Disposal of Property, Plant & Equipment		302,196	-
		<u>1,919,934</u>	<u>3,914,844</u>
TOTAL REVENUE		<u><u>10,960,785</u></u>	<u><u>12,261,198</u></u>
4. PROFIT FOR THE YEAR			
(a) EXPENSES			
Depreciation of Non-Current Assets			
Buildings		46,378	33,919
Plant & Equipment		135,644	132,407
Total Depreciation	9	<u>182,022</u>	<u>166,326</u>
Movements In Employee Entitlements		435,056	331,907
Loss on Disposal of Property, Plant & Equipment		22,386	27,480
Remuneration of Auditor			
- Auditing the Financial Report		23,020	27,800
- Accounting & Taxation Services		4,827	3,870
		<u>27,847</u>	<u>31,670</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash on Hand	754	600
Cash at Bank	739,227	966,740
	<u>739,981</u>	<u>967,340</u>

6. TRADE AND OTHER RECEIVABLES

Current

Contributions Receivable	892,986	753,386
Other Receivables	1,740,490	1,337,777
Loan Receivable – Ableshore (i)	2,533,256	2,073,847
	<u>5,166,732</u>	<u>4,165,010</u>

(i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced.

Amounts Relating to:-

CFMEU – National Office	-	-
CFMEU – Construction & General Division	-	2,359
CFMEU – Mining & Energy Division: -		
• Queensland District	221,778	225,145
• Northern District	160,558	140,000
• South Western District	433,120	280,875
• NSW Energy District	50,860	49,000
• Victorian District	13,000	19,495
• South Australian District	5,200	2,600
• Western Australian District	60,198	55,000
• Tasmanian District	7,786	7,786
	<u>952,500</u>	<u>782,260</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
<i>Carrying amount of investment in joint venture entity:</i>		
Balance at beginning of financial year	3,911,616	5,185,795
Share of joint ventures profit after income tax	1,617,738	3,914,844
Distributions received	(1,918,454)	(5,189,023)
Balance at the end of the financial year (a)	<u>3,610,900</u>	<u>3,911,616</u>

(a) The Union has a 5% interest in the United Collieries Joint Venture, whose principle activity is, exploration, mining and sale of coal. The equity method has been used to account for the Union's interest in this joint venture. Refer note 19 for Joint Agreement detail.

The following table illustrates summarised financial information relating to the Union's interest in Joint Venture:

Share of the Joint Venture's Balance Sheet

Total Assets	5,637,575	5,801,342
Total Liabilities	2,026,675	1,889,726
Net Assets	<u>3,610,900</u>	<u>3,911,616</u>

Share of the Joint Venture's Results

Revenue	11,140,929	12,710,803
Profit after Income Tax	<u>1,617,738</u>	<u>3,914,844</u>

8. FINANCIAL ASSETS

Held to Maturity Financial Assets (a)	11,806,650	10,043,295
Available for Sale Financial Assets (b)	1,536,755	1,238,620
	<u>13,343,405</u>	<u>11,281,915</u>

(a) **Held-to-maturity Financial Assets Comprise:**

Term Deposits and Bank Bills held with Financial Institutions.	11,806,650	10,043,295
--	------------	------------

(b) **Available for Sale Financial Assets Comprise:**

Shares in Listed Corporations – at Fair Value	94,620	59,984
Shares in Unlisted Corporations – at Fair Value	10	10
Investments in Unlisted Investment Trusts	1,442,125	1,178,626
	<u>1,536,755</u>	<u>1,238,620</u>

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT		
LAND & BUILDINGS		
Land At Cost	-	280,000
Buildings At Cost	1,845,669	1,905,669
Accumulated Depreciation	(81,531)	(48,890)
	<u>1,764,138</u>	<u>1,856,779</u>
TOTAL LAND & BUILDINGS	<u>1,764,138</u>	<u>2,136,779</u>
PLANT & EQUIPMENT		
FURNITURE, FITTINGS AND EQUIPMENT		
At Cost	465,819	485,300
Accumulated Depreciation	(329,523)	(292,018)
	<u>136,296</u>	<u>193,282</u>
MOTOR VEHICLES		
At Cost	376,175	389,898
Accumulated Depreciation	(55,444)	(70,947)
	<u>320,731</u>	<u>318,951</u>
TOTAL PLANT & EQUIPMENT	<u>457,027</u>	<u>512,233</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>2,221,165</u>	<u>2,649,012</u>

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	LAND & BUILDINGS	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	2,136,779	193,282	318,951	2,649,012
Additions	-	33,112	159,732	192,844
Disposals – Assets	(326,263)	(8,256)	(104,150)	(438,669)
Amort/Depreciation Expense	(46,378)	(81,842)	(53,802)	(182,022)
Balance at End of Year	<u>1,764,138</u>	<u>136,296</u>	<u>320,731</u>	<u>2,221,165</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
10. TRADE AND OTHER PAYABLES		
Creditors and Accruals	440,084	379,339
Tax Payable (GST)	123,566	139,252
	<u>563,650</u>	<u>518,591</u>
<i>Amounts Relating to:-</i>		
CFMEU – National Office	-	-
CFMEU – Mining & Energy Division: -		
• Queensland District	1,000	1,000
• Northern District	13,270	47,578
• South Western District	-	27,453
• NSW Energy District	19,238	2,000
• Western Australian District	-	-
	<u>33,508</u>	<u>78,031</u>

11. PROVISIONS

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENTS \$	TOTAL \$
Opening balance at 1 January 2007	444,408	270,196	446,284	1,160,888
Additional provisions	328,013	62,878	169,737	560,628
Amounts used	(277,470)	(17,117)	(101,557)	(396,144)
Balance at 31 December 2007	<u>494,951</u>	<u>315,957</u>	<u>514,464</u>	<u>1,325,372</u>

(a) Analysis of ageing of provisions

Current	<u>1,325,372</u>	<u>1,160,888</u>
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(b) Number of Employees at Balance Date

• National Executives and staff	24	24
• District Executives (National LSL Fund)	29	29

(c) Total Employee Benefits Attributable to:

• Office holders	540,779	488,024
• District Executives (National LSL Fund)	-	-
• Staff	784,593	672,864
	<u>1,325,372</u>	<u>1,160,888</u>

(d) Right of Indemnity

During the 2006 year, the 'LSL Fund(s)' previously administered directly by the Union has been settled onto 'The CFMEU Mining & Energy Entitlement Trust. Any on-going long service leave entitlements and obligations of the National Officials will be settled directly from the Trust. Accordingly the provision for long service leave, as it relates to National Officials, is reduced by the fair value of trust assets available and set aside to settle those entitlements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
12. CASH FLOW INFORMATION		
RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT		
Net Operating Result	2,150,858	5,189,647
Non Cash Flows in Net Result		
• Depreciation	182,022	166,326
• Provision for National Convention	-	(176,640)
• Joint Venture Distribution	(158,693)	1,669,269
• Write down of Investments	100,000	-
• Loss/(Gain) on Disposal of Property, Plant and Equipment	(279,809)	27,480
Changes in Assets and Liabilities		
Decrease in Contributions Receivable	(139,600)	235,191
(Increase) in Receivables	(402,713)	(312,190)
(Increase) Decrease in Prepayments	(217,892)	6,158
(Increase) Decrease in Inventories	29,618	25,348
(Decrease) in Accounts Payable	45,059	(150,355)
Increase in Provisions	164,484	(1,818,991)
CASH FLOWS FROM OPERATIONS	<u>1,473,334</u>	<u>4,861,243</u>

(i) Net cash flows relating to another reporting unit of the organisation are as follows:

CFMEU – Mining & Energy Division: -

• Queensland District	2,331,493	2,354,097
• Northern District	1,861,426	1,982,101
• South Western District	577,034	670,094
• NSW Energy District	211,825	255,856
• Victorian District	233,588	176,881
• South Australian District	7,874	16,428
• Tasmanian District	(11,892)	(7,343)
• Western Australian District	132,192	55,795
	<u>5,343,540</u>	<u>5,503,909</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13. CONTINGENT LIABILITIES

The Courts have handed down a decision regarding indemnity costs arising from the finalisation of a contempt of court matter. The Union is currently negotiating the quantum of the indemnity costs with the respondent.

14. CAPITAL & LEASING COMMITMENTS

(a) Operating Lease Commitments

	2007 \$	2006 \$
Non-cancellable operating leases contracted for but not capitalised in financial statements:		
Payable – Minimum lease payments		
Not later than 12 months	179,206	197,373
Between 12 months & 5 years	791,430	760,991
Greater than 5 years.	502,022	711,668
	<u>1,472,658</u>	<u>1,670,032</u>

An operating lease commitment exists in respect of the sub-lease of floor area within premises situated at Sussex Street, Sydney and in respect of certain residential housing supplied for organisers in remote locations throughout Australia.

15. RELATED PARTY INFORMATION

(a) MEMBERS OF THE CENTRAL COUNCIL

Persons holding positions within the Union and as members of the Central Council during the year:

NATIONAL OFFICIALS

- Mr T Maher (General President)
- Mr P Murray (General Secretary)
- Mr A Vickers (General Vice President)

CENTRAL COUNCIL

- Mr A Drew (NSW Energy President)
- Mr G Betts (Queensland President)
- Mr I Murray (Northern President)
- Mr W McAndrew (NSW South Western President)
- Mr G Wood (West Australian Secretary)
- Mr C Hinds (Tasmanian President)
- Mr L Van Der Meulen (Victorian President)
- Mr R Whittaker (Central Councillor North)
- Mr D Power (Central Councillor North)
- Mr F Baker (Central Councillor QLD)
- Mr G Power (Central Councillor QLD)
- Mr A Honeycutt (Central Councillor South Western)
- Mr R Smith (Central Councillor North)
- Mr A Curtis (Central Councillor QLD)
- Mr S Bruncker (Central Councillor QLD – since 2/4/07)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

15. RELATED PARTY INFORMATION

continued

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Residential housing was rented to the Construction, Forestry, Mining and Energy Union during the year. Commercial rent totalling \$0 (2006: \$11,050) was charged by the Union.
- ii) Office space was rented to the CFMEU – Mining and Energy Division, New South Wales Energy District during the year. Commercial rent totalling \$12,000 (2006: \$12,000) was charged by the Union.
- iii) Administration fees were charged to Construction, Forestry, Mining and Energy Union during the year. Fees totalling \$0 (2006: \$11,364) were charged by the Union.
- iv) Sustentation fees totalling \$136,710 (2006: \$118,267) were charged by the Construction, Forestry, Mining and Energy Union during the year.
- v) Recruitment and training funding was paid to Unite Organising Pty Limited during the year. Total funding of \$0 (2006: \$301,854) was paid.
- vi) Sustentation fees were charged to the following Districts during the year:-

	2007	2006
	\$	\$
Queensland	2,099,218	2,254,215
Northern	1,800,659	1,666,661
South Western	770,796	786,656
NSW Energy	173,270	184,480
Western Australia	140,345	164,198
Victorian	220,060	176,397
Tasmanian	28,314	29,296
South Australia	9,522	7,172
	<u>5,242,184</u>	<u>5,269,075</u>

(c) RELATED PARTY BALANCES

Associated companies

- i) As at balance date there was a loan of \$2,533,256 advanced to Abelshore Pty Limited (2006: \$2,073,847).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

16. KEY MANAGEMENT PERSONNEL REMUNERATION

	2007	2006
	\$	\$
Total Compensation		
- Short Term Benefits	693,311	821,352
- Post Employment Benefits	44,553	47,344
- Long Term Benefits	14,989	104,206
	<u>752,853</u>	<u>972,902</u>

17. ORGANISATION DETAILS

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

18. EVENTS SUBSEQUENT TO BALANCE DATE

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
- (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on 9th day of April 2008 by the Central Council.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

19. JOINT VENTURE AGREEMENT

In accordance with the terms of a joint venture agreement dated 27 May 1991 the Division has acquired land, the cost of which totalled \$1,516,294. This amount has been provided by the other party to the agreement.

The land is provided by the Division to the joint venture, free of charge, for the purpose of coal mining operations. The Joint Venture Agreement provided that certain royalties are payable to the Division in respect of such operations. These royalties are paid to the Mineworker's Trust, (a trust formed to directly or indirectly benefit Mineworker's, their families or dependants). Subject to the retention by the Division of 20% thereof as reimbursement of expenses incurred by the Division.

The Joint Venture and the operation of a related loan account are governed by a series of agreements covering the operations of the joint venture, sales of coal and the operation of a 'Called Sums' loan account.

The economic prosperity of the coal industry, repayment of the previous liability related loan from past performance, and benefits from past capital investments has seen the joint venture providing a cash return to the Division representing its share of 2007 year profits in the amount of \$1,617,738.

The 'value' recognised for the Division's interest in the joint venture includes the interest in Mount Thorely Coal Loading Limited, and Newcastle Coal Shippers Pty Limited. These shares are not separately included in the Financial Report.

At the date of this Report, the value of land is uncertain arising from undeterminable future economic benefit arising from a sale or use of land at the conclusion of the venture. The land is used in the operation of the joint venture, the life of which is not certain, is located in a mining region, and will require restoration. Due to these uncertainties regarding the land and its value, the Division has thought it prudent not to formally recognise a value in the balance sheet.

At 31 December 2007, the Division has a loan amount receivable from the joint venture of \$2,533,256 (2006: \$2,073,847). Under the terms of the joint venture agreement this loan, which was previously a payable amount by the Division, was only repayable under certain conditions. Accordingly this loan in previous years was not included in the Financial Report. As the capital costs that created this loan (upon inception of the joint venture) have now been repaid in full, the Division is entitled to receive distribution payments of their share of joint venture profits and therefore the loan receivable has been formally recognised. [see Note 6 to financial statements]

Under the terms of the joint venture arrangement, the balance of this receivable to the Division may be called upon at any time. The joint venture will be required to undertake substantial environmental restoration costs upon completion of mining activities. Accordingly it is the Executives decision to retain a responsible level of cash within the joint venture to fund the Divisions share of these future restoration costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. FINANCIAL INSTRUMENTS

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

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

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

(a) Interest Rate Risk

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

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING			NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$			
(i) 31 DECEMBER 2007							
Financial Assets							
Cash & Cash Equivalents	6.04	2,548,566	9,997,312	-	753	12,546,631	
Other Financial Assets	7.90	1,442,125	-	-	3,705,529	5,147,654	
Trade & Other Receivables	-	-	-	-	5,166,732	5,166,732	
Total Financial Assets		3,990,691	9,997,312	-	8,873,014	22,861,017	
Financial Liabilities							
Trade & Other Creditors	-	-	-	-	563,650	563,650	
Total Financial Liabilities		-	-	-	563,650	563,650	
(ii) 31 DECEMBER 2006							
	%	\$	\$	\$	\$	\$	
Financial Assets							
Cash & Cash Equivalents	6.20	1,412,638	9,597,397	-	600	11,010,635	
Other Financial Assets	7.52	1,178,626	-	-	3,971,610	5,150,236	
Trade & Other Receivables	-	-	-	-	4,165,010	4,165,010	
Total Financial Assets		2,591,264	9,597,397	-	8,137,220	20,325,881	
Financial Liabilities							
Trade & Other Creditors	-	-	-	-	518,591	518,591	
Total Financial Liabilities		-	-	-	518,591	518,591	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. FINANCIAL INSTRUMENTS

continued

(b) Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, as disclosed in the Balance Sheet and Notes to the Financial Statements.

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

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements. No financial assets or liabilities are readily traded on organised markets in standardised form.

The aggregate net fair values and carrying amounts of financial assets are disclosed in the Balance Sheet and Notes to the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

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

	2007 \$	2006 \$
PROFIT & LOSS DISCLOSURES		
i) ITEMS OF REVENUE		
ACTU Campaign Levy	345,977	330,219
Donations or Grants Income	338,600	350,519
ii) ITEMS OF EXPENSE		
Compulsory levies imposed on the Union	136,710	118,267
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	8,179	55,139
<i>Donations or Grant Expenses.</i>		
• Donations (greater than \$1,000)	1,463,218	366,200
• General Donations (individually less than \$1,000)	2,100	3,816
	<u>1,465,318</u>	<u>370,016</u>
<i>Employee Benefits Expense:</i>		
- Office Holders	646,357	888,618
- Employees (Other than Office Holders)	2,204,936	1,598,811
	<u>2,851,293</u>	<u>2,487,429</u>
<i>Conference & Meeting Expenses:</i>		
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	98,785	134,799
Conference Expenses – National Convention	560,294	37,363
	<u>659,079</u>	<u>172,162</u>
Attendance Fees/Allowances – Conferences & Meetings	55,928	90,588

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE		
<i>continued</i>		
<i>Schedule of Campaign Expenses:</i>		
Alan Klien Case	-	25,000
Appin Collieries	-	930
AWU	5,101	4,180
BHP	3,070	141,625
Coal & Allied	3,495	180,182
Delta Coal	3,439	-
Dyno Nobel	6,270	59,385
Endeavour Coal	37,950	780
General Expenditures	8,811	33,550
MES	-	24,190
Newcrest Mining	-	4,260
PKCT	53,438	20,893
Programmed Maintenance Services	14,000	-
Superannuation Campaign	15,715	20,800
Occupational Health & Safety Campaign	88,451	11,567
Tasmanian Coronial Inquest	14,396	11,510
IR and Long Service Leave Campaign	-	593,765
Ulan Coal	509	-
United Collieries	3,223	28,023
TOTAL	257,868	1,160,640



Australian Government
Australian Industrial Registry

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

Ref: FR2007/538-[105N-MIN]

Mr Peter Murray
General Secretary
Construction, Forestry, Mining and Energy Union-
Mining and Energy Division
1st Floor, 365 Sussex Street
Sydney NSW 2000

Dear Mr Murray

Financial Return - year ending 31 December, 2007

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

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

Information on AIRC Website

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

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

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

Complying with time limits

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

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

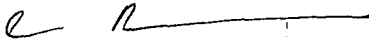
Extensions of Time

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

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized cursive 'e' followed by a horizontal line that ends in a small flourish.

For Deputy Industrial Registrar...
21 January 2008

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

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

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: _____ [*name of designated officer per section 243 of the RAO Schedule*]

Title of Office held:

Signature:

Date:

** Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*², referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*³, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]*³ of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*