



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: FR2006/588-[105N-SWDT]

Mr Robert Mitchell
District Secretary
CFMEU Mining & Energy Division
South Western District Branch
Box 1, Trade Union Centre
Lowden Square
WOLLONGONG NSW 2500

Dear Mr Mitchell

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.



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: FR2006/588-[105N-SWDT]

Mr Robert Mitchell
District Secretary
CFMEU Mining & Energy Division
South Western District Branch
Box 1, Trade Union Centre
Lowden Square
WOLLONONG NSW 2500

Dear Mr Mitchell

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:

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

(a) the secretary; or

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

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

³*Insert whichever is applicable*



Ref: FR2006/588 -[105N-SWDT]

Mr Robert Mitchell
District Secretary
CFMEU Mining & Energy Division
South Western District Branch Wollongong Office
636 Northcliffe Drive
KEMBLA GRANGE NSW 2526

Dear Mr Mitchell

Re: Construction, Forestry, Mining and Energy Union-Mining and Energy Division South Western 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
- whether the committee of management has prepared the operating report

¹ Schedule 1B of the *Workplace Relations Act 1996*

- 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: **FR2006/588**.

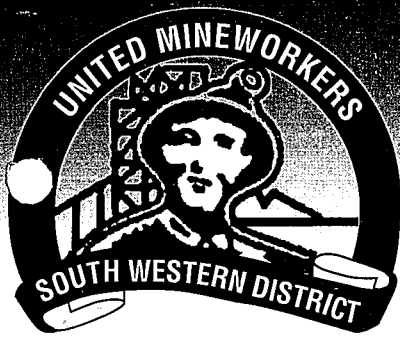
Yours sincerely



Belinda Penna

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

18 July, 2007



THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 49 954 293 181

636 Northcliffe Drive
Kembla Grange NSW 2526
Ph: (02) 4271 7577
Fax: (02) 4271 7677
Email: admin@umw.com.au

52 Eskbank Street
P.O. Box 364
Lithgow NSW 2790
Ph: (02) 6351 3287
Fax: (02) 6352 3229
Email: umfa@umfa.com.au

20th August 2007

Mr Barry Jenkins
Deputy Industrial Registrar
Australian Industrial Registry

Re: Lodgement of Financial Statements and Accounts-South Western District
Branch for the year ending 31 December 2006 (FR2006/588)

Dear Barry

I refer to your letter dated the 18th July 2007 and supply the following:

Presentation to Members:

The 2006 financial report was presented to our Board of Management at our Wollongong office board room on the 27th March 2007. The report was presented by Myself as District Secretary and Mr Brendan Jones of Daley & Co who are our Auditors. The report was presented and endorsed by the Board of Management Members.

The report was then presented to all lodge Secretaries/Presidents who then conducted rounds of meetings with the rank & file members and presented the report to them, this was done during the period of April & May 07. At each of these meetings a vote was taken to endorse or reject the report and the results were then sent to the district office.

The results of these meetings showed that the report was endorsed by the rank & file.

The results of the rank & files voting is then presented back to the Board of Management at the next convened meeting for their endorsement before being signed off on.

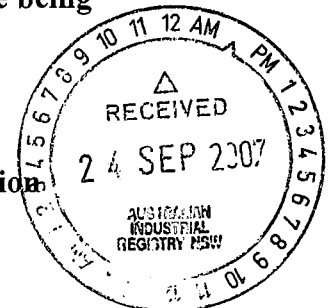
Administration fees/levies:

These fees/levies are received from the CFMEU Mining & Energy Division National Office.

Address details of Donations:

The donation for the Mount Kembla Mining Heritage Inc is sent to the Secretary (Mrs Cate Stevenson as discussed by phone with you)

The donation for the Bulli Miners Memorial is done the following way:



President
W. McAndrew

Secretary
B. Mitchell

Vice President
G. Osborne

Vice President
G. White

Check Inspectors
Garry Horne
Trevor Schram

The union pays for the day for the community and families of men killed in our mines, we pay for a very large tent to be supplied and erected, we also supply refreshments for the gathering, notices in local newspapers, and wreaths. Depending on the weather we would use I large tent or if there was rain we made need two, so this donation could change from year to year.

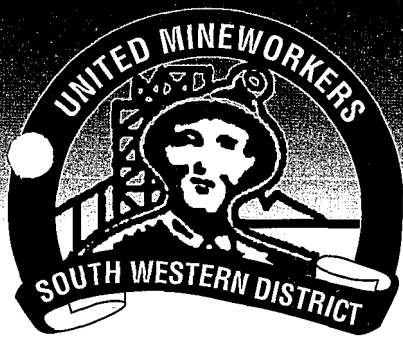
Barry if I have missed something or something is not correct please contact me and it will be put right.

Thank you for you patients and support.

Yours Sincerely



Bob Mitchell
District Secretary
CFMEU Mining & Energy Division
South/Western District
Ph: 42717577
Mobile 0418-481626



THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 49 954 293 181

636 Northcliffe Drive
Kembla Grange NSW 2526
Ph: (02) 4271 7577
Fax: (02) 4271 7677
Email: admin@umw.com.au

52 Eskbank Street
P.O. Box 364
Lithgow NSW 2790
Ph: (02) 6351 3287
Fax: (02) 6352 3229
Email: umfa@umfa.com.au

4th September 2007

To.
Mr Barry Jenkins
For Deputy Industrial Registrar
Australian Industrial Registry

Dear Sir.

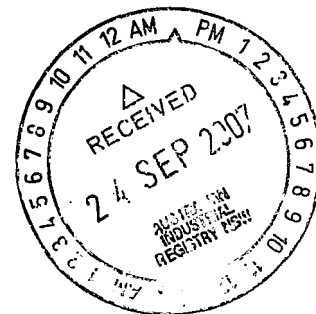
I Robert Mitchell of the CFMEU Mining & Energy Division
South/Western District make the following declaration:

I am the District Secretary of the CFMEU Mining & Energy Division
South/Western District.

I am authorized to lodge the following prescribed information concerning
changes to prescribed information to be kept and lodged by the Mining &
Energy Division/ CFMEU

I confirm that the following information is being lodged in accordance
with subsection 233 (2) of the RAO Schedule:

Our previous address was as follows:
Fred Moore House
1 Lowden Square Wollongong 2500



President
W. McAndrew

Secretary
B. Mitchell

Vice President
G. Osborne

Vice President
G. White

Check Inspectors
Garry Horne
Trevor Schram

THE UNITED MINE WORKERS – SOUTH WESTERN DISTRICT
(A Division of the Construction, Forestry, Mining and Energy Union – Mining & Energy Division)

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2006**

CONTENTS

- 1-2 Operating Report
- 3 Board of Managements' Certificate
- 4 Independent Audit Report to the Members
- 5 Income Statement
- 6 Balance Sheet
- 7 Statement of Changes in Equity
- 8 Cash Flow Statement
- 9-23 Notes to the Financial Statements



OPERATING REPORT

Your Board of Management present their Operating Report on the Union for the year ended 31 December 2006.

Board of Management

The names of Board of Management in office at any time during the year are:

Name	Position	Period of Appointment
Mr W McAndrew	District President	1/1/06 – 31/12/06
Mr R Mitchell	District Secretary	1/1/06 – 31/12/06
Mr G White	District Vice President - South	1/1/06 – 31/12/06
Mr E Butcher	District Vice President - Metalliferous	1/1/06 – 31/12/06
Mr G Osborne	District Vice President - West	1/1/06 – 31/12/06
Mr S Winter	BOM Member	1/1/06 – 31/12/06
Mr K Fitzpatrick	BOM Member	1/1/06 – 31/12/06
Mr G Whiteley	BOM Member	1/1/06 – 31/12/06
Mr R Marjoram	BOM Member	1/1/06 – 31/12/06
Mr A Townsend	BOM Member	1/1/06 – 31/12/06
Mr S Field	BOM Member	1/1/06 – 31/12/06
Mr N Everill	BOM Member	1/1/06 – 31/12/06
Mr A Giddings	BOM Member	1/1/06 – 31/12/06
Mr R Crawford	BOM Member	1/1/06 – 31/12/06
Mr T Case	BOM Member	1/1/06 – 31/12/06
Mr A Honeysett	Central Councillor	1/1/06 – 31/12/06

Principal Activities

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

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

Results of Activities

The result for the year was a profit of \$494,649 (2005: profit of \$127,984). Membership contributions in the current year amounted to \$2,521,666 being a \$320,527 increase on last year.

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

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

The District has successfully recruited new members in conjunction with a national objective of recruitment and training.

OPERATING REPORT continued

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

Significant changes in the financial affairs of the Union include a rise in income from contributions and levies during the year of 14.6% as a consequence of an increase in membership numbers.

Membership of the Union

There were 2,517 members of the Union as at 31 December 2006 (2005:2,451).

Rights of Members to Resign

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

Employees of the Union

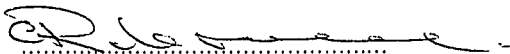
As at 31 December 2006 the Union employed 10 full time employees (2005: 10).

Superannuation Trustees

Mr G Osborne is an executive of the Union and holds a directorship of Auscoal Superannuation.

No other officer or member of the Union acts:

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



Robert Mitchell

Signed this 26th day of March 2007.

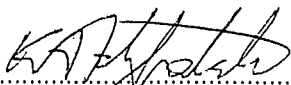
BOARD OF MANagements' CERTIFICATE

On 26th March 2007 the Board of Management of The United Mine Workers – South Western District Branch (A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division), passed the following resolution in relation to the financial report of the Union for the year ended 31 December 2006.

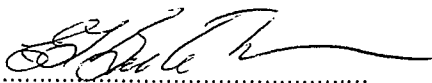
The Board of Management declares in relation to the general purpose financial report that in its opinion:

- (a) The financial report and notes comply with 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 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 to which the general purpose financial report relates and since the end of that year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the Union; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with the RAO Schedules and the RAO Regulations; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the Union; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of the RAO Schedule; and
 - (vi) No orders have been made by the Commission in regard to inspection of the financial records under section 273 of the RAO Schedule.

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



.....
Kevin Fitzpatrick



.....
Edward Butcher

Signed at Wollongong, NSW this 26th day of March 2007.

INDEPENDENT AUDIT REPORT TO THE MEMBERS

Independent audit report to the members of The United Mine Workers – South Western District Branch (A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division): "the Union"

SCOPE

We have audited the financial report comprising the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements of the Union for the year ended 31 December 2006. The Union's Board of Management is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with 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 report 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 report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Union's 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.

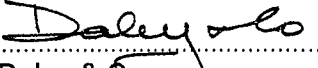
AUDIT OPINION

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

In our opinion, the financial report is in accordance with:

- (a) The Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of 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
 - (ii) complying with other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act.

- (b) The financial report has been prepared in accordance with Accounting Standards in Australia and other mandatory professional reporting requirements.


Daley & Co
Chartered Accountants
98 Kembla Street
Wollongong NSW 2500


M L Gleeson
Registered Company Auditor

Dated this 26th day of March 2007.

Liability limited by a scheme under Professional Standards Legislation.

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

	NOTES	2006 \$	2005 \$
Revenue	3(a)	<u>3,357,563</u>	<u>2,619,294</u>
Expenses			
Wages and Related Costs		1,242,869	1,070,927
Depreciation and Amortisation Expenses		98,909	72,793
Sustentation Fees		874,354	783,045
Other Expenses		576,860	516,094
Share of Loss of Associate		54,497	7,536
Loss on Disposal of Assets		15,425	40,915
		<u>2,862,914</u>	<u>2,491,310</u>
Profit Attributable to Members		<u>494,649</u>	<u>127,984</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
 AS AT 31 DECEMBER 2006**

	NOTES	2006 \$	2005 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	363,158	342,723
Trade and Other Receivables	5	1,544,800	246,092
Financial Assets	7	826,938	873,347
Other Current Assets	8	31,159	11,717
TOTAL CURRENT ASSETS		2,766,055	1,473,879
NON-CURRENT ASSETS			
Trade and Other Receivables	5	215,749	240,086
Investment in Associate	6	-	1,072,147
Property, Plant and Equipment	9	1,742,598	691,892
TOTAL NON-CURRENT ASSETS		1,958,347	2,004,125
TOTAL ASSETS		4,724,402	3,478,004
CURRENT LIABILITIES			
Interest Bearing Liabilities		4,291	-
Trade and Other Payables	10	1,120,888	473,286
Provisions	11	465,697	378,971
Other Current Liabilities	12	75,096	62,279
TOTAL CURRENT LIABILITIES		1,665,972	914,536
TOTAL LIABILITIES		1,665,972	914,536
NET ASSETS		3,058,430	2,563,468
MEMBERS' FUNDS			
Accumulated Members' Funds		3,058,430	2,563,468

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		2,563,468	1,634,517
Share of Increase in Equity of Associate	6	-	771,604
Net Gains on Available for Sale Financial Assets	1(e)	313	29,363
Profit Attributable to Members		494,649	127,984
Closing Balance as at 31 December		<u>3,058,430</u>	<u>2,563,468</u>

The accompanying notes form part of this financial report

**CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 2006**

	NOTES	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		2,679,626	2,294,357
Payments to Suppliers and Employees		(2,649,920)	(2,588,554)
Administration Fees		67,820	21,709
Interest and Distributions Received		80,074	26,744
Dividends Received		2,247	1,196
Grants Received		44,000	44,000
Rent Received		36,960	33,121
Caravan Park Site and Other Fees		234,666	190,546
Sundry Income		9,555	9,022
Subsidy Received – NSW Government		27,500	27,500
NET CASH PROVIDED BY OPERATING ACTIVITIES	16(a)	<u>532,528</u>	<u>59,641</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Shares in Listed Corporations		74,052	-
Proceeds from Sale of Share in Associate		70,000	-
Payments for Investments		(25,171)	(26,266)
Proceeds from Sale of Fixed Assets		151,363	121,119
Payments for Fixed Assets		(786,628)	(167,601)
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(516,384)</u>	<u>(72,748)</u>
NET INCREASE (DECREASE) IN CASH HELD		16,144	(13,107)
CASH AT START OF YEAR		<u>342,723</u>	<u>355,830</u>
CASH AT END OF YEAR	16(b)	<u>358,867</u>	<u>342,723</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 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 is for the entity The United Mine Workers – South Western District Branch (A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division) as an individual entity. This organisation is registered under the Workplace Relations Act 1996 and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

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

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

Basis of Preparation

Reporting Basis and Conventions

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

Accounting Policies

(a) PROPERTY, PLANT AND EQUIPMENT

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

Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by 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.

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

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(a) PROPERTY, PLANT & EQUIPMENT
CONTINUED

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 Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

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	2.50%
Furniture, Fittings and Equipment	7.50 - 20%
Motor Vehicles	20%

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

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

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

(b) EMPLOYEE BENEFITS

Provision for employee benefits in the form of untaken Sick Leave and Accrued Annual Leave have been made for the estimated accrued benefits of all employees on the basis of their terms of employment. Provision for employee benefits in the form of Long Service leave has also been made for the estimated accrued benefits of the Office Staff. Related on-costs are included in these provisions.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(c) INCOME TAX

No provision for Income Tax is necessary as the Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act.

(d) PROVISIONS

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

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

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(e) 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.

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.

(f) IMPAIRMENT OF ASSETS

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(g) 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.

(h) 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).

(i) COMPARATIVE FIGURES

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

(j) 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.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

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

	2006 \$	2005 \$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities is arrived at after taking into account:		
(a) REVENUE:		
<i>Operating Activities</i>		
Administration Fees	60,057	38,850
Contributions and Levies	2,521,666	2,201,139
Rents Received	26,054	33,121
Site Rental Income	225,708	189,960
Investment Revenue	-	698
Grants Received	40,000	40,000
Interest Received	68,514	52,336
Subsidy – NSW State Government	25,000	25,000
Other Income	9,555	10,218
	<u>2,976,554</u>	<u>2,591,322</u>
<i>Non-Operating Activities</i>		
Profit on Sale of Assets	381,009	27,972
	<u>3,357,563</u>	<u>2,619,294</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
Buildings	24,693	20,384
Plant & Equipment	74,216	52,409
Total Depreciation	<u>98,909</u>	<u>72,793</u>
Movements in Employee Benefits	86,726	42,369
Remuneration of Auditors		
- Auditing the Financial Report	16,630	15,000
- Other Services	9,966	12,667
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,610	1,510
Cash at Bank/Credit Unions	361,548	337,897
Cash at Solicitors Trust Account	-	3,316
	<u>363,158</u>	<u>342,723</u>
5. TRADE AND OTHER RECEIVABLES		
Current		
Debtors	1,540,744	219,513
Accrued Interest	4,056	26,579
	<u>1,544,800</u>	<u>246,092</u>

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

	2006 \$	2005 \$
5. TRADE AND OTHER RECEIVABLES		
<i>Continued</i>		
Non-Current		
Deposits Refundable	300	300
Advances to Associate Entity (i)	215,449	239,786
	<u>215,749</u>	<u>240,086</u>
TOTAL	<u>1,760,549</u>	<u>486,178</u>
Amounts relating to CFMEU – Mining & Energy Division	<u>27,453</u>	<u>35,399</u>

(i) The funds advanced have no set repayment date. Interest is charged on the amount advanced at a rate of 4.50% pa.

6. INVESTMENT IN ASSOCIATE

Investment in Associate	<u>-</u>	<u>1,072,147</u>
-------------------------	----------	------------------

The Union held a 55.64% interest in The Trade Union Centre Wollongong Pty Limited, which owns and operates an office building in Wollongong. This Associate is a small proprietary company incorporated in Australia.

There were no impairment losses relating to the investment in the associate and no capital commitments, contingent liabilities or other commitments relating to the associate.

The following table illustrates summarised financial information relating to the Union's investment in The Trade Union Centre Wollongong Pty Limited:

Share of the Associate's Balance Sheet

Total Assets	-	1,450,346
Total Liabilities	-	378,199
Net Assets	<u>-</u>	<u>1,072,147</u>

Share of the Associate's Results

Revenue	<u>99,520</u>	<u>65,671</u>
Loss after Income Tax	<u>(54,497)</u>	<u>(7,536)</u>

Share of the Associate's Increase in Equity

Asset Valuation Adjusted to Deemed Cost	<u>-</u>	<u>771,604</u>
---	----------	----------------

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

		2006	2005
		\$	\$
7. FINANCIAL ASSETS			
Held to Maturity Financial Assets	(a)	826,010	800,526
Available for Sale Financial Assets	(b)	928	72,821
		<u>826,938</u>	<u>873,347</u>
Split As:			
Current		826,938	873,347
Non Current		-	-
		<u>826,938</u>	<u>873,347</u>
(a) Held-to-maturity Financial Assets Comprise:			
Term Deposits and Bank Bills held with Financial Institutions.		<u>826,010</u>	<u>800,526</u>
(b) Available for Sale Financial Assets Comprise:			
Shares in Listed Corporations – at Fair Value		<u>928</u>	<u>72,821</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		31,153	11,451
UMW Trust Fund – Brock Stephenson		6	266
		<u>31,159</u>	<u>11,717</u>
9. PROPERTY, PLANT AND EQUIPMENT			
<u>Land and Buildings – at Cost</u>			
Caravan Park Holiday Centre		474,685	474,685
Less Provision for Depreciation		(244,025)	(232,156)
		<u>230,660</u>	<u>242,529</u>
Land and Buildings		1,266,930	224,995
Less Provision for Depreciation		(89,029)	(79,598)
		<u>1,177,901</u>	<u>145,397</u>
Leasehold Improvements		45,862	45,862
Less Provision for Depreciation		(29,814)	(26,421)
		<u>16,048</u>	<u>19,441</u>
TOTAL LAND AND BUILDINGS		<u>1,424,609</u>	<u>407,367</u>

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

9. PROPERTY, PLANT AND EQUIPMENT

Continued

	2006	2005
	\$	\$
<u>Plant and Equipment – at Cost</u>		
Motor Vehicles	214,956	211,473
Less Provision for Depreciation	(7,709)	(8,929)
	<u>207,247</u>	<u>202,544</u>
Office Furniture and Equipment	294,675	292,828
Less Provision for Depreciation	(216,666)	(244,754)
	<u>78,009</u>	<u>48,074</u>
Partitioning	96,585	96,585
Less Provision for Depreciation	(96,585)	(96,585)
	<u>-</u>	<u>-</u>
Improvements	4,598	4,598
Less Provision for Depreciation	(2,968)	(2,535)
	<u>1,630</u>	<u>2,063</u>
Caravan Park Machinery and Equipment	103,849	96,849
Less Provision for Depreciation	(72,746)	(65,005)
	<u>31,103</u>	<u>31,844</u>
TOTAL PLANT & EQUIPMENT	<u>317,989</u>	<u>284,525</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>1,742,598</u>	<u>691,892</u>

(a) 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:-

	LAND & BUILDINGS	MOTOR VEHICLES	OFFICE EQUIPMENT	FURNITURE, PLANT AND EQUIPMENT	TOTAL
	\$	\$	\$	\$	\$
Balance at Start of Year	407,367	202,544	50,137	31,844	691,892
Additions	1,041,935	214,958	51,991	7,000	1,315,884
Disposals	-	(163,563)	(2,706)	-	(166,269)
Amortisation/Depreciation Expense	(24,693)	(46,692)	(19,783)	(7,741)	(98,909)
Carrying Amount - End of Year	<u>1,424,609</u>	<u>207,247</u>	<u>79,639</u>	<u>31,103</u>	<u>1,742,598</u>

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

	2006 \$	2005 \$
10. TRADE AND OTHER PAYABLES		
Current		
Creditors and Accruals	<u>1,120,888</u>	<u>473,286</u>
Amount(s) relating to CFMEU – Mining & Energy Division	<u>293,857</u>	<u>228,413</u>

11. PROVISIONS

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENT \$	TOTAL \$
Opening balance at 1 January	280,682	19,983	78,306	378,971
Additional provisions	151,807	4,062	103,060	258,929
Amounts used	(106,442)	-	(65,761)	(172,203)
Balance at 31 December	<u>326,047</u>	<u>24,045</u>	<u>115,605</u>	<u>465,697</u>

(a) Analysis of ageing of provisions

Current	<u>465,697</u>	<u>378,971</u>
---------	----------------	----------------

(b) Number of Employees at Balance Date

	<u>10</u>	<u>10</u>
--	-----------	-----------

(c) Total Employee Benefits Attributable to:

Office Holders	416,461	331,147
Staff	49,236	47,824
	<u>465,697</u>	<u>378,971</u>

12. OTHER CURRENT LIABILITIES

Income in Advance	55,090	42,013
Grant in Advance	20,000	20,000
UMW Trust Fund – B Stephenson	6	266
	<u>75,096</u>	<u>62,279</u>

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

	2006 \$	2005 \$
13. UMW TRUST FUND – BROCK STEPHENSON		
Balance at Beginning of Year	266	15,114
Add: Interest (Net)	-	952
Less: Advances	(260)	(15,800)
BALANCE AT END OF YEAR	6	266

14. LEASING COMMITMENTS

(a) OPERATING LEASE LAND AT WRIGHTS BEACH EROWAL BAY

Operating lease commitments exist in respect of Land at Wrights Beach Erowal Bay (Caravan Park Site). The maximum amount contracted for but not capitalised in the financial report is as follows:

Payable:

• not later than one year	21,515	21,008
• later than one year but not later than two years	21,515	21,008
• later than two years but not later than five years	-	21,008
• later than five years	-	-
	43,030	63,024

15. KEY MANAGEMENT PERSONNEL COMPENSATION

Key Management Personnel

- Mr W McAndrew (District President)
- Mr R Mitchell (District Secretary)
- Mr G White (District Vice President - South)
- Mr E Butcher (District Vice President - Metalliferous)
- Mr G Osborne (District Vice President - West)

Board of Management Members

- | | | |
|--------------------|-----------------|--------------------------------------|
| ➤ Mr S Winter | ➤ Mr S Field | ➤ Mr A Honeysett (Central Councilor) |
| ➤ Mr K Fitzpatrick | ➤ Mr N Everill | |
| ➤ Mr G Whiteley | ➤ Mr A Giddings | |
| ➤ Mr R Marjoram | ➤ Mr R Crawford | |
| ➤ Mr A Townsend | ➤ Mr T Case | |

Total Compensation		
- Short Term Benefits	722,050	637,419
- Post Employment Benefits	139,301	115,781
- Long Term Benefits	-	-
	861,351	753,200

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

	2006 \$	2005 \$
16. CASH FLOW INFORMATION		
(a) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT		
Operating Result from Ordinary Activities	494,649	127,984
Non-Cash Flows in Operating Deficit		
Share of Loss in Associate	54,497	7,536
Profit on Sale of Investments	(2,159)	-
Profit on Sale of Share in Associate	(378,850)	-
Loss on Sale of Fixed Assets	14,903	40,915
Depreciation and Amortisation	98,909	72,793
Profit on Realisation of Investments	-	(27,972)
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables	52,129	(38,630)
(Increase) Decrease in Other Assets	(19,702)	14,323
Increase (Decrease) in Accounts Payable	131,426	(179,677)
Increase in Provisions	86,726	42,369
NET CASH FLOWS PROVIDED BY OPERATIONS	<u>532,528</u>	<u>59,641</u>
(b) Cash at the end of the year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash on Hand [Note 4]	363,158	342,723
Bank Overdraft	(4,291)	-
	<u>358,867</u>	<u>342,723</u>

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

17. FINANCIAL INSTRUMENTS

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

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

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

(a) Interest Rate Risk

The Union'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 classes of financial assets and financial liabilities, is as follows:

2006	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	3.53	361,548	-	-	-	361,548
Investments	5.78	-	826,010	-	928	826,938
Receivables	0.55	-	215,449	-	1,545,100	1,760,549
TOTAL FINANCIAL ASSETS		361,548	1,041,459	-	1,546,028	2,949,035
Financial Liabilities						
Interest Bearing Liabilities	8.50	4,291	-	-	-	4,291
Trade & Sundry Creditors	-	-	-	-	1,120,888	1,120,888
Total Financial Liabilities		4,291	-	-	1,120,888	1,125,179
2005						
2005	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
Financial Assets						
Cash at Bank	3.56	341,213	-	-	-	341,213
Investments	2.35	-	800,526	-	72,821	873,347
Receivables	2.22	-	-	239,786	246,392	486,178
TOTAL FINANCIAL ASSETS		341,213	800,526	239,786	319,213	1,700,738
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	473,286	473,286
Total Financial Liabilities		-	-	-	473,286	473,286

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

17. FINANCIAL INSTRUMENTS

Continued

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Balance Sheet and Notes to the Financial Statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union.

(c) Net Fair Values

The net fair values of all assets and liabilities approximate their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form.

18. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

Persons holding industrial positions within the Union and as members of the Board of Management during the year:

UNION OFFICIALS

- Mr W McAndrew (District President)
- Mr R Mitchell (District Secretary)
- Mr G White (District Vice President - South)
- Mr E Butcher (District Vice President - Metalliferous)
- Mr G Osborne (District Vice President - West)

BOARD OF MANAGEMENT MEMBERS

- | | |
|--------------------|-----------------|
| ➤ Mr S Winter | ➤ Mr S Field |
| ➤ Mr K Fitzpatrick | ➤ Mr N Everill |
| ➤ Mr G Whiteley | ➤ Mr A Giddings |
| ➤ Mr R Marjoram | ➤ Mr R Crawford |
| ➤ Mr A Townsend | ➤ Mr T Case |

CENTRAL COUNCILORS

- Mr A Honeysett

Other elected officials not members of the Board of Management

DISTRICT CHECK INSPECTOR

- Mr G Horne (Check Inspector)
- Mr T Schram (Check Inspector)

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

(b) RELATED PARTY TRANSACTIONS
Continued

Associated companies

- i) Office space was rented from The Trade Union Centre Wollongong Pty Limited during the year. Commercial rent totalling \$24,284 (2005: \$22,165) were paid during the year and capitalised to the total of the loan to this entity.
- ii) Interest is accrued on the loan to The Trade Union Centre Wollongong Pty Limited and capitalised. Total interest for the year was \$8,718 (2005: \$11,078)
- iii) Management fees are charged to The Trade Union Centre Wollongong Pty Limited during the year. Fees totalling \$2,350 (2005: \$4,700) were charged and capitalised to the total loan to this entity.

Other related parties

- iv) Sustainment fees totalling \$874,354 (2005: \$783,045) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- (v) Salary & Wages totalling \$28,158 (2005: \$10,806) were paid during the year to relatives of three elected officials for the provision of secretarial services on a casual basis. Terms and conditions were within a normal employee relationship and no more favourable than those made available to other employees.

(c) RELATED PARTY BALANCES

Associated companies

- i) As at balance date there was a loan of \$215,449 advanced to the Trade Union Centre Pty Limited (2005: \$239,786).

19. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business is: 1st Floor, Fred Moore House, Lowden Square NSW 2500.

20. 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 26th March 2007 by the Board of Management.

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

21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

In accordance with the requirements of Section 255 of RAO Schedule 1B, the following necessary disclosures are made:

	2006 \$	2005 \$
i) ITEMS OF REVENUE		
Donations or Grants Income	40,000	40,000
ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	595	16,257
Donations or Grant Expenses.		
• Alisha Kawalla	1,000	-
• Illawarra Melanoma Foundation	1,000	-
• Ironfest	2,000	-
• Mount Kembla Mining Heritage Inc	-	7,000
• Burragorang Valley Retired Miners	-	1,000
• Bulli Miners Memorial	-	1,165
• General (individually less than \$1,000)	5,336	5,363
	<u>9,336</u>	<u>14,528</u>
Employee Benefits Expense:		
- Office Holders	945,846	820,803
- Employees (Other than Office Holders)	210,003	184,255
	<u>1,155,849</u>	<u>1,005,058</u>
Attendance Fees/Allowances – Conferences and Meetings	3,725	3,505
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	64,348	35,819



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Robert Mitchell
Secretary, South Western District Branch, Mining and Energy Division
Construction, Forestry, Mining and Energy Union
Fred Moore House, 636 Northcliffe Drive,
KEMBLA GRANGE NSW 2526

Dear Mr Mitchell

**Re: Lodgement of Financial Statements and Accounts – Mining and Energy Division,
South Western District Branch – for year ending 31 December 2006 (FR2006/588)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 28 September 2007. The documents have been filed. However I draw your attention to the following items.

Formal certification under s268 suggested

Firstly, I would recommend that in future you lodge a formal certifying statement in accordance with s268. Section 268(c) of the RAO Schedule requires that the financial documents are accompanied by a "*certificate...that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266*".

Although your covering letter to Deputy Industrial Registrar Barry Jenkins, dated 20 August 2007, indicates that the documents were presented to the various members' Lodge meetings, which would satisfy s266, the Registry would consider it preferable for the reporting unit to explicitly certify the facts in accordance with s268.

I enclose a sample template of a "Secretary's certificate" which reflects the intent and wording of s268, and which you can use when lodging future returns.

s237 statement required

I note that on page 23 of the report a Grant or Donation amount of \$2,000 is recorded for a recipient "Ironfest". Section 237 requires certain details to be lodged in a separate statement, wherever the amount exceeds \$1,000. I enclose an extract of that section.

If you have any questions regarding the above, please do not hesitate to contact me on 0429 462 979 Mondays to Wednesdays.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

15 October 2007

SECRETARY'S CERTIFICATE

I, (name).....,

a prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the **South Western District Branch** for the year ended 31 December 200_

are copies of the documents provided to members (on and from
/ /)

and subsequently presented to members' Lodge meetings in accordance with section 266 (on and from / /)

(Signature)_____

(Position)_____

Date / /

EXTRACT

237 Organisations to notify particulars of loans, grants and donations

(1) An organisation must, within 90 days after the end of each financial year (or such longer period as the Registrar allows), lodge in the Industrial Registry a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

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

(2) A statement lodged in the Industrial Registry under subsection (1) must be signed by an officer of the organisation.

(6) The relevant particulars, in relation to a grant or donation made by an organisation, are:

(a) the amount of the grant or donation; and

(b) the purpose for which the grant or donation was made; and

(c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.