



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: FR2006/566-[105N-NDST]

The District Branch Secretary
CFMEU Mining & Energy Division
Northern District Branch
PO Box 364
CESSNOCK NSW 2325

Dear Sir

Financial Return - year ending 31 December, 2006

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



For Deputy Industrial Registrar
17 January 2007

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:

¹RAO 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.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



Ref: FR2006/566 -[105N-NDST]

Mr Grahame Kelly
District Secretary
CFMEU Mining and Energy Division
Northern District Branch
PO Box 364
CESSNOCK NSW 2325

Dear Mr Kelly

**Re: Construction, Forestry, Mining and Energy Union-Mining and Energy Division Northern District Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

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

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2006. For details of these provisions and organisations' financial reporting obligations please refer to the Registry's earlier correspondence.

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

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

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

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **17 July, 2007.**

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

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

In the absence of lodgement of a copy of the full report, I request you state in writing by **8 August, 2007:**

- whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report

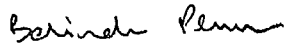
¹ Schedule 1B of the Workplace Relations Act 1996

- whether the committee of management has prepared the operating report
- whether the full report has been provided to members, and if so, when
- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when
- when a copy of the full report will be lodged in the Industrial Registry.

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

If you wish to discuss this letter, please contact me on (02) 8374 6618. In reply please quote: **FR2006/566**.

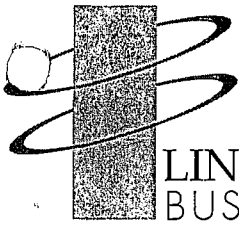
Yours sincerely



Belinda Penna

E-mail: belinda.penna@air.gov.au

18 July, 2007



LINDBECK PARTNERS
BUSINESS SOLUTIONS

B N Lindbeck Pty Limited ACN 079 130 000

ABN 99 839 215 857

29 June 2007

Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir

RE: CFMEU MINING & ENERGY UNION NORTHERN DISTRICT BRANCH

I enclose herewith documents for the abovementioned in respect of the year ended 31 December 2006.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Regards

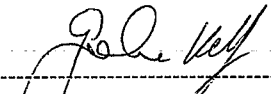
LINDBECK PARTNERS



CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, GRAHAME KELLY being the Secretary of the Construction, Forestry, Mining and Energy Union, Mining & Energy Division, Northern District Branch 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 31 May 2007 and
- That the full report was presented to a meeting of the last of a series of general meetings of members of the reporting unit on 21 June 2007 in accordance with section 266 of the RAO Schedule.



GRAHAME KELLY

DATE: 30-7-07

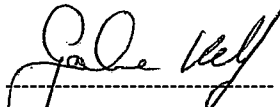
COMMITTEE OF MANAGERMENTS' STATEMENT

On 31 May 2007 the Committee of Management of the Construction Forestry Mining and Energy Union, Mining & Energy Division, Northern District Branch ('Union'), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union for the year ended 31 December 2006.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31 December 2006;
- (d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2006 and since the end of the financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the Union have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the Union or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Committee of Management:



GRAHAME KELLY

31 May 2007

OPERATING REPORT

This Operating Report covers the activities of the Construction Forestry Mining and Energy Union, Northern District Branch, for the year ended 31 December 2006, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Union

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the National Executive and National Council.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and assistance to Lodges on planning and resourcing campaigns.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the Union, and responding to other Unions' rules applications where they impact on membership of the CFMEU Northern District.
- The administration of Federal and State Awards, the variation of Awards following major test cases (such as living wage) and making applications to vary Federal and State Awards on behalf of the Lodges.
- Manage and control the occupational health and safety issues of the Northern District which include, but are not limited to:
 - workers compensation
 - rehabilitation
 - workplace safety

2. Results of Activities

The net profit for the year after income tax income tax was \$ 2,107,979 (2005 \$409,707). The increase is due to the Union's share of joint venture profit of \$344,323 (2005 loss \$473,915) and the profit on disposal of investments by the Union of \$994,125.

3. Significant Changes

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

Significant changes in the financial affairs of the Union include a rise in the income from member contributions during the year of 11.3% due to increased membership and interest income of 29% due to the continued investment of the proceeds from the sale of the Union's other investments.

4. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 5 of the Union Rules, (and Section 174 of the Workplace Relations Act); namely, by providing written notice addressed and delivered to the Secretary of the relevant Lodge.

5. Superannuation Trustees

Grahame Kelly is an officer of the Union and is a Trustee and Member of the Board of Directors of AUSCOAL Superannuation Fund.

6. Membership of the Union

There were 5,523 members of the union as at 31 December 2006.

7. Employees of Union

As at 31 December 2006, the Union employed 15 full time and 0 part time employees (2005 14 full time and 0 part time employees)

8. Committee of Management

The following persons were members of the Committee of Management during the year ended 31 December 2006;

| | |
|-----------------|---------------------|
| Robert Barker | 01.01.05 - 06.07.06 |
| Grahame Kelly | 01.01.06 - 31.12.06 |
| Ian Murray | 01.01.06 - 31.12.06 |
| Peter Jordan | 01.01.06 - 31.12.06 |
| Greg Sharp | 01.01.06 - 31.12.06 |
| Ronald Stothard | 01.01.06 - 31.12.06 |
| Keith Shaw | 09.01.06 - 31.12.06 |
| Michael Dunn | 01.01.06 - 31.12.06 |
| Ronald Edwards | 01.01.06 - 31.12.06 |
| Geoffrey Gal | 01.01.06 - 31.12.06 |
| Todd Hardy | 01.01.06 - 31.12.06 |
| David Power | 01.01.06 - 31.12.06 |
| Colin Shaw | 01.01.06 - 31.12.06 |
| Ross Smith | 01.01.06 - 31.12.06 |
| Russell Trappel | 01.01.06 - 31.12.06 |
| Ross Whitaker | 01.01.06 - 31.12.06 |
| Robin Williams | 01.01.06 - 31.12.06 |
| Mark Wilson | 02.08.06 - 31.12.06 |



GRAHAME KELLY, DISTRICT SECRETARY

31 May 2007

AUDITORS REPORT TO MEMBERS OF CONSTRUCTION, FORESTRY, MINING and ENERGY UNION
MINING & ENERGY DIVISION NORTHERN DISTRICT BRANCH

SCOPE

We have audited the general purpose financial report of Construction, Forestry, Mining and Energy Union, Mining & Energy Division Northern District Branch for the year ended 31 December 2006 as set out on pages 5 to 23. The management of the Union is responsible for the preparation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and the Workplace Relations Act 1996 so as to present a view of the Union which is consistent with our understanding of its financial position and the results of its operations and cash flows.

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

AUDIT OPINION

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

In our opinion, the general purpose financial report of Construction Forestry Mining and Energy Union, Mining & Energy Division Northern District Branch is in accordance:

- (a) The Union's financial position as at 31 December 2006 and of its performance and cash flows for the year ended on that date; and
- (b) Applicable Accounting Standards and other mandatory professional reporting requirements.
- (c) The requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

Lindbeck Partners

LINDBECK PARTNERS
Chartered Accountants
300 Main Road
CARDIFF NSW 2285

Bey L

B N Lindbeck
Registered Company Auditor

Dated this 31st day of May 2007

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|--|------|------------------|----------------|
| Revenue | 2 | 7,740,106 | 6,944,549 |
| Other income | | 994,125 | 140,000 |
| Employee benefits expense | | (2,083,724) | (1,954,535) |
| Depreciation expense | | (152,587) | (156,559) |
| Sustentation fees | | (2,849,356) | (2,513,583) |
| Legal & medical fees | | (102,311) | (183,362) |
| All other expenses | | (1,782,597) | (1,392,888) |
| Share of net profit/(loss) of joint ventures | | 344,323 | (473,915) |
| Net Profit Attributable to Members | | <u>2,107,979</u> | <u>409,707</u> |

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 1,505,856 | 2,173,694 |
| Trade and other receivables | 5 | 568,528 | 87,202 |
| Inventories | 6 | 15,513 | 19,196 |
| Financial assets | 7(a) | 14,030,508 | 9,001,527 |
| Other current assets | 8 | 44,257 | 36,539 |
| TOTAL CURRENT ASSETS | | <u>16,164,662</u> | <u>11,318,158</u> |
| NON-CURRENT ASSETS | | | |
| Financial assets | 7(b) | - | 2,133,495 |
| Investments accounted for using equity method | 9 | - | 409,732 |
| Property, plant and equipment | 11 | 1,628,733 | 1,868,947 |
| Investment property | 12 | 1,100,000 | 1,100,000 |
| TOTAL NON-CURRENT ASSETS | | <u>2,728,733</u> | <u>5,512,174</u> |
| TOTAL ASSETS | | <u>18,893,395</u> | <u>16,830,332</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 416,863 | 397,160 |
| Short term provisions | 14 | 619,356 | 650,423 |
| TOTAL CURRENT LIABILITIES | | <u>1,036,219</u> | <u>1,047,583</u> |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 387,222 | 387,222 |
| Long term provisions | 14 | 106,736 | 140,288 |
| TOTAL NON-CURRENT LIABILITIES | | <u>493,958</u> | <u>527,510</u> |
| TOTAL LIABILITIES | | <u>1,530,177</u> | <u>1,575,093</u> |
| NET ASSETS | | <u>17,363,218</u> | <u>15,255,239</u> |
| EQUITY | | | |
| Accumulated Members' Funds | | <u>17,363,218</u> | <u>15,255,239</u> |

The accompanying notes form part of this financial report



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|--|------|-------------------|-------------------|
| Opening Balance as at 1 January | | 15,255,239 | 14,845,532 |
| Net Gains on Available for Sale Financial Assets | | - | - |
| Profit/(Loss) Attributable to Members | | <u>2,107,979</u> | <u>409,707</u> |
| Closing Balance as at 31 December | | <u>17,363,218</u> | <u>15,255,239</u> |

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|-------|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 7,543,159 | 6,876,741 |
| Payments to suppliers and employees | | (7,841,504) | (5,161,318) |
| Interest received | | 785,677 | 610,179 |
| Other investment income received | | 97,012 | 82,787 |
| Net cash inflow from operating activities | 16(b) | <u>584,344</u> | <u>2,408,389</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of plant & equipment | | - | - |
| Proceeds from sale of investment | | 3,892,280 | - |
| Payment for plant & equipment | | (115,481) | (144,460) |
| Payment for investments | | <u>(5,028,981)</u> | <u>(1,962,527)</u> |
| Net cash inflow from investing activities | | <u>(1,252,182)</u> | <u>(2,106,987)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Net cash inflow from financing activities | | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash held | | (667,838) | 301,402 |
| Cash at 1 January 2006 | 16(a) | <u>2,173,694</u> | <u>1,872,292</u> |
| CASH AT 31 DECEMBER 2006 | 16(a) | <u><u>1,505,856</u></u> | <u><u>2,173,694</u></u> |

The accompanying notes form part of this financial report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Basis of Preparation

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

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 & 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 directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group 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 2006**

1. STATEMENT OF SIGNIFICANT 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:

| Class of Fixed Asset | Depreciation Rate |
|--------------------------------|-------------------|
| Buildings | 2.5% |
| Motor vehicles | 22.5% |
| Fixtures, fittings & equipment | 10%-40% |

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) Income Tax

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

(c) 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.

(d) Financial Instruments

Recognition

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

Loans and Receivables

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

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.

(e) Impairment of Assets

At each reporting date, the group 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 group estimates the recoverable amount of cash-generating unit to which the asset belongs.

(f) Inventories

Inventories held for sale

Raw materials and finished goods are carried at the lower of cost allocated and net realisable value.

Net realisable value

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expense of marketing, selling and distribution to customers, are estimated and are deducted to establish net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Interests in Joint Ventures

The Union's share of the assets, liabilities, revenues and expenses of joint venture operations is included in the respective items of the statements of financial performance and financial position. Details of the Union's interests are shown in Note 10.

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

(h) 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.

(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 upon receipt, which is reflective of the timing and nature of the benefits provided to members.

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

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

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

(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 2006**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Comparative Figures

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

(m) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union and its assets that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

| | NOTE | 2006 \$ | 2005 \$ |
|------------------------------------|------|------------------|------------------|
| 2. REVENUE: | | | |
| Operating Activities | | | |
| Membership contributions | | 6,279,617 | 5,639,888 |
| Interest received | 2(a) | 785,677 | 610,179 |
| Investment income | | - | - |
| Medical & legal fees reimbursement | | 145,326 | 232,967 |
| Rents received | | 97,012 | 82,787 |
| Wage subsidy & reimbursement | | 382,392 | 339,511 |
| Other income | | 50,082 | 39,217 |
| | | <u>7,740,106</u> | <u>6,944,549</u> |
| Non-Operating Activities | | | |
| Fair value gains | | - | 140,000 |
| Gain on disposal of assets | | - | - |
| Gain on disposal of investments | | 994,125 | - |
| | | <u>994,125</u> | <u>140,000</u> |
| Total Revenue | | <u>8,734,231</u> | <u>7,084,549</u> |
| (a) Interest revenue from | | | |
| Other related parties | | - | - |
| Other corporations | | 785,677 | 610,179 |
| | | <u>785,677</u> | <u>610,179</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|--|------|-------------------|-------------------|
| 3. RESULT FROM ORDINARY ACTIVITIES EXPENSES: | | | |
| Depreciation of property, plant & equipment | | 152,587 | 156,559 |
| Movement in employee entitlements | | 260,220 | 203,958 |
| Rental expense on operating leases | | 18,187 | 16,958 |
| 4. CASH AND CASH EQUIVALENTS | | | |
| Cash on hand | | 500 | 500 |
| Cash at bank | | 1,505,356 | 2,173,194 |
| | | <u>1,505,856</u> | <u>2,173,694</u> |
| 5. TRADE AND OTHER RECEIVABLES | | | |
| Current | | | |
| Other receivables | | 568,528 | 87,202 |
| | | <u>568,528</u> | <u>87,202</u> |
| 6. INVENTORIES | | | |
| Current | | | |
| At Cost | | | |
| Finished goods | | 15,513 | 19,196 |
| | | <u>15,513</u> | <u>19,196</u> |
| 7. FINANCIAL ASSETS | | | |
| Held to Maturity Financial Assets | (a) | 14,030,508 | 9,001,527 |
| Available for Sale Financial Assets | (b) | - | 2,133,495 |
| | | <u>14,030,508</u> | <u>11,135,022</u> |
| Split As: | | | |
| Current | | 14,030,508 | 9,001,527 |
| Non Current | | - | 2,133,495 |
| | | <u>14,030,508</u> | <u>11,135,022</u> |
| (a) Held-to-maturity Financial Assets Comprise: | | | |
| Term Deposits and Bank Bills held with Financial Institutions. | | <u>14,030,508</u> | <u>9,001,527</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|------|------------|------------------|
| 7. FINANCIAL ASSETS (continued) | | | |
| (b) Available for Sale Financial Assets Comprise: | | | |
| Unlisted Investments at recoverable amount: | | | |
| - Shares in other parties - at cost | | - | 2,133,495 |
| Less: Impairment Provision | | - | - |
| | | <u>-</u> | <u>2,133,495</u> |
| TOTAL AVAILABLE-FOR-SALE ASSETS | | <u>-</u> | <u>2,133,495</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.

| | | | |
|--|----|---------------|----------------|
| 8. OTHER CURRENT ASSETS | | | |
| Prepayments | | <u>44,257</u> | <u>36,539</u> |
| 9. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD | | | |
| Interest in Joint Venture entities | 10 | <u>-</u> | <u>409,732</u> |
| | | <u>-</u> | <u>409,732</u> |
| 10. INTERESTS IN JOINT VENTURES | | | |

Entities

CFMEU Mining & Energy Division Northern District has a 48% interest in the joint venture United Mining Support Services and a 36% interest in Queensland Mining Employment Services which are both involved in the hire of specialised labour to the mining industry. The voting power held is the same as its holding interest

i) Retained earnings attributable to interest in joint ventures

| | | |
|---|----------------|-----------------|
| Balance at the beginning of the financial year | (22,107) | 451,808 |
| - share of joint ventures' profit/(loss) from ordinary activities after tax | 344,323 | (473,915) |
| Balance at the end of the financial year | <u>322,216</u> | <u>(22,107)</u> |

ii) Carrying amount of investment in joint venture entities:

| | | |
|---|------------------|----------------|
| Balance at the beginning of the financial year | 409,732 | 451,808 |
| - share of profit from ordinary activities after income tax | 344,323 | (473,915) |
| - additional investments | - | 431,839 |
| - dividends received | <u>(754,055)</u> | - |
| Balance at the end of the financial year | <u>-</u> | <u>409,732</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|------|-------------------------|-------------------------|
| 10. INTERESTS IN JOINT VENTURES (continued) | | | |
| iii) Share of joint venture entities results and financial position | | | |
| Current assets | | - | 409,732 |
| Non-current assets | | - | - |
| Total assets | | <u>-</u> | <u>409,732</u> |
| Current liabilities | | - | - |
| Non-current liabilities | | - | - |
| Total liabilities | | <u>-</u> | <u>-</u> |
| Revenues | | 344,323 | 507,975 |
| Expenses | | - | 981,890 |
| Profit from ordinary activities before income tax | | <u>344,323</u> | <u>(473,915)</u> |
| Income tax expense | | - | - |
| Profit from ordinary activities after income tax | | <u><u>344,323</u></u> | <u><u>(473,915)</u></u> |
| 11. PROPERTY, PLANT AND EQUIPMENT | | | |
| Land | | | |
| At cost | | <u>197,454</u> | <u>197,454</u> |
| Buildings | | | |
| At cost | | 1,469,907 | 1,469,907 |
| Provision for depreciation | | <u>448,915</u> | <u>412,166</u> |
| TOTAL LAND AND BUILDINGS | | <u><u>1,218,446</u></u> | <u><u>1,255,195</u></u> |
| Furniture & fittings & equipment | | | |
| At cost | | 845,922 | 1,053,295 |
| Provision for depreciation | | <u>637,526</u> | <u>674,994</u> |
| | | <u>208,396</u> | <u>378,301</u> |
| Motor vehicles | | | |
| At cost | | 262,294 | 326,365 |
| Provision for depreciation | | <u>60,403</u> | <u>90,914</u> |
| | | <u>201,891</u> | <u>235,451</u> |
| | | <u><u>1,628,733</u></u> | <u><u>1,868,947</u></u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|------|---------------------------------------|-------------------|
| 11. PROPERTY, PLANT AND EQUIPMENT (continued) | | | |
| Movements in Carrying Amounts | | | |
| Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year: | | | |
| | | Furniture, Fittings & Equipment | Motor Vehicles |
| | | Land | Buildings |
| | | \$ | \$ |
| Balance at Start of Year | | 197,454 | 1,057,741 |
| Additions | | - | - |
| Disposals | | - | - |
| Depreciation/Amortisation | | - | 36,749 |
| Carrying Amount End of Year | | <u>197,454</u> | <u>1,020,992</u> |
| | | <u>378,301</u> | <u>235,451</u> |
| | | <u>211,594</u> | <u>152,695</u> |
| | | <u>61,059</u> | <u>54,780</u> |
| | | <u>208,396</u> | <u>1,628,733</u> |

12. INVESTMENT PROPERTY

| | | |
|------------------------------|------------------|------------------|
| Balance at beginning of year | 1,100,000 | 960,000 |
| Acquisitions | - | - |
| Fair value adjustments | - | 140,000 |
| Balance at end of year | <u>1,100,000</u> | <u>1,100,000</u> |

The fair value model is applied to all investment property. Investment properties are independently revalued at least every three years. Values are based on an active liquid market value and are performed by a registered independent valuer. Directors' valuations are prepared at each balance date where an independent valuation has not been obtained.

13. TRADE AND OTHER PAYABLE

| | | |
|---------------|----------------|----------------|
| Current | | |
| Payables | 381,421 | 361,075 |
| GST liability | 35,442 | 36,085 |
| | <u>416,863</u> | <u>397,160</u> |
| Non-Current | | |
| Payables | <u>387,222</u> | <u>387,222</u> |
| | <u>387,222</u> | <u>387,222</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ | | |
|---|------|--|----------------------------|---|----------------|
| 14. PROVISIONS | | | | | |
| | | Provision for Annual Leave \$ | Provision For LSL \$ | Other Employee Entitlements \$ | Total \$ |
| Opening balance at 1 January 2006 | | 380,278 | 140,288 | 270,145 | 790,711 |
| Additional provisions | | 167,756 | 23,984 | 68,480 | 260,220 |
| Amounts used | | (166,030) | (57,536) | (101,273) | (324,839) |
| Balance at 31 December 2006 | | <u>382,004</u> | <u>106,736</u> | <u>237,352</u> | <u>726,092</u> |
| (a) Analysis of ageing of provisions | | | | | |
| Current | | | | 619,356 | 650,423 |
| Non-current | | | | <u>106,736</u> | <u>140,288</u> |
| | | | | <u>726,092</u> | <u>790,711</u> |
| (b) Number of employees at balance date | | | | 15 | 14 |
| (c) Total employee benefits attributable to: | | | | | |
| Officeholders | | | | 475,441 | 496,386 |
| Staff | | | | <u>250,651</u> | <u>294,325</u> |
| | | | | <u>726,092</u> | <u>790,711</u> |
| 15. CAPITAL AND LEASING COMMITMENTS | | | | | |
| (a) OPERATING LEASE COMMITMENTS | | | | | |
| An operating lease commitment exists in respect of the lease of printers/photocopiers. The maximum amount committed is as follows: | | | | | |
| The total operating lease commitment is: | | | | | |
| Due within 1 year | | | | 19,647 | 7,938 |
| Due within 1-2 years | | | | 34,382 | - |
| Due within 2-5 years | | | | - | - |
| | | | | <u>54,029</u> | <u>7,938</u> |
| (b) CAPITAL EXPENDITURE COMMITMENTS | | | | | |
| Capital expenditure commitments contracted for at balance date | | | | | |
| | | | | - | - |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|---|------|-------------------------|-------------------------|
| 16. 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 Statement of Financial Position as follows: | | | |
| Cash | 4 | <u>1,505,856</u> | <u>2,173,694</u> |
| BALANCE PER STATEMENT OF CASH FLOWS | | <u>1,505,856</u> | <u>2,173,694</u> |
| (b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES | | | |
| Operating Surplus for the Year | | <u>2,107,979</u> | <u>409,707</u> |
| Depreciation | | 152,587 | 156,559 |
| (Profit)/Loss on disposal of property, plant & equipment | | 77,000 | 31,855 |
| Non recurring (profit)/loss on sale of investment | | (994,125) | - |
| Share of Joint Venture entities net (profit)/loss | | (344,323) | 473,915 |
| Fair value (gain)/loss | | - | (140,000) |
| Donation of equipment | | 126,108 | - |
| Changes in Assets and Liabilities | | | |
| (Increase)/Decrease in debtors | | (491,931) | 1,460,964 |
| (Increase)/Decrease in inventories | | 3,683 | (19,196) |
| (Increase)/Decrease in prepayments | | (7,718) | 20,277 |
| Increase/(Decrease) in creditors | | 19,703 | 45,520 |
| Increase/(Decrease) in employee provisions | | (64,619) | (31,212) |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | <u>584,344</u> | <u>2,408,389</u> |
| (c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES | | | |
| Standby arrangements with the Union's bankers to provide funds and support facilities comprise: | | | |
| Other Short-Term Credit | | | |
| • Limit | | - | - |
| • Amount utilised | | - | - |
| UNUSED CREDIT FACILITY | | <u>-</u> | <u>-</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | | | NOTE | 2006 \$ | 2005 \$ |
|------------------------------------|------------------------------|---------------------------|----------------------|----------------------------|-------------------|
| 17. FINANCIAL INSTRUMENTS | | | | | |
| | Floating Interest Rate | Fixed Interest Rate | | Non Interest Bearing | Total |
| | | 1 year or less | Over 1 to 5 years | | |
| | \$ | \$ | \$ | \$ | \$ |
| 31 December 2006 | | | | | |
| Financial Assets | | | | | |
| Cash | 1,505,856 | - | - | 500 | 1,506,356 |
| Receivables | - | - | - | 579,133 | 579,133 |
| Investments | - | 14,030,508 | - | - | 14,030,508 |
| | <u>1,505,856</u> | <u>14,030,508</u> | <u>-</u> | <u>579,633</u> | <u>16,115,997</u> |
| Weighted average interest | 4.47% | 6.45% | | | |
| Financial Liabilities | | | | | |
| Payables | - | - | - | 804,085 | 804,085 |
| Net financial assets/(liabilities) | <u>1,505,856</u> | <u>14,030,508</u> | <u>-</u> | <u>(224,452)</u> | <u>15,311,912</u> |
| 31 December 2005 | | | | | |
| Financial Assets | | | | | |
| Cash | 2,173,194 | - | - | 500 | 2,173,694 |
| Receivables | - | - | - | 87,202 | 87,202 |
| Investments | - | 9,001,527 | - | 2,133,495 | 11,135,022 |
| | <u>2,173,194</u> | <u>9,001,527</u> | <u>-</u> | <u>2,221,197</u> | <u>13,395,918</u> |
| Weighted average interest | 4.32% | 5.69% | | | |
| Financial Liabilities | | | | | |
| Payables | - | - | - | 784,382 | 784,382 |
| Net financial assets/(liabilities) | <u>2,173,194</u> | <u>9,001,527</u> | <u>-</u> | <u>1,436,815</u> | <u>12,611,536</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | |
|------|------|
| 2006 | 2005 |
| \$ | \$ |

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

- Mr Ian Murray - President
- Mr Grahame Kelly - Secretary
- Mr Peter Jordan - Vice President
- Mr Ronald Stothard
- Mr Gregory Sharp
- Mr Keith Shaw

Persons holding honorary positions as members of the Committee of Management during the year:

- | | |
|----------------|-----------------|
| Michael Dunn | Ross Smith |
| Ronald Edwards | Russell Trappel |
| Geoffrey Gal | Ross Whitaker |
| Todd Hardy | Robin Williams |
| David Power | Mark Wilson |
| Colin Shaw | |

(b) RELATED PARTY TRANSACTIONS

Sustentation fees paid to the Construction Forestry Mining and Energy Union, Mining & Energy Division, Federal Office during the year totalled \$2,849,356 (2005: \$2,513,583).

19. SALARIES

The following analysis of salaries paid during the year is given in compliance with the requirements of the Workplace Relations Act, 1996:

| | | |
|------------------------|-----------|-----------|
| Paid to office holders | 909,194 | 819,280 |
| Paid to employees | 418,357 | 412,113 |
| | 1,327,551 | 1,231,393 |

20. AUDITORS' REMUNERATION

Amounts received, or due and receivable by the auditors for:

| | | |
|------------------|--------|--------|
| • Auditing | 26,500 | 24,900 |
| • Other services | 32,650 | 29,100 |
| TOTAL | 59,150 | 54,000 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| 2006 | 2005 |
|------|------|
| \$ | \$ |

21. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principal place of business of the Union is: 67A Aberdare Road Aberdare NSW 2325

22. 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 31 May 2007 by the Committee of Management.

24. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272 of the RAO Schedule, the attention of members is drawn to the following:

- (1) A member of the Union, or a Registrar, may apply to the Union for specified prescribed information in relation to the Union 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 Union
- (3) The Union must comply with an application made under subsection (1).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | 2006 | 2005 |
|--|------------------|------------------|
| | \$ | \$ |
| 25. 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: | | |
| i) INCOME STATEMENT | | |
| ITEMS OF REVENUE | | |
| Compulsory levies raised from members or appeals for voluntary contributions: | | |
| - CFMEU National Assistance Fund | 1,226,980 | 1,084,037 |
| Donations or Grants Income | - | - |
| ITEMS OF EXPENSE | | |
| Expenses paid to employers for payroll deduction costs incurred relating to membership contributions. | - | - |
| Affiliation fees/subscriptions to organisations with an interest in industrial matters. | 29,107 | 19,560 |
| Compulsory levies imposed on the Union. | - | - |
| Donations or Grant Expenses. | 154,693 | 61,828 |
| Employee Benefits Expense: | | |
| - Office Holders | 909,194 | 819,280 |
| - Employees (Other than Office Holders) | 418,357 | 412,113 |
| | <u>1,327,551</u> | <u>1,231,393</u> |
| Attendance Fees/Allowances – Conferences and Meetings | - | 1,795 |
| Legal Costs and Related Expenses | 56,120 | 10,044 |
| Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible. | 58,800 | 54,800 |
| Penalties imposed under the Act or Regulations. | - | - |
| OTHER BALANCES | | |
| Transfers (from)/to a fund or account kept for specific purposes: | | |
| - CFMEU National Assistance Fund | 1,226,980 | 1,084,037 |

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|--|------|------------------|------------------|
| INCOME | | | |
| Contributions | | 6,279,617 | 5,639,888 |
| Fair value gain | | - | 140,000 |
| Interest received | | 785,677 | 610,179 |
| Investment income | | - | - |
| Rents received and building outgoings | | 97,012 | 82,787 |
| Medical & legal fees reimbursements | | 145,326 | 232,967 |
| Profit on disposal of non-current assets | | - | - |
| Share of Joint Venture income | | 344,323 | (473,915) |
| Wage subsidy & reimbursement | | 382,392 | 339,511 |
| Sundry Income | | 50,082 | 39,217 |
| TOTAL INCOME | | 8,084,429 | 6,610,634 |
| EXPENDITURE | | | |
| Accountancy fees | | 1,529 | 1,810 |
| Advertising | | - | 2,197 |
| Affiliation fees | | 29,107 | 19,560 |
| Audit fees | 20 | 59,150 | 54,000 |
| Bank fees & charges | | 3,747 | 3,457 |
| Board of management expenses | | 36,538 | 26,445 |
| Cleaning expenses | | 36,324 | 50,727 |
| Delegates & members expenses | | 260,562 | 245,344 |
| Depreciation | | 152,587 | 156,559 |
| Donations | | 154,693 | 61,828 |
| Electricity | | 19,652 | 15,480 |
| Fringe benefits tax | | 28,812 | 63,206 |
| Functions & entertainment | | 17,618 | 14,617 |
| Funeral benefits expenses | | 192,008 | 192,831 |
| Hire of plant & equipment | | 18,187 | 16,958 |
| Honorariums | | 58,012 | 60,851 |
| Insurance | | 54,539 | 37,465 |
| Internet expenses | | 2,594 | 2,894 |
| Legal fees | | 56,120 | 10,044 |
| Loss on disposal of fixed assets | | 77,000 | 31,855 |
| Medical expenses | | 46,191 | 173,318 |
| Motor vehicle expenses | | 66,074 | 56,170 |
| Payroll tax | | 139,117 | 134,275 |
| Postage, printing & stationery | | 27,741 | 29,049 |
| Provision for annual leave & sick leave | | 236,236 | 194,459 |
| Provision for long service leave | | 23,984 | 9,499 |
| Provision for LSL trf to Central | | 70,894 | - |
| Rates | | 18,221 | 18,218 |
| Repairs & maintenance | | 69,461 | 49,590 |
| Salaries & wages | | 1,327,551 | 1,231,393 |
| Brought forward over page | | 3,284,249 | 2,964,099 |

The accompanying notes form part of this financial report

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2006**

| | NOTE | 2006 \$ | 2005 \$ |
|--|------|------------------|------------------|
| EXPENDITURE (Continued) | | | |
| Carried over from previous page | | <u>3,284,249</u> | <u>2,964,099</u> |
| Security services | | 5,151 | 4,559 |
| Special levy payments | | 172,000 | 34,500 |
| Staff amenities | | 4,196 | 1,826 |
| Staff training | | 2,476 | 2,332 |
| Subscriptions | | 10,871 | 9,525 |
| Superannuation | | 356,836 | 384,909 |
| Sustentation fees | | 2,849,356 | 2,513,583 |
| Telephone | | 111,188 | 111,338 |
| Travel & accommodation | | 65,460 | 83,275 |
| General office expenses | | 108,792 | 90,981 |
| TOTAL EXPENDITURE | | <u>6,970,575</u> | <u>6,200,927</u> |
| OPERATING SURPLUS FOR THE YEAR BEFORE NON RECURRING ITEMS | | <u>1,113,854</u> | <u>409,707</u> |
| NON RECURRING ITEMS | | | |
| Profit on disposal of investments | | <u>994,125</u> | <u>-</u> |
| | | <u>994,125</u> | <u>-</u> |
| OPERATING SURPLUS FOR THE YEAR AFTER NON RECURRING ITEMS | | <u>2,107,979</u> | <u>409,707</u> |

The accompanying notes form part of this financial report



Australian Government
Australian Industrial Registry

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Email: sydney@air.gov.au

Mr Grahame Kelly
Secretary, Northern District Branch, Mining and Energy Division
Construction, Forestry, Mining and Energy Union
PO Box 364
CESSNOCK NSW 2325

Dear Mr Kelly

**Re: Lodgement of Financial Statements and Accounts – Mining and Energy Division,
Northern District Branch – for year ending 31 December 2006 (FR2006/566)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 2 August 2007.

The documents have been filed.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

7 August 2007