



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: FR2006/593-[105N-VDST]

Mr Greg Hardy
District Secretary
CFMEU Mining & Energy Division
Victorian District Branch
Wing 5, Lignite Court
MORWELL VIC 3840

Dear Mr Hardy

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".

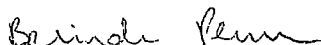
Extensions of Time

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
18 January 2007

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ / 	
SECOND MEETING: Present full report to:		
(a) General Meeting of Members - s266 (1),(2), or	/ /	within 6 months of end of financial year
(b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ /	within 6 months of end of financial year
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	within 14 days of meeting

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Documents Checklist

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

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

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

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

Committee Of Management Statement

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

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

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

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

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

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

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



Ref: FR2006/593 -[105N-VDST]

Mr Greg Hardy
District Secretary
CFMEU Mining & Energy Division
Victorian District Branch
P O Box 918
MORWELL VIC 3840

Dear Mr Hardy

Re: Construction, Forestry, Mining and Energy Union-Mining and Energy Division - Victorian 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

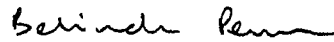
¹ Schedule 1B of the Workplace Relations Act 1996

- 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: **FR2006/593.**

Yours sincerely



Belinda Penna

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

18 July, 2007



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 Greg Hardy
District Branch Secretary
CFMEU Mining & Energy Division
Victorian District Branch
PO Box 918
MORWELL VIC 3840

Dear Mr Hardy

Re: Outstanding Financial Statements and Accounts Documents for the CFMEU Mining & Energy Division Victorian District Branch - year ending 31 December 2006 (FR2006/593)

I refer to the previous correspondence dated 18 July 2007 (a copy of which is attached) concerning the outstanding lodgement of the financial statements and accounts for the year ended 31 December 2006.

To date, no response has been received to this letter, and the lodgement of these documents is now substantially overdue.

Accordingly, you are requested to lodge in the Registry, under cover of a certificate by the Secretary in accordance with section 268 of the *Workplace Relations Act 1996*, the abovementioned documents.

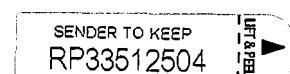
If you are unable to lodge the documents at this time please advise the Registry **in writing by 28 September 2007** when the documents are likely to be lodged.

If you wish to discuss this matter, please contact me by email at belinda.penna@air.gov.au or by telephone on 02 8374 6618.

Yours sincerely,

Belinda Penna
For Deputy Industrial Registrar

12 September 2007





Ref: FR2006/593 -[105N-VDST]

Mr Greg Hardy
District Secretary
CFMEU Mining & Energy Division
Victorian District Branch
P O Box 918
MORWELL VIC 3840

COPY

Dear Mr Hardy

Re: Construction, Forestry, Mining and Energy Union-Mining and Energy Division - Victorian 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: **FR2006/593.**

Yours sincerely



Belinda Penna

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

18 July, 2007



Contact Officer: Belinda Penna
Telephone No: 02 8374 6618
Facsimile No: 02 9380 6990
Reference: **FR2006/593**

Outstanding Financial Documents for the CFMEU Mining & Energy Division, Victorian District
Branch for the year ending 31 December 2006

Mr Greg Hardy rang in response to my letter dated 12 September 2007. He had thought that his Auditor had sent the documents to the Registry.

He stated that the Branch has a meeting scheduled for next Friday to finalise the financial reporting process, and that he will send the documents following that meeting.

Belinda Penna
18 September 2007

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1 *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*

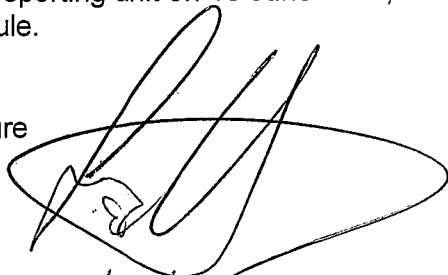
Certificate of Secretary

s268 of Schedule 1 *Workplace Relations Act 1996*

I Greg Hardy, being the Secretary of the ***Construction, Forestry, Mining and Energy Union, Mining and Energy Division, Victorian District Branch***, certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- that the full report, was provided to members on 23 May 2007; and
- that the full report was presented to the last of a series of general meetings of members of the reporting unit on 18 June 2007; in accordance with section 266 of the RAO Schedule.

Signature



Date:

22/10/07



**CONSTRUCTION FORESTRY MINING AND ENERGY UNION
MINING AND ENERGY DIVISION
VICTORIAN DISTRICT BRANCH**

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

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8	Cash Flow Statement
9-19	Notes to the Financial Statements



OPERATING REPORT

Your Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”) present their Operating Report on the Union for the year ended 31 December 2006.

Board of Management

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

Name	Position	Period of Appointment
Luke van der Meulen	District President	01/01/2006 to 31/12/2006
Greg Hardy	District Secretary	01/01/2006 to 31/12/2006
Graeme Middlemiss	District Vice President	01/01/2006 to 31/12/2006
Steve Sanders	Board of Management	01/01/2006 to 31/12/2006
Stephen Groen	Board of Management	01/01/2006 to 31/12/2006
Trevor Birkbeck	Board of Management	01/01/2006 to 31/12/2006
Stuart Blanch	Board of Management	01/01/2006 to 31/12/2006
George Rappold	Board of Management	01/01/2006 to 31/12/2006
David Kelly	Board of Management	01/02/2006 to 27/05/2006
Stuart Sceney	Board of Management	20/04/2006 to 31/12/2006

Principal Activities

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

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

Results of Activities

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 result for the year was a loss of \$16,724 (2005: profit of \$50,698). Membership contributions in the current year amounted to \$499,398 being a \$19,470 increase on last year.

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

OPERATING REPORT

continued

Significant Changes in Nature of Activities

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

Significant Changes in Financial Affairs

Significant changes in the financial affairs of the Union include a rise in income from contributions and levies during the year of 4% as a consequence of an increase in membership rates.

During the 2006 year the District employed an industrial officer, in line with a past decision of the Board of Management. Accordingly the associated costs of employment have increased.

Membership of the Union

There were 1,059 members of the Union as at 31 December 2006. (2005: 1,037)

Rights of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (d) 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.

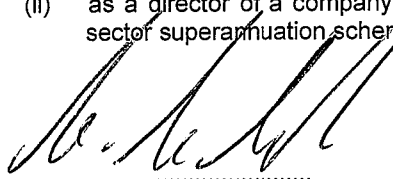
Employees of the Union

As at 31 December 2006 the Union employed 4 full time employees. (2005: 3)

Superannuation Trustees

No officer or member of the Union acts:

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



.....
Luke van der Meulen

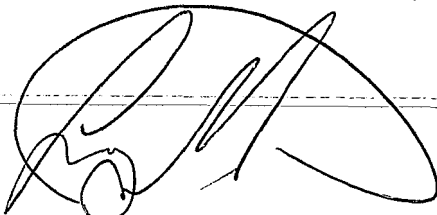
Signed this 23rd day of May 2007.

BOARD OF MANAGEMENT STATEMENT

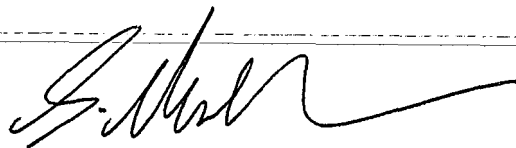
The Board of Management of the Construction Forestry Mining and Energy Union – Mining and Energy Division – Victorian District (“the Union”), do state that in the opinion of the Board, that;;

- (i) The financial report and notes comply with Australian Accounting Standards;
- (ii) The financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (iii) 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;
- (iv) 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
- (v) During the financial year ended 31 December 2006 and since the end of the financial year:-
 - (i) Meetings of the Board of Management were held in accordance with the rules of the organisation; and
 - (ii) The financial affairs of the Union have been managed in accordance with the rules of the organisation; and
 - (iii) The financial records of the Union have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2005; and
 - (iv) The financial records of the Union have been kept, as far as practicable, in a consistent manner to each other reporting unit of the organisation; and
 - (v) No information has been sought in any request of a member of the Union or by a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) No orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996.

This Statement is made in accordance with a resolution of the Board of Management and is signed for and on behalf of the Central Council by:



.....
Greg Hardy



.....
Graeme Middlemiss

Signed this 23rd day of May 2007.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

To the members of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division – Victorian District.

SCOPE

We have audited the financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division – Victorian District ("the Union") for the year ended 31 December 2006 as set out on pages 5 to 19. 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 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.

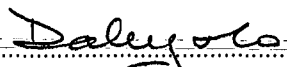
The audit opinion expressed in this report has been formed on the above basis.

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 and other mandatory professional reporting requirements.


Daley & Co
Chartered Accountants
98 Kembla Street, Wollongong NSW 2500


M L Gleeson
Registered Company Auditor

Signed this 23rd day of May 2007.

Liability limited by a scheme under Professional Standards Legislation.

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

	NOTE	2006 \$	2005 \$
REVENUES	3	<u>556,365</u>	<u>548,418</u>
EXPENSES			
Employee Benefits Expense		261,632	214,819
Depreciation and Amortisation Expense		23,344	10,964
Sustentation Fees		148,027	160,701
Operating Expenditure		135,527	111,236
Loss on Disposal of Property, Plant & Equipment		4,559	-
		<u>573,089</u>	<u>497,720</u>
NET RESULT ATTRIBUTABLE TO MEMBERS		<u>(16,724)</u>	<u>50,698</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	261,734	599,865
Trade and Other Receivables	5	43,646	75,450
Prepayments		5,442	4,452
TOTAL CURRENT ASSETS		<u>310,822</u>	<u>679,767</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	454,072	164,517
TOTAL NON-CURRENT ASSETS		<u>454,072</u>	<u>164,517</u>
TOTAL ASSETS		<u>764,894</u>	<u>844,284</u>
CURRENT LIABILITIES			
Trade and Other Payable	7	25,627	66,114
Provisions	8	40,260	63,169
Other	9	42,879	42,149
TOTAL CURRENT LIABILITIES		<u>108,766</u>	<u>171,432</u>
TOTAL LIABILITIES		<u>108,766</u>	<u>171,432</u>
NET ASSETS		<u>656,128</u>	<u>672,852</u>
MEMBERS' FUNDS			
Accumulated Members Funds		<u>656,128</u>	<u>672,852</u>

The accompanying notes form part of this financial report

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

	NOTE	2006 \$	2005 \$
Opening Balance as at 1 January		672,852	622,154
Net Result Attributable to Members		(16,724)	50,698
Closing Balance as at 31 December		<u>656,128</u>	<u>672,852</u>
Represented by:			
• General Fund		542,398	557,803
• Campaign Fund		113,730	115,049
		<u>656,128</u>	<u>672,852</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		551,909	528,811
Interest Received		33,938	21,267
Rents Received		29,075	30,323
Other Income		2,864	2,820
Payments to Suppliers and Employees		(638,459)	(541,608)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12	<u>(20,673)</u>	<u>41,613</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(337,004)	(125,363)
Proceeds from Sale of Property, Plant and Equipment		19,546	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(317,458)</u>	<u>(125,363)</u>
NET INCREASE (DECREASE) IN CASH HELD		(338,131)	(83,750)
CASH AT THE START OF THE FINANCIAL YEAR		599,865	683,615
CASH AT THE END OF THE FINANCIAL YEAR	4	<u>261,734</u>	<u>599,865</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 complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

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

Basis of Preparation

Reporting Basis and Conventions

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

Accounting Policies

(a) PROPERTY, PLANT AND EQUIPMENT

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

Property, Plant and Equipment

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

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

Subsequent costs are included in the 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.

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

continued

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(a) PROPERTY, PLANT & EQUIPMENT

CONTINUED

Depreciation

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

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**

continued

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 cash-generating unit to which the asset belongs.

(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.

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

continued

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(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**

continued

	2006 \$	2005 \$
3. OPERATING RESULT FROM ORDINARY ACTIVITIES		
The Result from ordinary activities is arrived at after taking into account:-		
(a) REVENUE:		
<i>Operating Activities</i>		
Contributions	499,398	479,928
Interest Received	20,127	31,668
Rents Received	33,176	34,002
Refunds/Reimbursements	3,664	2,820
	<u>556,365</u>	<u>548,418</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
- Buildings	3,967	-
- Plant & Equipment	19,377	10,964
	<u>23,344</u>	<u>10,964</u>
Movements In Employee Entitlements	(22,909)	17,250
Loss on Sale of Property, Plant & Equipment	4,559	-
Remuneration of Auditors		
- Auditing the Financial Report	6,800	6,800
- Accounting & Taxation Services	3,460	3,450
	<u>10,260</u>	<u>10,250</u>
4. CASH AND CASH EQUIVALENTS		
Cash on Hand	457	700
Cash at Bank/Credit Unions		
• General Account	9,968	48,018
• Term Deposit	251,309	551,147
	<u>261,734</u>	<u>599,865</u>

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

continued

	2006 \$	2005 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Contributions Receivable	25,338	27,068
Deposits Refundable	-	24,500
Other Debtors	15,325	11,951
Interest Receivable	2,983	11,931
	43,646	75,450
6. PROPERTY, PLANT AND EQUIPMENT		
WORK IN PROGRESS		
• At Cost	-	113,667
	-	113,667
LAND AND BUILDINGS		
• At Cost	382,666	-
• Accumulated Depreciation	(3,967)	-
	378,699	-
OFFICE EQUIPMENT		
• At Cost	41,133	37,680
• Accumulated Depreciation	(18,002)	(11,160)
	23,131	26,520
MOTOR VEHICLES		
• At Cost	64,552	35,147
• Accumulated Depreciation	(12,310)	(10,817)
	52,242	24,330
TOTAL PROPERTY, PLANT AND EQUIPMENT	454,072	164,517

Movements In Carrying Amounts

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

	LAND & BUILDINGS	WORK IN PROGRESS	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Balance at Start of Year	-	113,667	26,520	24,330	164,517
Additions	268,999	-	3,453	64,552	337,004
Transferred To (From)	113,667	(113,667)	-	-	-
Disposals – Assets	-	-	-	(35,147)	(35,147)
Amort/Depreciation Expense	(3,967)	-	(6,842)	(12,535)	(23,344)
Disposals – Accum Dep'n	-	-	-	11,042	11,042
Balance at End of Year	378,699	-	23,131	52,242	454,072

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

continued

	2006	2005
	\$	\$
7. TRADE AND OTHER PAYABLE		
Creditors and Accruals	25,627	66,114
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division	23,810	39,512
8. PROVISIONS		
	<i>Provision for Annual Leave \$</i>	<i>Other Employee Entitlements \$</i>
		TOTAL
	\$	\$
Opening balance at 1 January 2006	32,492	30,677
Additional provisions	25,400	6,647
Amounts used	(32,393)	(22,563)
Balance at 31 December 2006	25,499	14,761
(a) Analysis of ageing of provisions		
Current	40,260	63,169
(b) Number of Employees at Balance Date	4	4
(c) Total Employee Benefits Attributable to:		
Office Holders	32,367	55,235
Staff	7,993	7,934
	40,260	63,169
9. OTHER LIABILITIES		
Income in Advance	42,879	42,149
10. ORGANISATION DETAILS		

The Union is a Trade Union registered and domiciled in Australia. The registered office and principle place of business of the Union is: Lignite Court, Morwell, Victoria 3840.

11. 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 20th April 2007 by the Board of Management.

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

Continued

	2006	2005
	\$	\$
12. CASH FLOW INFORMATION		
RECONCILIATION OF CASH FLOWS BY OPERATING ACTIVITIES WITH OPERATING RESULT		
Operating Result from Ordinary Activities	(16,724)	50,698
Non Cash Items		
• Depreciation	23,344	10,964
• Loss on Sale of Fixed Assets	4,559	-
Changes in Assets and Liabilities		
(Increase) Decrease in Contributions Receivable	1,730	(1,869)
(Increase) in Other Receivables	30,074	(15,892)
(Increase) Decrease in Prepayments	(990)	8,032
Increase (Decrease) in Accounts Payable	(40,487)	(34,106)
Increase in Provisions	(22,909)	17,250
Increase in Income in Advance	730	6,536
NET CASH PROVIDED (USED IN) BY OPERATING ACTIVITIES	<u>(20,673)</u>	<u>41,613</u>
13. CAPITAL COMMITMENTS		
Payable not later than one year:		
- Purchase of Property	<u>-</u>	<u>257,630</u>
14. KEY MANAGEMENT PERSONNEL COMPENSATION		
Key Management Personnel		
➤ Mr L van der Meulen	(District President)	
➤ Mr G Hardy	(District Secretary)	
Total Compensation		
- Short Term Benefits	154,699	172,274
- Post Employment Benefits	16,090	13,229
- Long Term Benefits	-	-
	<u>170,789</u>	<u>185,503</u>

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

continued

15. RELATED PARTY INFORMATION

(a) MEMBERS OF THE BOARD OF MANAGEMENT

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

➤ Luke van der Meulen	(District President)
➤ Greg Hardy	(District Secretary)
➤ Graeme Middlemiss	(District Vice President)
➤ Stuart Sceney	(Board of Management)
➤ Trevor Birkbeck	(Board of Management)
➤ Steve Sanders	(Board of Management)
➤ Stephen Groen	(Board of Management)
➤ Stuart Blanch	(Board of Management)
➤ George Rappold	(Board of Management)
➤ David Kelly	(Board of Management)

(b) RELATED PARTY TRANSACTIONS

Other related parties

- i) Sustentation fees totaling \$148,027 (2005: \$160,701) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.

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 Union 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:

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

continued

16. FINANCIAL INSTRUMENTS

continued

(a) Interest Rate Risk

continued

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	5.48	261,277	-	-	457	261,734
Receivables	-	-	-	-	43,646	43,646
Total Financial Assets		<u>261,277</u>	<u>-</u>	<u>-</u>	<u>44,103</u>	<u>305,380</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	25,627	25,627
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>25,627</u>	<u>25,627</u>
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	5.24	599,165	-	-	700	599,865
Receivables	-	-	-	-	75,450	75,450
Total Financial Assets		<u>599,165</u>	<u>-</u>	<u>-</u>	<u>76,150</u>	<u>675,315</u>
Financial Liabilities						
Trade & Sundry Creditors	-	-	-	-	66,114	66,114
Total Financial Liabilities		<u>-</u>	<u>-</u>	<u>-</u>	<u>66,114</u>	<u>66,114</u>

(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.

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

continued

17. ADDITIONAL DISCLOSURES REQUIRED UNDER THE RAO SCHEDULE

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

	2006	2005
	\$	\$
i) ITEMS OF REVENUE		
Donations or Grants Income	-	-
ii) ITEMS OF EXPENSE		
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	4,421	3,762
Donations or Grant Expenses.		
• Kemelix Distress Fund	-	2,000
• General (individually less than \$1,000)	1,391	523
	<u>1,391</u>	<u>2,532</u>
Employee Benefits Expense:		
- Office Holders	167,620	154,159
- Employees (Other than Office Holders)	120,896	43,340
	<u>288,516</u>	<u>197,499</u>
Campaign Expenses:		
• IR and LSL Campaign	-	5,570
• General Expenditures	1,319	1,031
	<u>1,319</u>	<u>6,601</u>
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	<u>7,996</u>	<u>9,315</u>



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 Greg Hardy
Secretary, Victorian District Branch, Mining and Energy Division
CFMEU
Wing 5, Lignite Court
MORWELL VIC 3840



Dear Mr Hardy

**Re: Lodgement of Financial Statements and Accounts – Mining and Energy Division,
Victorian District Branch – for year ending 31 December 2006 (FR2006/593)**

Thank you for lodging the abovementioned financial statements and accounts which were received in the Registry on 23 October 2007.

I note the file correspondence between yourself and Mrs Penna of the Registry explaining the misunderstanding which led to the delay in lodgement. Accordingly, the documents have been filed.

Yours sincerely,

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

Stephen Kellett
for Deputy Industrial Registrar

1 February 2008