



**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: FR2007/560-[105N-SWDT]**

Mr Robert Mitchell  
District Secretary  
CFMEU- Mining and 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 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 31 December, 2007.

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

- the general purpose financial report (which includes the Committee of Management Statement);
- the auditor's report; and
- the operating report.

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

Section 268 of the RAO Schedule<sup>1</sup> 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 **16 July, 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.

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In the absence of lodgement of a copy of the full report, I request you state in writing by **12 August, 2008:**

- whether a Committee of Management Statement and an Operating Report have been prepared;
- 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 full report has been provided to members, and if so, when;

<sup>1</sup> Schedule 1 of the Workplace Relations Act 1996

- 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 Designated Officer's Certificate certifying 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.

You can access the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR 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 Schedule and RAO Regulations

These documents can be accessed at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: [orgs@air.gov.au](mailto:orgs@air.gov.au)
- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/560**.

Yours sincerely



Steve Teece

E-mail: [steve.teece@air.gov.au](mailto:steve.teece@air.gov.au)

24 July 2008



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**Australian Industrial Registry**

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**Ref: FR2007/560-[105N-SWDT]**

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

Dear Mr Mitchell

**Financial Return - year ending 31 December, 2007**

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

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

**Information on AIRC Website**

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at [www.airc.gov.au](http://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](http://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](mailto: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...  
22 January 2008



**Documents Checklist**

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

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

No	Document	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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 Officer**<sup>1</sup>

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]*<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]*<sup>3</sup>, 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]*<sup>3</sup> of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

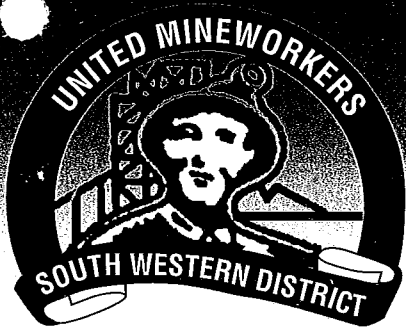
<sup>1</sup>*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(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.

<sup>2</sup>*Only applicable where a concise report is provided to members*

<sup>3</sup>*Insert whichever is applicable*



# 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

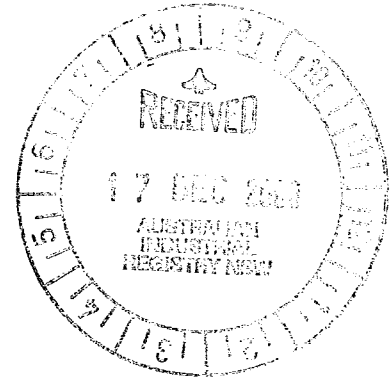
52 Eskbank Street  
P.O. Box 364  
Lithgow NSW 2790  
Ph: (02) 6351 3287  
Fax: (02) 6352 3229  
Email: umfa@umfa.com.au

To.

Belinda Penna

NSW Registry Team

Australian Industrial Registry



Dear Belinda.

On the 5<sup>th</sup> February 2007 Mr Brendan Jones from Daley & Co Accountants commenced our Annual Audit for the South/Western District of the CFMEU United Mine Workers and was completed on the 11<sup>th</sup> February 2008. When a Draft of the financial position was finalised a presentation of that financial position was presented to the Executives of the above District and that was done on the 4<sup>th</sup> March at the District Office in Wollongong.

A copy of the Financial statement was then sent out to the Board of Management of the above District on 21<sup>st</sup> March 2008 for them to read and ask questions prior to the Annual Board of Management.

On the 31<sup>st</sup> March 2008 we commenced our Annual Board of Management which was held in the Boardroom at the Wollongong Office commencing at 8.30am.

The presentation of the financial report was presented to the Executive and the members of the Board of Management. By Brendan Jones and Myself "Bob Mitchell". At the completion of the presentation it was moved and seconded that the Financial Report be accepted as a true and accurate report this was then carried by all members of the Board of Management.

On Tuesday the 8<sup>th</sup> April copies of the Financial Report was posted out to all mine sites to Lodge Secretaries/Presidents so it could be presented to the members of the union and to be voted on as acceptance or Rejection of the Report.

Rounds of meetings then commenced at all mine sites and the report was presented to the rank & file and was voted on at each site to accept the Financial Report.

Lodge Secretaries then sent voting results into the District Office which showed that the Financial Report was accepted by the Rank & File of the South/Western District of the CFMEU Mining & Energy Division.

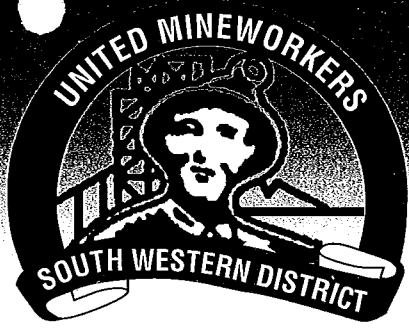
President  
W. McAndrew

Secretary  
B. Mitchell

Vice President  
G. Osborne

Vice President  
G. White

Check Inspectors  
Garry Horne  
Trevor Schram



# THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

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

A.B.N. 49 954 293 181

636 Northcliffe Drive  
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P.O. Box 364  
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Ph: (02) 6351 3287  
Fax: (02) 6352 3229  
Email: umfa@umfa.com.au

Yours Sincerely

Bob Mitchell

District Secretary

CFMEU Mining & Energy Division

South/Western District

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President  
W. McAndrew

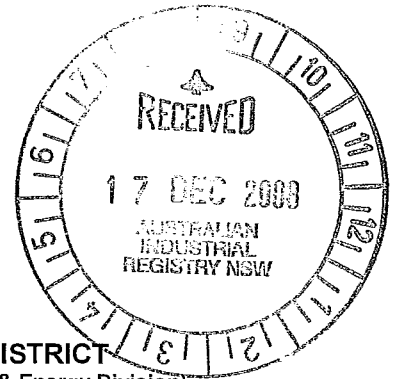
Secretary  
B. Mitchell

Vice President  
G. Osborne

Vice President  
G. White

Check Inspectors  
Garry Horne  
Trevor Schram

Register 2007



**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 2007**

**CONTENTS**

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3	Board of Managements' Certificate
4	Independent Audit Report to the Members
6	Income Statement
7	Balance Sheet
8	Statement of Changes in Equity
9	Cash Flow Statement
10-23	Notes to the Financial Statements

## OPERATING REPORT

Your Board of Management present their Operating Report on the Union for the year ended 31 December 2007.

### **Board of Management**

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

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr W McAndrew	District President	1/1/2007 – 31/12/2007
Mr R Mitchell	District Secretary	1/1/2007 – 31/12/2007
Mr G White	District Vice President - South	1/1/2007 – 31/12/2007
Mr E Butcher	District Vice President - Metalliferous	1/1/2007 – 31/12/2007
Mr G Osborne	District Vice President - West	1/1/2007 – 31/12/2007
Mr S Winter	BOM Member	1/1/2007 – 31/12/2007
Mr K Fitzpatrick	BOM Member	1/1/2007 – 31/12/2007
Mr G Whiteley	BOM Member	1/1/2007 – 31/12/2007
Mr R Marjoram	BOM Member	1/1/2007 – 31/12/2007
Mr A Townsend	BOM Member	1/1/2007 – 31/12/2007
Mr S Field	BOM Member	1/1/2007 – 31/12/2007
Mr N Everill	BOM Member	1/1/2007 – 31/12/2007
Mr A Giddings	BOM Member	1/1/2007 – 31/12/2007
Mr R Crawford	BOM Member	1/1/2007 – 31/12/2007
Mr T Case	BOM Member	1/1/2007 – 31/12/2007
Mr A Honeysett	Central Councillor	1/1/2007 – 31/12/2007

### **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 \$125,509 (2006: profit of \$494,649). Membership contributions in the current year amounted to \$2,573,234 being a \$51,568 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 significant rise in income from rental income during the year of 269% as a consequence of a shift in the Union's investment strategy.

***Membership of the Union***

There were 3,517 members of the Union as at 31 December 2007 (2006: 3,517).

***Rights of Members to Resign***

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

***Employees of the Union***

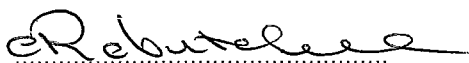
As at 31 December 2007 the Union employed 10 full time employees (2006: 10).

***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 31<sup>st</sup> day of March 2008.



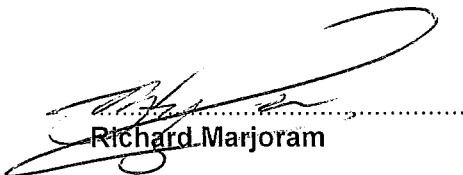
## BOARD OF MANAGERMENTS' CERTIFICATE

On 31<sup>st</sup> March 2008 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 2007.

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 2007;
- (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:

  
Richard Marjoram

  
Stephen Winter

Signed this 31<sup>st</sup> day of March 2008.

**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)**

**SCOPE**

***The Financial Report and the Responsibility of the Board of Management and Secretary of the Union***

We have audited the financial report comprising the Balance Sheet, Income Statement, Statement of Changes in Accumulated Funds and Reserves, Statement of Cash Flows, Notes to the Financial Statements and the Board of Management's Certificate of The United Mine Workers – South Western District Branch (A Division of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division) ("the Union") for the year ended 31 December 2007.

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

***Audit approach***

We have conducted an independent audit of the 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.

The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

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

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Board of Management and Secretary of the Union.

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

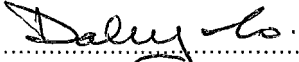
**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
OF THE UNITED MINE WORKERS – SOUTH WESTERN DISTRICT BRANCH (A DIVISION OF THE  
CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY DIVISION)**  
(Continued)

**AUDIT OPINION**

In our opinion:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
  - (i) records of the sources and nature of the income of the Union (including income from members);and
  - (ii) records of the nature and purpose of the expenditure of the Union.
- (b) The accounts and other statements required by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act ,have been properly drawn up so as to give a true and fair view of:
  - (i) the financial affairs of the Union as at 31 December 2007; and
  - (ii) the income and expenditure, and result of the Union for the year ended on that date.
- (c) The financial report has been prepared in accordance with Accounting Standards in Australia and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

Dated this 31<sup>st</sup> day of March 2008.

Liability limited by a scheme approved under Professional Standards Legislation

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

	NOTES	2007 \$	2006 \$
<b>Revenue</b>	3(a)	<u>3,144,290</u>	<u>3,357,563</u>
<b>Expenses</b>			
Wages and Related Costs		1,268,805	1,242,869
Depreciation and Amortisation Expenses		134,406	98,909
Doubtful Debts Provision		72,990	-
Sustentation Fees		851,159	874,354
Other Expenses		690,022	576,860
Share of Loss of Associate		-	54,497
Loss on Disposal of Assets		1,399	15,425
		<u>3,018,781</u>	<u>2,862,914</u>
<b>Profit Attributable to Members</b>		<u>125,509</u>	<u>494,649</u>

The accompanying notes form part of this financial report

**BALANCE SHEET  
 AS AT 31 DECEMBER 2007**

	NOTES	2007 \$	2006 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	448,086	363,158
Trade and Other Receivables	5	1,526,150	1,544,800
Financial Assets	6	251,027	826,938
Other Current Assets	7	40,243	31,159
<b>TOTAL CURRENT ASSETS</b>		<u>2,265,506</u>	<u>2,766,055</u>
<b>NON-CURRENT ASSETS</b>			
Trade and Other Receivables	5	300	215,749
Property, Plant and Equipment	8	2,109,819	1,742,598
<b>TOTAL NON-CURRENT ASSETS</b>		<u>2,110,119</u>	<u>1,958,347</u>
<b>TOTAL ASSETS</b>		<u>4,375,625</u>	<u>4,724,402</u>
<b>CURRENT LIABILITIES</b>			
Finance Liabilities		-	4,291
Trade and Other Payables	9	599,577	1,120,888
Provisions	10	493,070	465,697
Other Current Liabilities	11	136,921	75,096
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,229,568</u>	<u>1,665,972</u>
<b>TOTAL LIABILITIES</b>		<u>1,229,568</u>	<u>1,665,972</u>
<b>NET ASSETS</b>		<u>3,146,057</u>	<u>3,058,430</u>
<b>MEMBERS' FUNDS</b>			
Accumulated Members' Funds		<u>3,146,057</u>	<u>3,058,430</u>

The accompanying notes form part of this financial report

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

	NOTE	2007 \$	2006 \$
Opening Balance as at 1 January		3,058,430	2,563,468
Net Gains (Losses) on Available For Sale Financial Assets	1(e)	(37,882)	313
Profit Attributable to Members		125,509	494,649
Closing Balance as at 31 December		<u>3,146,057</u>	<u>3,058,430</u>

The accompanying notes form part of this financial report

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

	NOTES	2007 \$	2006 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		2,770,357	2,679,626
Payments to Suppliers and Employees		(2,815,574)	(2,649,920)
Administration Fees		89,983	67,820
Interest and Distributions Received		26,349	80,074
Dividends Received		39	2,247
Grants Received		114,000	44,000
Rent Received		78,652	36,960
Caravan Park Site and Other Fees		230,376	234,666
Sundry Income		12,510	9,555
Subsidy Received – NSW Government		27,500	27,500
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	15(a)	<u>534,192</u>	<u>532,528</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Shares in Listed Corporations		-	74,052
Proceeds from Sale of Share in Associate		-	70,000
Movement in Investments		753,478	(25,171)
Proceeds from Sale of Fixed Assets		155,001	151,363
Payments for Fixed Assets		(1,353,452)	(786,628)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>		<u>(444,973)</u>	<u>(516,384)</u>
<b>NET INCREASE IN CASH HELD</b>		89,219	16,144
<b>CASH AT START OF YEAR</b>		<u>358,867</u>	<u>342,723</u>
<b>CASH AT END OF YEAR</b>	15(b)	<u><u>448,086</u></u>	<u><u>358,867</u></u>

The accompanying notes form part of this financial report

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

**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 2007**

**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:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
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 2007**

**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 2007**

**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 2007

	2007 \$	2006 \$
<b>3. OPERATING PROFIT FROM ORDINARY ACTIVITIES</b>		
Profit from ordinary activities is arrived at after taking into account:		
(a) REVENUE:		
<i>Operating Activities</i>		
Administration Fees	62,530	60,057
Contributions and Levies	2,573,234	2,521,666
Rents Received	98,214	26,054
Site Rental Income	246,071	225,708
Grants Received	40,000	40,000
Interest Received	75,058	68,514
Subsidy – NSW State Government	25,000	25,000
Other Income	12,549	9,555
	<u>3,132,656</u>	<u>2,976,554</u>
<i>Non-Operating Activities</i>		
Profit on Sale of Assets	11,634	381,009
	<u>3,144,290</u>	<u>3,357,563</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
Buildings	42,895	24,693
Plant & Equipment	91,511	74,216
Total Depreciation	<u>134,406</u>	<u>98,909</u>
Movements in Employee Benefits	27,374	86,726
Doubtful Debts Provision	72,990	-
Remuneration of Auditors		
- Auditing the Financial Report	16,630	16,630
- Other Services	7,880	9,966
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1,620	1,610
Cash at Bank/Credit Unions	446,466	361,548
	<u>448,086</u>	<u>363,158</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Debtors	1,546,375	1,540,744
Accrued Interest	52,765	4,056
	<u>1,599,140</u>	<u>1,544,800</u>
Less : Provision for Doubtful Debts	(72,990)	-
	<u>1,526,150</u>	<u>1,544,800</u>

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

		2007 \$	2006 \$
<b>5. TRADE AND OTHER RECEIVABLES</b>			
<i>Continued</i>			
<b>Non-Current</b>			
Deposits Refundable		300	300
Advances to Associate Entity		-	215,449
		<u>300</u>	<u>215,749</u>
TOTAL		<u>1,526,450</u>	<u>1,760,549</u>
Amounts relating to CFMEU – Mining & Energy Division		<u>2,841</u>	<u>27,453</u>
<b>6. FINANCIAL ASSETS</b>			
Held to Maturity Financial Assets	(a)	72,529	826,010
Available for Sale Financial Assets	(b)	178,498	928
		<u>251,027</u>	<u>826,938</u>
Split As:			
Current		251,027	826,938
Non Current		-	-
		<u>251,027</u>	<u>826,938</u>
(a) <b><i>Held-to-maturity Financial Assets Comprise:</i></b>			
Term Deposits and Bank Bills held with Financial Institutions.		<u>72,529</u>	<u>826,010</u>
(b) <b><i>Available for Sale Financial Assets Comprise:</i></b>			
Shares in Listed Corporations – at Fair Value		4,644	928
Shares in Unlisted Corporations – at Fair Value		173,854	-
		<u>178,498</u>	<u>928</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.			
<b>7. OTHER CURRENT ASSETS</b>			
Prepayments		40,243	31,153
UMW Trust Fund – Brock Stephenson		-	6
		<u>40,243</u>	<u>31,159</u>

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

	2007 \$	2006 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>Land and Buildings – at Cost</u>		
Caravan Park Holiday Centre	474,685	474,685
Less Provision for Depreciation	(255,894)	(244,025)
	<u>218,791</u>	<u>230,660</u>
Land and Buildings	1,646,628	1,266,930
Less Provision for Depreciation	(115,589)	(89,029)
	<u>1,531,039</u>	<u>1,177,901</u>
Leasehold Improvements	45,862	45,862
Less Provision for Depreciation	(34,280)	(29,814)
	<u>11,582</u>	<u>16,048</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u>1,761,412</u>	<u>1,424,609</u>
<u>Plant and Equipment – at Cost</u>		
Motor Vehicles	235,302	214,956
Less Provision for Depreciation	(25,395)	(7,709)
	<u>209,907</u>	<u>207,247</u>
Office Furniture and Equipment	252,954	294,675
Less Provision for Depreciation	(139,300)	(216,666)
	<u>113,654</u>	<u>78,009</u>
Partitioning	-	96,585
Less Provision for Depreciation	-	(96,585)
	<u>-</u>	<u>-</u>
Improvements	4,598	4,598
Less Provision for Depreciation	(3,401)	(2,968)
	<u>1,197</u>	<u>1,630</u>
Caravan Park Machinery and Equipment	104,534	103,849
Less Provision for Depreciation	(80,885)	(72,746)
	<u>23,649</u>	<u>31,103</u>
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<u>348,407</u>	<u>317,989</u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u>2,109,819</u>	<u>1,742,598</u>

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

**8. PROPERTY, PLANT AND EQUIPMENT**

Continued

**2007**  
\$

**2006**  
\$

(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	1,424,609	207,247	79,639	31,103	1,742,598
Additions	379,698	203,442	62,567	685	646,392
Disposals	-	(143,366)	(1,399)	-	(144,765)
Amortisation/Depreciation Expense	(42,895)	(57,416)	(25,956)	(8,139)	(134,406)
Carrying Amount - End of Year	<u>1,761,412</u>	<u>209,907</u>	<u>114,851</u>	<u>23,649</u>	<u>2,109,819</u>

**9. TRADE AND OTHER PAYABLES**

**Current**

Creditors and Accruals

599,577

1,120,888

Amount(s) relating to CFMEU – Mining & Energy Division

451,166

293,857

**10. PROVISIONS**

	PROVISION FOR ANNUAL LEAVE \$	PROVISION FOR LSL \$	OTHER EMPLOYEE ENTITLEMENT \$	TOTAL \$
Opening balance at 1 January	326,047	24,045	115,605	465,697
Additional provisions	163,031	3,350	77,325	243,706
Amounts used	(126,945)	-	(89,388)	(216,333)
Balance at 31 December	<u>362,133</u>	<u>27,395</u>	<u>103,542</u>	<u>493,070</u>

(a) Analysis of ageing of provisions

Current

493,070

465,697

(b) Number of Employees at Balance Date

10

10

(c) Total Employee Benefits Attributable to:

Office Holders

429,227

416,461

Staff

63,843

49,236

493,070

465,697

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

	2007 \$	2006 \$
<b>11. OTHER CURRENT LIABILITIES</b>		
Income in Advance	46,921	55,090
Grant in Advance	90,000	20,000
UMW Trust Fund – B Stephenson	-	6
	136,921	75,096
<b>12. UMW TRUST FUND – BROCK STEPHENSON</b>		
Balance at Beginning of Year	6	266
Add: Interest (Net)	-	-
Less: Advances	(6)	(260)
BALANCE AT END OF YEAR	-	6

**13. 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	22,316	21,515
• later than one year but not later than two years	-	21,515
• later than two years but not later than five years	-	-
• later than five years	-	-
	22,316	43,030

**14. 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 K Fitzpatrick
- Mr G Whiteley
- Mr R Marjoram
- Mr S Field
- Mr N Everill
- Mr A Giddings
- Mr R Crawford
- Mr A Honeysett (Central Councilor)
- Mr T Case
- Mr A Townsend

Total Compensation		
- Short Term Benefits	628,209	627,869
- Post Employment Benefits	175,277	139,301
- Long Term Benefits	-	-
	803,486	767,170



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

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>15. CASH FLOW INFORMATION</b>		
<b>(a) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING RESULT</b>		
Operating Result from Ordinary Activities	125,509	494,649
<b>Non-Cash Flows in Operating Deficit</b>		
Share of Loss in Associate	-	54,497
Profit on Sale of Investments	-	(2,159)
Profit on Sale of Share in Associate	-	(378,850)
Loss on Sale of Fixed Assets	1,399	14,903
Depreciation and Amortisation	134,406	98,909
Profit on Sale of Fixed Assets	(11,634)	-
Doubtful Debts Provision	72,990	-
<b>Changes in Assets and Liabilities</b>		
(Increase) Decrease in Receivables	(54,340)	52,129
(Increase) in Other Assets	(9,090)	(19,702)
Increase in Accounts Payable	177,579	131,426
Increase in Grants in Advance	70,000	-
Increase in Provisions	27,373	86,726
<b>NET CASH FLOWS PROVIDED BY OPERATIONS</b>	<u>534,192</u>	<u>532,528</u>
<b>(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:</b>		
Cash on Hand [Note 4]	448,086	363,158
Bank Overdraft	-	(4,291)
	<u>448,086</u>	<u>358,867</u>

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

**16. 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:

2007	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
<b>Financial Assets</b>						
Cash at Bank	4.20	446,466	-	-	-	446,466
Investments	1.77	-	77,173	-	173,854	251,027
Receivables	4.81	-	1,326,500	-	199,950	1,526,450
<b>TOTAL FINANCIAL ASSETS</b>		<b>446,466</b>	<b>1,403,673</b>	<b>-</b>	<b>446,794</b>	<b>2,223,943</b>
<b>Financial Liabilities</b>						
Interest Bearing Liabilities	-	-	-	-	-	-
Trade & Sundry Creditors	-	-	-	-	592,773	592,773
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>592,773</b>	<b>592,773</b>
<b>2006</b>						
2006	WEIGHTED AVERAGE EFFECTIVE INTEREST RATES %	FLOATING INTEREST RATE \$	FIXED INTEREST RATE MATURING		NON INTEREST BEARING \$	TOTAL \$
			WITHIN 1 YEAR \$	BETWEEN 1 & 5 YEARS \$		
<b>Financial Assets</b>						
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
<b>TOTAL FINANCIAL ASSETS</b>		<b>361,548</b>	<b>1,041,459</b>	<b>-</b>	<b>1,546,028</b>	<b>2,949,035</b>
<b>Financial Liabilities</b>						
Interest Bearing Liabilities	8.50	4,291	-	-	-	4,291
Trade & Sundry Creditors	-	-	-	-	1,120,888	1,120,888
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,120,888</b>	<b>1,125,179</b>

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

**16. 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.

**17. 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 2007**

**17. RELATED PARTY INFORMATION**

CONTINUED

**(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 \$31,200 (2006: \$24,284) were paid during the year.

**Other related parties**

- iv) Sustentation fees totaling \$851,159 (2006: \$874,354) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- (v) Salary & Wages totaling \$14,688 (2006: \$28,158) were paid during the year to a relative of an 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.

**18. ORGANISATION DETAILS**

The Union is a Trade Union registered and domiciled In Australia. The registered office and principle place of business is: Fred Moore House, 636 Northcliffe Drive, Kembla Grange, NSW 2526.

**19. EVENTS SUBSEQUENT TO BALANCE DATE**

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
  - (i) the operations of the Union;
  - (ii) the results of those operations; or
  - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on 31<sup>st</sup> March 2008 by the Board of Management.

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

**20. 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:

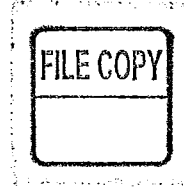
	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>i) ITEMS OF REVENUE</b>		
Donations or Grants Income	40,000	40,000
<b>ITEMS OF EXPENSE</b>		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	14,964	595
Donations or Grant Expenses.		
• Alisha Kawalla	-	1,000
• Illawarra Melanoma Foundation	-	1,000
• Ironfest	-	2,000
• Albion Park Oak Flats RLFC	2,500	-
• ALP – Thorsby	2,727	-
• Bulli Miners Memorial	-	-
• General (individually less than \$1,000)	13,226	5,336
	<u>18,453</u>	<u>9,336</u>
Employee Benefits Expense:		
- Office Holders	1,039,074	945,846
- Employees (Other than Office Holders)	208,562	210,003
	<u>1,247,636</u>	<u>1,155,849</u>
Attendance Fees/Allowances – Conferences and Meetings	8,405	3,725
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	31,720	64,348



**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  
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 2007 (FR2007/560)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 17 December 2008. The documents have been filed. However I draw your attention to the following items.

**Formal certification under s268**

Firstly, although your covering letter indicates that the documents were presented to the various members' Lodge meetings you should in future explicitly certify the facts 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*".

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.

**Grants and Donations to be lodged in separate s237 statement**

I note that on page 23 of the report Grants or Donations of \$2,500 and \$2,727 are recorded. Section 237 prescribes certain additional details to be lodged in a separate statement, wherever the amount exceeds \$1,000. I enclose an extract of that section.

Yours sincerely,

Stephen Kellett  
for Deputy Industrial Registrar

30 December 2008