



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: FR2007/260-[105N-QDST]

Mr James Valery
District Secretary
CFMEU Mining and Energy Division
Queensland District Branch
PO Box 508
SPRING HILL QLD 4004

Dear Mr Valery

Financial Return - year ending 30 June, 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.

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
18 July, 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: FR2007/260 -[105N-QDST]

Mr James Valery
District Secretary
CFMEU - Mining and Energy Division
Queensland District Branch
PO Box 508
SPRING HILL QLD 4004

Dear Mr Valery

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

The Accounts and Audit Part of Schedule 1 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 30 June, 2007. 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 **14 January, 2008.**

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 **11 February, 2008:**

- 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 1 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: **FR2007/260.**

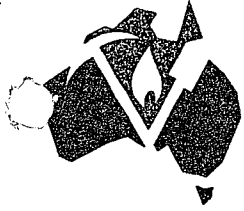
Yours sincerely



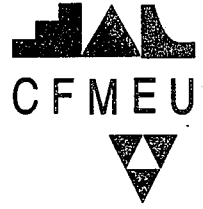
Belinda Penna

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

21 January, 2008



Construction, Forestry, Mining & Energy Union



Mining & Energy Division
Queensland District Branch
ABN 73 089 711 903

Phone: (07) 3839 8588
Fax: (07) 3839 8404

Level 2
61 Bowen Street,
SPRING HILL, QLD 4000

P.O. Box 508
SPRING HILL
QLD 4004

21st January 2008

The Registrar
Australian Industrial Registry
Level 8, Terrace Towers
80 William Street
East Sydney, NSW 2011

Dear Sirs,

CFMEU (Mining & Energy) Qld Branch
Financial Year Ended 30.06.2007
Ref: FR2007/260-(105N-QDST)

We enclose the following for the Financial Year Ended 30.06.2007:

- (1) Audited Financial Report - Full Report as presented at the First and Second Meetings
- (2) Statement of the Union's Loans, Grants and Donations:

Yours Faithfully

James Valery
Secretary



ORIGINAL

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch
ABN 73 089 711 903

Financial Report for the Financial Year Ended
30 June 2007

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

30th June 2007

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**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Committee of Management Statement
Workplace Relations Act 1996**

On 4th December 2007, the Committee of Management of the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland District Branch passed the following resolution in relation to the general purpose financial report (GPRF) of the reporting unit for the financial year ended 30 June 2007.

The Committee of Management declares in relation to the GPRF 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 organisation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the 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) the Committee of Management is unable to express an opinion on whether its financial records "have been kept, as far as practical, in a consistent manner to each of the other reporting units of the organization" The Committee of Management is not aware of the current internal accounting systems and procedures in place of other states reporting units of the organization; and

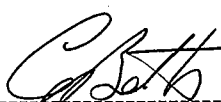
**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903


**Committee of Management Statement
Workplace Relations Act 1996**

- (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.
- (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 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 reimbursement 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:



Gregory James Betts
(President)



James Lawrence Valery
(Secretary)

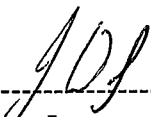
Dated at Brisbane this 4th Day of December, 2007.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Certificate of Secretary
s268 of Schedule 1B Workplace Relations Act 1996**

I, James Lawrence Valery being the Secretary of the Construction, Forestry, Mining & Energy Union, Mining & Energy Division, Queensland 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 the Board of Management Members on 2nd November 2007 (First Meeting)
- that the full report was further presented at the annual general meeting on 4th December 2007; in accordance with section 266 of the RAO Schedule; (Second Meeting)
- The full report (as presented to the second meeting) is distributed to members and will be presented to the Queensland membership by way of a series of meetings in accordance with the Union's Rules. The last of these meetings will be in the last week of February 2008.



James Lawrence Valery
(Secretary)

Dated at Brisbane this 4th Day of December, 2007.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Operating Report
Workplace Relations Act 1996**

Principal Activities

The principal activities of the organisation were:

- To improve the conditions and to protect the interest of the members of the District Branch.
- To uphold the rules of the District Branch and to regulate the conditions under which members may be employed.
- To obtain legislative enactments for the more efficient management of monies, whereby the lives and health of miners may be preserved and, if necessary, to take steps to obtain compensation for accidents where employers are liable.
- To secure and maintain an effective general agreement between the members of the Union and their employers embodying rates, wages and conditions, to be settled by mutual agreement or by arbitration.

The profit from ordinary activities of the organisation was \$1,493,048 (2006: \$1,480,751). There have been no significant changes to the activities or the financial affairs of the organisation.

Member's rights


Members of the organisation have the right to resign from the organisation under section 174 of the RAO Schedule.

Other Information:

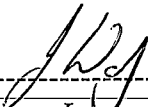
- The Number of members of the branch was 7,234.
- The number of employees of the branch including full and part-time members was 245 (as reported on the PAYG Payment Summary).
- Superannuation Trustee – Gregory James Betts

Committee of Management-Names:

- | Committee of Management-Names: | Period Covered: |
|---------------------------------------|--------------------------------|
| - John Gage | Full Year Committee Member |
| - Barry Spillman | Full Year Committee Member |
| - Bernard Moschioni | Full Year Committee Member |
| - Shane Brunner | Full Year Committee Member |
| - Martin Crane | Full Year Committee Member |
| - Peter Macpherson | Full Year Committee Member |
| - Glen Power | Committee Member till 29.01.07 |
| - Andrew Curtis | Full Year Committee Member |
| - Frank Baker | Full Year Committee Member |



Gregory James Betts
(President)



James Lawrence Valery
(Secretary)

Dated at Brisbane this 4th Day of December, 2007.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Income Statement
for the Year Ended 30 June 2007**

	<u>Notes</u>	2007 \$	2006 \$
<i>Revenue from Ordinary Activities</i>			
Membership Dues		9,057,428	8,659,975
<i>Expenses Recouped</i>			
Union Check Inspectors		24,000	24,000
Sales - Union Merchandise		6,901	11,196
Interest Received		757,044	621,557
Revenue - Sale of Plant and Equipment	5	128,635	27,456
Investment Income		27,636	14,551
Directors Fees		40,609	44,859
Levies Received – Legal and Assistance		782,091	695,585
Interest Received – Legal and Assistance		54,056	54,243
		-----	-----
Total Revenue		\$10,878,400	\$10,153,422
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Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Income Statement
for the Year Ended 30 June 2007**

	<u>Notes</u>	2007 \$	2006 \$
<i>Expenses from Ordinary Activities</i>			
Advertising		24,613	18,834
Affiliation Fees			
Australian Labour Party		32,507	30,404
Others		36,422	30,964
Banner/Signage Costs		960	2,638
Bank Charges		9,832	8,941
Cleaning and Pest Control		45,212	38,606
Computer Maintenance		82,246	59,960
Credit Card Charges		2,678	2,333
Depreciation	1b, 5	252,926	212,248
Donations		639,428	407,865
Doubtful Debts-No Longer Needed		-	(23,000)
<i>Dues</i>			
Federal Body		2,371,288	2,318,850
Election Costs		51,585	-
Electricity & Power		28,511	29,025
Executive Honoraria		40,084	11,825
<i>Functions & Hospitality</i>			
District Office		21,097	16,101
Lodges		247,510	249,695
Fringe Benefits Tax		14,926	54,738
<i>Insurance</i>			
Property, Plant and Equipment		36,809	32,045
Workers Compensation		4,409	6,152
Leasing Costs - Operating	1h	58,616	56,304
Loans Written Off		3,000	-
Expense - Sale of Plant and Equipment		136,339	75,256
Lodge Closure Expenditure		41,706	53,975
May / Picnic Day		117,191	135,332
<i>Meeting & Conference Expenses</i>			
District Office		18,966	4,031
Wages - Officers (Lodges)		279,552	273,448
Wages - BOM (Board of Management)		41,580	18,910
Wages - Other		58,072	27,972
Travel Allowances - Officers		191,274	194,263
Travel Allowances - Board of Management		6,335	9,062

Notes to the financial statements are included on pages 15 - 34

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch

ABN 73 089 711 903
Income Statement
for the Year Ended 30 June 2007

<u>Notes</u>	2007	2006
	\$	\$
<i>Expenses from Ordinary Activities (Cont'd)</i>		
<i>Meeting & Conference Expenses- cont'd</i>		
Travel Allowances - Other	30,659	10,620
Travel Costs - Officers	325,995	309,637
Travel Costs – Board of Management	12,444	12,325
Travel Costs - Other	1,829	583
Seminars & Training Courses	107,002	145,675
Hire of Venue	7,057	5,741
Motor Vehicle Expenses	67,121	67,403
Office Requirements	38,152	38,909
Parking Costs	5,755	4,928
Payroll Tax	78,569	95,961
Picket Line Costs	75,340	23,173
Postage, Printing & Stationery	96,314	96,200
<i>Professional Costs</i>		
Auditors Remuneration	4b 48,166	45,258
Legal Expenses	4b -	9,601
<i>Provision Movements - Employee Entitlements</i>		
Annual Leave	10a 27,818	(53,556)
Sick Leave	10a 43,400	4,760
Long Service Leave	10a (6,047)	24,063
Annual & Sick Leave transfer to Federal Body	-	39,438
<i>Purchases</i>		
Union Merchandise and Books	181,707	195,545
Acts, Awards, etc	521	795
Rates & Land Tax	31,983	33,025
<i>Rental Costs</i>		
Head Office – Depreciation recoupment	71,761	60,302
Regional Offices	28,052	29,054
Recruitment of Staff Costs	572	1,401
Relocations Costs-Union Officials	14,706	-
Repairs & Maintenance	37,620	86,084
Retirement Gifts & Parties	76,402	58,832
<i>Salaries & Wages (District Office)</i>		
Officers	1,099,628	1,122,938
Prior Year Adjustments	-	80,014
Office Staff	714,865	540,504
Security Costs	3,030	3,528

Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

**ABN 73 089 711 903
Income Statement
for the Year Ended 30 June 2007**

	2007	2006
<u>Notes</u>	\$	\$
<i>Expenses from Ordinary Activities (Cont'd)</i>		
Staff Amenities	5,516	6,508
Subscriptions & Periodicals	30,431	31,352
<i>Superannuation Cont - Statutory</i>		
Officers	94,675	86,233
Staff	90,167	76,022
<i>Superannuation Cont - Non Statutory</i>		
Officers	35,043	35,338
Staff	46,497	38,787
Telephone & Facsimile	302,050	296,407
Wreaths & Tributes	4,625	10,135
Legal and Assistance Fund Expenses	660,253	642,371
Total Expenses	\$9,385,352	\$8,672,671
Profit from Ordinary Activities	\$1,493,048	\$1,480,751

Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903
**Statement of Changes in Equity
for the Year Ended 30 June 2007**

	2007	2006
<u>Notes</u>	\$	\$
<i>Profit from Ordinary Activities</i>	1,493,048	1,480,751
 <i>Other Transfers & Appropriations</i>		
Accumulated General Funds		
Beginning of Year	10,348,949	8,975,655
Transfer of Reserves from / (to):		
Legal and Assistance Reserve	7 (175,894)	(107,457)
	-----	-----
<i>Accumulated General Fund - End of Year</i>	\$11,666,103	\$10,348,949
	=====	=====

Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Balance Sheet
as at 30 June 2007**

	<u>Notes</u>	2007 \$	2006 \$
<i>Current Assets</i>			
Cash on Hand		884	1,080
Cash at Bank		13,601,322	12,442,425
Receivables	6	713,640	643,428
Investments	8	178,666	151,494
		-----	-----
<i>Total Current Assets</i>		14,494,512	13,238,427
		-----	-----
<i>Non-Current Assets</i>			
Investments	8	79,003	70,002
Receivables	6	57,986	57,986
Property, Plant & Equipment	5	923,765	736,993
		-----	-----
<i>Total Non-Current Assets</i>		1,060,754	864,981
		-----	-----
<i>Total Assets</i>		\$15,555,266	\$14,103,408
		=====	=====
<i>Current Liabilities</i>			
Accounts Payable	9	2,087,429	2,193,790
Provision for employee entitlements	10	629,943	564,772
		-----	-----
<i>Total Liabilities</i>		\$2,717,372	\$2,758,562
		=====	=====
<i>Net Assets</i>		\$12,837,894	\$11,344,846
		=====	=====

Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

**Balance Sheet
as at 30 June 2007**

	<u>Notes</u>	2007 \$	2006 \$
<i>Members' Funds</i>			
Accumulated General Fund		11,666,103	10,348,949
Reserves	7	1,171,791	995,897
		-----	-----
Total Members' Funds		\$12,837,894	\$11,344,846
		=====	=====

Notes to the financial statements are included on pages 15 - 34

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch
ABN 73 089 711 903
Cash Flow Statement
for the Year Ended 30 June 2007

	<u>Note</u>	2007	2006
		\$	\$
<i>Cash Flow from Operating Activities:</i>			
Receipts for Membership Dues		10,003,502	9,444,992
Payments to Creditors and Employees		(8,895,692)	(8,243,922)
Interest Received		631,287	716,184
Expenses Recouped		24,000	24,000
Sale of CFMEU Merchandise and Books		6,901	11,196
Other Income		68,245	86,866
		-----	-----
Net cash provided by / (used in) operating activities	19(b)	<u><u>\$1,838,243</u></u>	<u><u>\$2,039,316</u></u>
<i>Cash Flow from Investing Activities:</i>			
Proceeds from Sale of Property, Plant and Equipment		128,635	27,456
Payments for Property, Plant and Equipment		(568,333)	(290,996)
Sale of Investments		-	100,000
Purchase of Investments		(36,173)	(151,494)
		-----	-----
Net cash provided by / (used in) investing activities		<u><u>(\$475,871)</u></u>	<u><u>(\$315,034)</u></u>
<i>Cash Flow from Financing Activities:</i>			
Loan to members		(50,724)	(26,489)
Repayment by members		31,506	26,417
		-----	-----
Net cash provided by / (used in) financing activities		<u><u>(\$19,218)</u></u>	<u><u>(\$72)</u></u>
		-----	-----
Net (Decrease) / Increase in Cash Held		1,158,701	1,747,211
Cash at Beginning of Year		12,443,505	10,696,294
		-----	-----
<i>Cash at End of Year</i>	19(a)	<u><u>\$13,602,206</u></u>	<u><u>\$12,443,505</u></u>

Notes to the financial statements are included on pages 15 - 34

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. *Statement of Significant Accounting Policies*

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, Workplace Relations Act 1996 and Regulations and other requirements of law.

(b) Compliance with IFRSs

Australian Accounting Standards include AIFRSs. Compliance with AIFRS ensures that the consolidated financial statements and notes comply with International Financial Reporting Standards (IFRSs).

(c) Principles of Preparation of the Financial Statements

These Financial Statements have been prepared by combining the financial information and results of the District Office and all Queensland Lodges.

In preparing these Financial Statements, all transactions and balances between these parties are eliminated.

The financial report has been prepared on an accruals basis and is based on historical costs and except where stated, does not take into account changing money values or current valuation of non-current assets. Cost is based on the fair values of the consideration in exchange for assets.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. Statement of Accounting Policies (cont'd)

(d) Property, plant and equipment

Land and Buildings (except for investment properties) are shown at fair value, based on valuations by external independent valuers on a four yearly basis as per Union Policy, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 costs of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Buildings	25 – 40 years
- Machinery	10 – 15 years
- Vehicles	3 – 5 years
- Furniture, fittings and equipment	3 – 8 years
- Leasehold improvements	10 years

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

An asset's 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 carrying amounts. These are included in the income statement. When revalued assets are sold, it is Union policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. Statement of Accounting Policies (cont'd)

(e) Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 120 days from the date of recognition.

Collectibility of trade receivables is reviewed on an on going basis. Debts, which are known to be uncollectible, are written off. A provision for doubtful receivables is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(f) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the executive to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Dividends and Interest is taken to income on an accrual basis. Investments in associates have been accounted for under the equity method in the Financial Statements.

(g) Trade and other payable

These amounts represent liabilities for goods and services provided to the union prior to the end of financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Income Tax

No liability exists for Income Tax as the organisation, as a Trade Union, is exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997. It is, however, liable for Fringe Benefits Tax under the Fringe Benefits Tax Assessment Act 1986.

(i) Leased Assets

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Payments made under operating lease (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. Summary of Accounting Policies (cont'd)

(j) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition.

(k) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts (if any) are shown within borrowings in current liabilities on the balance sheet

(l) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. Summary of Accounting Policies (cont'd)

(m) Revenue

Membership revenue is recognised on an accrual basis. The amount recognised as a receivable represents cash received until 30 September 2007 that relates to the 2007 financial year.

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Union reduces the carrying amount to its receivable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Dividends are recognised as revenue when the right to receive payment is established.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received.

(n) Revaluation of non current assets

Subsequent of initial recognition as assets, land and buildings, including those classified as investment properties, are measured at fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arms length transactions. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building doesn't differ materially from its fair value at the reporting date. Annual assessment is done by the Committee of Management, supplemented by independent assessment at least every four years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised immediately as an expense in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited to asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non current assets, but not otherwise.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

1. Summary of Accounting Policies (cont'd)

(o) Financial instrument transaction costs

The union has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. The union has applied previous Australian GAAP (AGAAP) in the comparative information on financial instruments within the scope of AASB 132 and AASB 139. Under previous AGAAP transaction costs were excluded from the amounts disclosed in the financial statements. Under AIFRS such costs are included in the carrying amounts, except for financial assets or liabilities that are measured at fair value through profit or loss. At the date of transition to AASB 132 and AASB 139 the adjustment to carrying amounts for the Union was immaterial.

(p) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the costs of acquisition of the asset or as part of the expenses.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

**2. *Workplace Relations Act 1996*
*Information to be provided to members***

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 the RAO Schedule which read as follows:

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

**3. *Workplace Relations Act 1996*
*Copies of Audited Financial Statements to be provided to members***

The organisation has already and will provide a copy of the Financial Statements free of charge to any member who so requests in writing.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

4. Statutory Disclosures

(a) Officers remuneration

The number of Officers of the organisation whose remuneration falls within each successive \$10,000 bands of income are as follows:

	2007 No.	2006 No.
\$0 - \$9,999	-	1
\$60,000 - \$69,999	1	-
\$120,000 - \$129,999	-	-
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	3	4
\$160,000 - \$169,999	3	1
\$170,000 - \$179,999	-	1
\$260,000 - \$269,999	-	1
Aggregate income paid or payable – officers	\$1,307,955	\$1,377,620
	<u><u> </u></u>	<u><u> </u></u>
Aggregate income paid or payable – employees	\$970,717	\$910,774
	<u><u> </u></u>	<u><u> </u></u>

(b) Professional Services

- Legal Costs paid from:

General Funds	-	9,601
Legal and Assistance Reserve (Included in Note 7)	507,495	412,145

The following Solicitors provided services: Hall Payne, Taylors, Rees R & Sydney Jones.

- Auditors Remuneration

Auditing the Financial Report	37,800	35,000
Other Services	10,366	10,258
	<u>-----</u>	<u>-----</u>
	\$48,166	\$45,258
	<u><u> </u></u>	<u><u> </u></u>

The following Accountants provided services: Enmark Business Advisors.

- Property Valuation Costs

Valuation of Properties	-	-
	<u>-----</u>	<u>-----</u>

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch

Notes to the Financial Statements for the Year Ended 30 June 2007

4. Statutory Disclosures- cont'd

(c) Economic dependency

The entity is not dependent on another reporting unit of the organisation for significant volume of revenue or financial support.

(d) Others	2007	2006
	\$	\$
(i) Assets or liability acquired during the financial year as a result of:		
• an amalgamation under Chapter 3, Part 2 of the RAO Schedule in which the organisation was the amalgamated organisation; or	-	-
• a restructure of the branches of the organisation; or	-	-
• a determination by the Industrial Registrar under subsection 245(1) of RAO Schedule of an alternative reporting structure of the organisation; or	-	-
• a revocation by the Industrial Registrar under subsection 249(1) of the RAO Schedule of a certificate issued to an organisation under subsection 245(1).	-	-
(ii) Consideration received from another reporting unit of the organisation as a contribution towards general administrative expenses of the entity a proportion of the total amount received by the other reporting unit as entrance fees or membership subscription	-	-
(iii) Compulsory levies raised from the members or as appeals for voluntary contributions for the furtherance of a particular purposes	-	-
(iv) Penalties imposed on the entity under the Act or regulation	-	-
(v) Expenses incurred as consideration for employers making payroll deductions of the membership subscription	-	-

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch

Notes to the Financial Statements for the Year Ended 30 June 2007

5. Property, Plant and Equipment

	2007	2006
	\$	\$
Property		
Land At Independent Valuation (30 June 2004)	6,000	6,000
Buildings At Independent Valuation (30 June 2004)	74,000	74,000
	-----	-----
	80,000	80,000
Less: Accumulated Depreciation	(5,550)	(3,700)
	-----	-----
	74,450	76,300
	-----	-----
Motor Vehicles		
At Cost	678,551	505,618
Less: Accumulated Depreciation	(217,109)	(172,054)
	-----	-----
	461,442	333,564
	-----	-----
Plant and Equipment		
At Cost	924,614	807,391
Less: Accumulated Depreciation	(542,216)	(497,838)
	-----	-----
	382,398	309,553
	-----	-----
Lease Improvements		
At Cost	12,401	21,402
Less: Accumulated Depreciation	(6,926)	(3,826)
	-----	-----
	5,475	17,576
	-----	-----
Totals	\$923,765	\$736,993
	=====	=====

Movements in Carrying Value (CV) between the beginning and the end of the current financial year

	<u>Motor Vehicles</u>	<u>Plant and Equipment</u>
	<u>At CV</u>	<u>At CV</u>
Balance at the beginning of the year	333,564	309,553
Additions	419,314	165,694
Disposals	(136,309)	-
Depreciation	(155,127)	(92,849)
	-----	-----
Carrying amount at the end of the year	461,442	382,398
	-----	-----

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

Notes to the Financial Statements for the Year Ended 30 June 2007

5. Property, Plant and Equipment- cont'd

	<u>Property</u>	<u>Leasehold</u>
	<u>At CV</u>	<u>Improvements</u>
	<u>At CV</u>	<u>At CV</u>
Balance at the beginning of the year	76,300	17,576
Additions	-	-
Reclassifications – Note 8	-	(9,001)
Depreciation	(1,850)	(3,100)
	-----	-----
Carrying amount at the end of the year	\$74,450	\$5,475
	-----	-----
	2007	2006
	\$	\$
 <u>Sale of Fixed Assets:</u>		
Proceeds on sale of Fixed Assets (Page 7)	128,635	27,456
	-----	-----
 <u>Reconciliation of Depreciation Expense</u>		
Plant and Equipment	92,849	85,083
Motor Vehicles	155,127	119,639
Property	1,850	3,700
Leasehold Improvements	3,100	3,826
	-----	-----
Total Depreciation Expense	252,926	212,248
	-----	-----

Property Revaluation – 30th June 2004

The Properties were revalued for the Financial Year Ended 30th June 2004 by Independent Valuers to fair market value as follows:

CFMEU Moura Lodge at 41 Davey Street, Moura, Q4718

Valued by ACVAL Turner Valuers and Property Consultants, 7 Anakie Street, Emerald, Q4720

The Committee of Management do not believe that there have been any material movement to that value.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

6. Receivables

	2007	2006
	\$	\$
(a) Current Receivables represented by:		
Dues Receivable	209,606	231,071
Loans - Members (unsecured)	56,854	37,636
Other Receivables	447,180	374,721
	\$713,640	\$643,428
	\$713,640	\$643,428

(b) Non-Current Receivables represented by:

	2007	2006
	\$	\$
Loans – AW Vickers (secured)	57,986	57,986
	\$57,986	\$57,986
	\$57,986	\$57,986

7. Reserves

	2007	2006
	\$	\$
Legal and Assistance Reserve	1,112,656	936,762
Asset Revaluation Reserve	59,135	59,135
Total Reserves	\$1,171,791	\$995,897
	\$1,171,791	\$995,897

Movements in Reserves

Legal and Assistance Reserve Movements

This reserve records payments of all weekly support and legal and assistance related costs including legal costs to members of this union that have been unfairly dismissed from their workplace. This payment is for the duration until the finalisation of the cases.

Opening Balance – 1 July 2006	936,762	829,305
Transfer from Accumulated General Fund	175,894	107,457
Balance at 30 June 2007	\$1,112,656	\$936,762
	\$1,112,656	\$936,762

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

7. Reserves- cont'd

Asset Revaluation Reserves Movements

CFMEU Moura Lodge at 41 Davey Street, Moura, Q4718

Valued by ACVAL Turner Valuers and Property Consultants, 7 Anakie Street, Emerald, Q4720

	2007	2006
	\$	\$
Opening Balance – 1 July 2006	59,135	59,135
	\$59,135	\$59,135
<i>Balance at 30 June 2007</i>	\$59,135	\$59,135

The asset revaluation reserve arises on the revaluation of non-current assets. Where revalued asset is sold, that portion of the assets revaluation reserve, which relates to that asset and is effectively realised, is transferred to retained profits.

8. Investments

	2007	2006
	\$	\$
Current Investments represented by:		
Skandia Managed Investments – at fair value	\$178,666	\$151,494
	\$178,666	\$151,494
Non Current Investments represented by:		
Shares in Unlisted Corporations – at cost	2	2
QCU Mackay Property Unit Trust – at cost	79,001	70,000
	79,001	70,000
<i>Total Investments – Non Current</i>	\$79,003	\$70,002

9. Accounts Payable

	2007	2006
	\$	\$
(a) Current Accounts Payable represented by:		
Payable to National Office	436,050	472,715
Legal costs payable	46,752	44,953
Other Trade Payables	415,530	552,273
Payable to QCEUE	1,189,097	1,123,849
	1,189,097	1,123,849
	\$2,087,429	\$2,193,790

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

10. (a) Provision for Employee Entitlements

	Provision Movements Increase/ (Decrease)	2007 \$	2006 \$
Current	\$		
Annual Leave	27,818	355,250	327,432
Sick Leave	43,400	210,014	166,614
Long Service Leave	(6,047)	64,679	70,726
		----- \$629,943 =====	----- \$546,772 =====

(b) Payments for Employee Entitlements

Payments for Employee Entitlements included in Wages are as follows:

Annual Leave and Loading	147,235	215,963
Sick Leave	71,354	81,955
Long Service Leave	1,740	1,689
	No.	No.
Number of employees at end of financial year	22	19

11. Contingent Liabilities

Mortuary Benefits

The maximum exposure of the organisation for Mortuary Benefit Liability is unknown. It is estimated that the potential exposure of the Union, based on current membership, on a non-discounted cash flow basis would approximate \$10.85 million. Any amount paid is at the discretion of the District Executive as per Rule 16 of the organisation. A reserve of \$2,571,231 exists in the QCEUE Accounts in respect of this benefit.

Business Cards

The maximum exposure of the organisation for the usage of Commonwealth Bank Business Cards currently held by various Lodge Officials is \$400,000. This is secured by an undertaking in respect of the liquid assets of the organisation.

Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

	2007	2006
	\$	\$
12. Leasing Commitments	\$20,927	\$70,390
Non-Cancellable Operating Lease Commitments contracted for but not capitalised in the Financial Statements and payable as follows:		
Not later than one year	20,927	49,463
Later than one year but not later than two years	-	20,927
Later than two years but not later than five years	-	-
	<u>-----</u>	<u>-----</u>
	\$20,927	\$70,390
	<u>=====</u>	<u>=====</u>
13. Capital Commitments	Nil	Nil
	<u>=====</u>	<u>=====</u>

14. Subsequent Events

There were no significant subsequent events.

15. Segment Reporting

The Union operates in the Mining & Energy Sector in Queensland only.
The registered office of the union is:

61 Bowen Street, Spring Hill, Qld 4000

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

16. Executive Officers of the Union

The following were the Executives of the CFMEU, Mining & Energy Division (Queensland District Branch) during the year:

Current Executives:

GJ Betts	President
JL Valery	Secretary (appointed 28.08.06)
GW Power	Vice President (appointed 29.01.07)
SA Pierce	Vice President
SA Vacanneo	Executive Vice President
GA Dalliston	ISHR
SA Smyth	ISHR
TD Whyte	ISHR

Past Executives:

JL Yvanoff	Vice President (resigned 27.01.07)
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All Executives are members of the organisation and pay dues on the same basis as other members.

17. Related Party Disclosures

Executive remuneration

Details of executive remuneration have been disclosed in note 4 to the Financial Statements.

18. Financial Instruments

(a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial assets, financial liability are disclosed in Note 1 to the Financial Statements.

(b) Interest Rate Risk

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

**Construction, Forestry, Mining & Energy Union
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Notes to the Financial Statements for the Year Ended 30 June 2007

18. Financial Instruments— cont'd

	Weighted Average Effective Interest Rate		Floating Interest Rate Variable		Non Interest Bearing	
	2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$
<u>Financial Assets</u>						
Cash at Bank	4.5	3.5	422,411	118,616	-	-
Interest						
Bearing Deposits	6.0	5.8	13,178,911	12,323,809	-	-
Investments	0.0	0.0	-	-	-	-
Trade Receivables	0.0	0.0	-	-	209,606	231,071
Officers' Loans	0.0	0.0	-	-	57,986	57,986
Total Financial Assets			\$13,601,322	\$12,442,425	\$267,592	\$289,057
<u>Financial Liabilities</u>						
Trade Payables	0.0	0.0	-	-	898,332	1,069,941
Payable-QCEUE	0.0	0.0	-	-	1,189,097	1,123,849
Employee Entitlements	0.0	0.0	-	-	629,943	564,772
Total Financial Liabilities			-	-	\$2,717,372	\$2,758,562

Fixed Interest within one year and Rates Maturing 1 to 5 years - Nil

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

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

(d) Net Fair Values

The net fair value approximates their carrying value. No financial assets or liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the organisation intends to hold these to maturity.

**Construction, Forestry, Mining & Energy Union
Mining & Energy Division
Queensland District Branch**

ABN 73 089 711 903

Notes to the Financial Statements for the Year Ended 30 June 2007

18. Financial Instruments— cont'd

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

19. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the statement of financial position as follows:

	2007 \$	2006 \$
Cash on Hand	884	1,080
Cash at Bank	13,601,322	12,442,425
	-----	-----
	<u><u>\$13,602,206</u></u>	<u><u>\$12,443,505</u></u>

(b) Reconciliation of Cash Flows from Operations with profit from ordinary activities

Profit from Ordinary Activities	1,493,048	1,480,751
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Adjustments for Non Cash Flow Items:

Add:

Depreciation	252,926	212,248
Rental – QCEUE	71,761	60,302
Doubtful Debts	-	(23,000)
Loss on Sale of Fixed Assets	7,704	34,789
Loans Written Off	3,000	-

(Increase) / Decrease in Assets:

Receivables - Current	50,994	178,711
Receivables – Non Current	-	80,014

Increase / (Decrease) in Liabilities:

Accounts Payable	(106,361)	40,234
Provisions	65,171	(24,733)
	-----	-----
	<u><u>\$1,838,243</u></u>	<u><u>\$2,039,316</u></u>



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Independent Audit Report to the Members of Construction, Forestry, Mining and Energy Union,
Mining & Energy Division, Queensland District Branch

The Financial Report and Committee of Management Responsibility

The financial report comprises the balance sheet, income statement, statement of cash flows and accompanying notes to the financial statements for the Construction, Forestry, Mining and Energy Union, Mining & Energy Division, Queensland District Branch (the Union) for the year ended 30 June 2007.

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

Audit Approach

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

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

My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the Committee of Management.

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

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

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In my opinion,

- a) the union has kept satisfactory accounting records in respect of the year ended 30th June 2007 in accordance with section 252 of the Workplace Relations Act 1996, including:
 - i.) records of the of the sources and nature of the income of the Union (including income from members); and
 - ii.) records of the nature and purposes of the expenditure of the Union;

- b) the financial report is properly drawn up so as to present fairly the Union's financial position as at 30th June 2007 and the results of its operations and its cash flows for the year then ended in accordance with Australian Accounting Standards, the requirements of the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia.



Mark O'Shea
Chartered Accountant

Registered Company Auditor

Brisbane
Dated 4th December 2007



Australian Government
Australian Industrial Registry

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Email: sydney@air.gov.au

Mr James Valery
Secretary, Queensland District Branch
Construction, Forestry, Mining and Energy Union
PO Box 508
SPRING HILL QLD 4004

Dear Mr Valery

**Re: Lodgement of Financial Statements and Accounts – Queensland District Branch –
for year ending 31 December 2007 (FR2007/260)**

Thank you for lodging the above financial documents which were received on 24 January 2008.

The documents have been filed.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Stephen Kellett', written over a white background.

Stephen Kellett
Statutory Services Branch

4 February 2008