

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION

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27 August 2007

The Hon. Joe Hockey MP
Minister for Employment and Workplace Relations
Parliament House
CANBERRA ACT 2600

Dear Minister

It is my pleasure to present to you the Annual Report for the Coal Mining Industry (Long Service Leave Funding) Corporation for the year ended 30 June 2007. This marks the fifteenth year of the Corporation's administration of long service leave funding in the Australian black coal industry.

The year has seen further consolidation of the financial standing of the Long Service Leave Central Fund. It is also pleasing to report that the Corporation continues to administer the reimbursement of employer long service leave payments in accordance with the legislation, has properly recorded its activities in the accompanying annual report and exercised due governance in discharging its responsibilities to the satisfaction of the Australian National Audit Office.

I would like to place on record acknowledgement and appreciation of the efforts of my fellow Directors and the staff of the administrators in each of the participating States of New South Wales, Queensland, Western Australia and Tasmania.

Finally, it would be remiss of me not to acknowledge the dedicated service and extraordinary efforts of the retiring Secretary to the Board, Mr Ross Taylor, retired on 30 June 2007, after serving as Secretary to the Board since its inception in 1992. His knowledge, outstanding executive skills and the support provided to the Board, fund administrators and the black coal industry is not only recognised by myself and my fellow Directors, but I am sure by all relevant industry parties.

**P Murray OAM
Chairman**

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General commentary

Introduction

Established by the Coal Mining Industry (Long Service Leave Funding) Act 1992 (The Act), the Coal Mining Industry (Long Service Leave Funding) Corporation (The Corporation) is responsible for the administration of the Coal Mining Industry Long Service Leave Fund (The Fund).

The Fund has operated since 1949 to provide reimbursement payments to employers paying long service leave to persons employed in the black coal industry in New South Wales, Queensland, Western Australia and Tasmania.

The Coal Mining Industry (Long Service Leave) Payroll Act 1992 and the Coal Mining Industry (Long Service Leave) Payroll Levy Collection Act 1992 enable:

- the raising of levies by the Commonwealth on employers of persons employed in the black coal industry, and
- appropriations to the Fund to form assets from which these reimbursement payments are made.

This centralised method of funding long service leave payments was created to fund the employer's liability of long service leave entitlements for employees in the industry, based on 'industry service' rather than service with any single employer.

The Corporation

The Corporation is a body corporate established by the Act. It has a Board of six Directors who manage the Fund's administration and are appointed by the Minister for Employment and Workplace Relations. The Directors hold office on a part-time basis.

- Two Directors are appointed to represent companies engaged in black coal mining in New South Wales, Queensland and Tasmania
- One Director is appointed to represent companies engaged in black coal mining in Western Australia
- One Director is appointed to represent the Construction, Forestry Mining and Energy Union (CFMEU) (Mining and Energy Division)
- One Director is appointed to represent the Electrical Division of the Communications, Electrical and Plumbing Union, the CFMEU in its capacity as the successor to the Federated Engine Drivers' and Firemen's' Association of Australia, and the Australian Manufacturing Workers Union, and
- One Director is appointed to represent the Colliery Officials' Association of New South Wales, the Association of Professional Engineers, Scientists and Managers Australia in its capacity as the successor to the Australian Collieries Staff Association, and the Mine Managers Association of Australia in its capacity as the successor to the New South Wales Coal Mines Managers' Association.

A chairman and deputy chairman are appointed by the Board of Directors or from the employer and employee representative Directors.

Directors of the Corporation

There were two Board of the Corporation meetings convened during the year. Particulars of each Director are as follows, with their attendance at each meeting shown thus "(/)".

1 Nominated by employers in the coal industry

- **Mr Arthur Weston**
(Appointed until 6.11.2004 – term expired 18.04.2007)
- **Mr Jim Middleton (2/2)**
(Appointed 01.03.2007 until 28.02.2009)
- **Mr Steven Reynolds (2/2)**
(Appointed 19.04.2007 until 18.04.2009)
- **Mr Gary Green**
(Appointed 20.05.05 resigned 01.12.2006)

2 Nominated by unions representing employees in the coal industry

- **Mr Peter Murray OAM (2/2)**
Chairman
(Appointed 19.10.2005 until 18.10.2007)
- **Mr James Taylor OAM**
(Appointed 19.04.2005 - term expired 18.04.2007)
- **Mr Chris Flatt (2/2)**
(Appointed 19.10.2005 until 18.10.2007)

Committees

The Board continues to maintain a high level of corporate governance over financial management and investment performance, consistent with best practice through its Audit and Investment Committees, independent internal audit and regular actuarial reviews of the Fund's financial standing.

Appointment term of Directors

Mr Gary Green resigned his appointment on 1 December 2006 and Mr Steven Reynolds was appointed as his replacement on 19 April 2007 on the nomination of companies engaged in black coal mining in Western Australia.

Mr Jim Middleton was appointed on 1 March 2007 on the nomination of companies engaged in black coal mining New South Wales, Queensland and Tasmania.

Mr Arthur Weston's term of appointment expired on 19 April 2007. Mr Weston has been nominated for a further appointment term on behalf of companies engaged in black coal mining in New South Wales, Queensland and Tasmania. As at 30 June 2007 his appointment had not been finalised.

Mr James Taylor's appointment term expired on 19 April 2007. Mr Anthony Ryan was appointed as his replacement on behalf of the Mine Managers Association of Australia.

Administration

The following organisations administered and collected levies and reimbursement payments for the Corporation in the respective States during the year:

New South Wales, Tasmania and Queensland

- AUSCOAL Services Pty Ltd.

Western Australia

- Coal Industry Superannuation Board of Western Australia.

These organisations administer coal industry superannuation schemes in their own States, and mostly serve the same employers and employees as the Corporation. The close synergy between these administrations continues to produce efficiencies and a cost benefit to the Corporation. The Corporation regularly compares the administration costs of these organisations against the general marketplace to ensure they remain cost-effective.

Administrators are appointed on fixed-term contracts to allow for regular performance and comparative cost reviews against alternative arrangements. The Directors believe the current administrators meet key performance indicators and, because of the synergy with their other functions as administrators of industry superannuation for coal mine employers, they continue to provide the most cost-effective service to coal industry employers and employees and the Corporation.

Management

The Directors have established the Corporation's affairs on sound principles of commercial management.

Most of the Corporation's work is carried out under contract by the administrators. A Secretary to the Corporation is also engaged under contract to undertake the secretariat and treasury functions related to the Corporation's administration as a body corporate and the Fund's investment of its assets.

Specialist services such as internal audit, actuarial services, legal counsel and asset consultants are retained under contract on an 'as required' basis.

The basis of management is determined by the governing legislation and the management plan. The management plan incorporates investment policy and investment strategy for the investment of the Fund's assets.

MISSION STATEMENT

To facilitate the payment of long service leave entitlements to persons employed in the Australian black coal industry by ensuring, by virtue of the powers vested in the Corporation, that:

1. Sufficient funds are provided by employers by way of levy to finance the cost of this liability.
2. Proper record of individual entitlement is kept.
3. Employers are properly reimbursed for authorised payment of long service leave.

The Corporation undertakes to fulfil this mission in the most efficient and cost-effective manner.

Management objectives

Primary objectives

The Corporation's primary objectives are to:

- manage the collection of levies payable by employers on behalf of the Commonwealth and promptly remit these collections to Consolidated Revenue
- promptly reimburse employers for properly approved payments of long service leave to their employees, and
- advise the Minister, with the assistance of a consulting actuary, on setting levy rates to be paid by employers that are sufficient to provide (invested) assets in the Fund to meet the estimated liability for future reimbursements payments to employers.

Monthly employer levy payments are due to the Corporation no later than 28 days after the month end. All levy collections are remitted to Consolidated Revenue no later than the first business day of the month following receipt. Outstanding (overdue) levies are monitored and additional levies are imposed in accordance with the provisions of the legislation and Board policy.

Other management objectives

Long service leave payments and consequential reimbursements to employers by the Corporation are based on continuous periods of employment service in the coal industry. This often entails aggregating several shorter employment periods with a number of employers.

Therefore, employment periods must be independently recorded and collated in a central registry. Such a registry is maintained by the Corporation. The Corporation's secondary objective is ensuring this central coal industry employment record is maintained from information provided by employers and regularly verified.

Other objectives include:

- soundly investing the Fund's assets to minimise the necessary levy rate on employers to finance reimbursement payments, and
- ensuring all employers in the black coal industry liable to make levy payments to the Commonwealth under the provisions of the legislation make these payments by the due date.

The Corporation's investment policy is incorporated into a management plan approved by the Minister. The policy includes an investment strategy designed to optimise the risk/return ratio over the medium to long term, with investments in Australian and overseas securities by appointed professional investment managers. The investment managers are monitored on behalf of the Corporation by an asset consultant and all investments are securely held by, and in the name of, an independent master custodian.

Because this investment strategy is directed towards medium to long term returns, it is not adjusted or amended in the shorter time periods to anticipate likely market corrections. Instead, the strategy takes account of short term financial market volatility when setting investment return objectives.

The Fund recorded an investment return on its assets of 12.08% for the 2006-2007 financial year.

The Corporation has continued to identify and inform black coal industry employers of their obligations under the legislation to pay levies, provide audit certificates and their right to claim reimbursement for approved long service leave payments to their employees. This is still a matter of concern for the Corporation. As many organisations are engaged in the black coal industry as contractors to coal mine operators for the first time, they are unaware of their obligations under the Act.

Amendment of the legislation

The Corporation has obtained legal advice on the interaction between the Commonwealth's WorkChoices legislation and the legislation under which it is empowered. The Directors should be well placed to provide the Minister with a position paper during the 2007-2008 year.

Actuarial review

The legislation requires that the Fund be subjected to periodic actuarial reviews and the levy rate payable by employers be set having regard to the review's findings as to the estimated future liabilities and adequacy of the invested assets to meet their costs as and when they fall due. During the 2006-2007 year the Directors resolved to undertake an actuarial review as at 30 June 2006. The review is currently in progress.

Professional assistance to the Corporation

When the Corporation was established in 1993, the Directors decided that contracting the Fund's administration in each participating State would be more cost-effective than maintaining its own administration.

They also contracted professional services in the areas of legal counsel, internal auditing, actuarial services, investment consultancy and secretarial support. The Corporation does not employ any staff.

Publications

In accordance with the guidelines for preparing annual reports by Commonwealth Government Authorities, the Corporation's Directors advise that no publications have been prepared or issued by the Corporation during the period of this annual report.

Freedom of information

The Corporation has been advised that as it is an entity of the Commonwealth and subject to the provisions of the Commonwealth Authorities and Companies (CAC) Act, it is also subject to the requirements of the Commonwealth's freedom of information legislation.

During the year of this report the Corporation received no requests for information under these provisions.

Compliance

The Corporation is committed to maintaining the highest standards of best practice and good governance. To this end, it requires contracted providers of out-sourced services to accept compliance with these standards as a condition of contract. The Corporation monitors this compliance during the contract term.

Further, the Directors have also formulated the Corporation's own policies for good governance and conduct and are currently reviewing all adopted practices and policies for such things as business recovery, business continuity, fraud and fraud control.

Financial

The Statement of financial position, Operating statement and Statement of cash flows, together with the notes and Auditor's report are presented with this report.

The Statement of financial position records the full value of accrued liability for reimbursement of long service leave payments, including accrued entitlements under the previous administration's arrangements in excess of the Fund's assets at the time of transfer to the Corporation.

2007-2008 budget

The Corporation anticipates the following receipts and payments for the 2007-2008 financial year, assuming the rate of levy payable by employers remains at 2.8% of eligible wages.

2007-2008 budget

Receipts and payments		\$m
Appropriations from consolidated revenue* (* from collections of levy payments by employers)		71
Earnings from investment		40
Less:		
Reimbursement payments to employers	56	
Operating expenses	<u>2</u>	
		<u>58</u>
Net increase in assets		<u>53</u>

Investment

The Corporation has contracted the following investment managers to invest the Fund's assets, consistent with its investment policy and strategy.

Manager	Asset class
Macquarie Listed Property Trust	Australian property
State Street Global Advisors	Overseas (Ex. Aust.) equities and tactical overlay
Credit Suisse Asset Management	Overseas (Ex. Aust.) equities
Hyperion	Australian equities
UBS Brinson – Asset Management	Australian fixed interest
BGI	Australian equities
PIMCO Global Fund	Overseas (Ex. Aust.) bonds and high yield debt
Lazard (Aust) Asia Pacific Fund	Australian equities
Loomis Sayles	Specialist credit – bank bills
J P Morgan Cash Account	Cash

The investment policy's broad objective is to achieve a return of CPI + 4% over a rolling five year period.

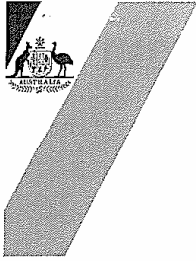
Setting an investment strategy consistent with this policy is determined by the Board with the assistance of an asset consultant – Watson Wyatt (Worldwide).

The following returns have been achieved in the last five years, ending 30 June 2007.

2003	2004	2005	2006	2007
-1.49%	15.11%	13.07%	12.7%	12.08%

This represents an annual average return of 10.29%, with an average real rate of 7.53% pa (i.e. after adjusting for inflation – CPI).

Independent audit report



INDEPENDENT AUDITOR'S REPORT

To the Minister for Employment and Workplace Relations

16 AUG 2007

Scope

I have audited the accompanying financial statements of the Coal Mining Industry (Long Service Leave Funding) Corporation for the year ended 30 June 2007, which comprise: a statement by the Directors and Secretary; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments and contingencies, a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Members of the Board for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Coal Mining Industry (Long Service Leave Funding) Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coal Mining Industry (Long Service Leave Funding) Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the Board, as well as evaluating the overall presentation of the financial statements.

PO Box A456 Sydney South NSW 1235
130 Elizabeth Street
SYDNEY NSW
Phone (02) 9367 7100 Fax (02) 9367 7102

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Coal Mining Industry (Long Service Leave Funding) Corporation:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and Australian Accounting Standards (including Australian Accounting Interpretations); and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Coal Mining Industry (Long Service Leave Funding) Corporation's financial position as at 30 June 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
10 August 2007

16 AUG 2007

Financial statements


*For the year ended
30 June 2007*

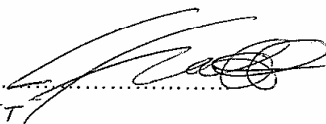
STATEMENT BY DIRECTORS AND SECRETARY

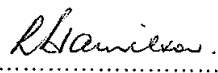
In our opinion, the attached financial statements for the year ended 30 June 2007 of the Coal Mining Industry (Long Service Leave Funding) Corporation are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the Directors.

Signed 
P Murray
Acting Chairman
10 August 2007

Signed 
C FLATT
Director
10 August 2007

Signed 
R Hamilton
Secretary
10 August 2007

INCOME STATEMENT
For the Year Ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Income			
Revenues			
Revenues from Government	9(a)	64,822	78,106
Investment Revenue	9(b)	61,999	54,224
Total Revenue		126,821	132,330
Total income		126,821	132,330
Expenses			
Investment expenses	9(c)	41	-
Professional services	9(d)	1,122	1,149
Director's Remuneration	9(e)	6	8
Administration expenses	9(f)	839	1,006
Other expenses		34	10
Write-up of provision	8	84,987	90,977
Total expenses		87,029	93,150
Surplus		39,792	39,180
Net Surplus Attributable to the Australian Government		39,792	39,180

(The above statement should be read in conjunction with the accompanying notes.)

COAL MINING INDUSTRY (LONG SERVICE LEAVE FUNDING) CORPORATION

BALANCE SHEET

As at 30 June 2007

ASSETS	Notes	2007 \$'000	2006 \$'000
Financial Assets			
Cash and Cash Equivalents	5	14,736	53,673
Receivables	6(a)	21	218
Investments	7	563,823	451,307
Other Assets	6(b)	245	488
Total financial assets		578,825	505,686
Total assets		578,825	505,686
LIABILITIES			
Trade and other Payables		241	407
Provisions	8	535,497	501,984
Total liabilities		535,738	502,391
Net assets		43,087	3,295
EQUITY			
Retained Surplus		43,087	3,295
Total Equity		43,087	3,295
Current Assets		15,002	54,379
Non-Current Assets		563,823	451,307
Current Liabilities		47,241	43,407
Non-Current Liabilities		488,497	458,984

(The above statement should be read in conjunction with the accompanying notes.)

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year		3,295	(36,091)
Adjustment on adoption of AASB 132 and AASB 139 to Retained Profits	2	-	206
Net surplus attributable to the Australian Government		39,792	39,180
Total equity attributable to the Australian Government		<u>43,087</u>	<u>3,295</u>

(The above statement should be read in conjunction with the accompanying notes.)

CASH FLOW STATEMENT

For The Year Ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
OPERATING ACTIVITIES			
<i>Cash Received:</i>			
Investment Income		34,217	25,631
Appropriations		65,426	78,106
GST Received from ATO		225	244
<i>Total cash received:</i>		<u>99,868</u>	<u>103,981</u>
<i>Cash used:</i>			
Reimbursement to employers		51,474	43,010
Administration expenses		835	1,004
Professional services		1,738	1,449
<i>Total cash used:</i>		<u>54,047</u>	<u>45,463</u>
Net cash from operating activities	5	<u>45,821</u>	<u>58,518</u>
INVESTING ACTIVITIES			
<i>Cash used:</i>			
Purchase of investments		(84,758)	(83,550)
Net cash used by investing activities		<u>(84,758)</u>	<u>(83,550)</u>
Net increase in cash held		(38,937)	(25,032)
Cash at the beginning of the reporting period		53,673	78,705
Cash at the end of the reporting period	5	<u>14,736</u>	<u>53,673</u>

(The above statement should be read in conjunction with the accompanying notes.)

SCHEDULE OF COMMITMENTS

As at 30 June 2007

	2007 \$'000	2006 \$'000
BY TYPE		
Other commitments	1,045	1,518
Commitments receivable	(95)	(138)
Net commitments	950	1,380
BY MATURITY		
Other commitments		
One year or less	1,045	759
From one to five years	-	759
Over five years	-	-
	1,045	1,518
Commitments receivable	(95)	(138)
Net commitments	950	1,380

As at 30 June 2007, other commitments comprise amounts payable under administration agreements.

SCHEDULE OF CONTINGENCIES

As at 30 June 2007

	2007 \$'000	2006 \$'000
CONTINGENT LIABILITIES		
Total contingent liabilities	-	-
	-	-
CONTINGENT ASSETS		
Total contingent assets	-	-
	-	-

(The above schedules should be read in conjunction with the accompanying notes.)

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

1. Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The continued existence of the Coal Mining Industry (Long Service Leave Funding) Corporation, ("the Corporation") in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Corporation's administration and programs.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2006; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

1.3 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). No Accounting Standard has been adopted earlier than the effective date in the current period.

Other effective requirement changes

The following amendments, revised standards or interpretations have become effective but have had no financial impact or do not apply to the operations of the Corporation.

Amendments

- 2005-1 Amendments to Australian Accounting Standards [AASBs 1, 101, 124]
- 2005-6 Amendments to Australian Accounting Standards [AASB 3]
- 2006-1 Amendments to Australian Accounting Standards [AASB 121]
- 2006-3 Amendments to Australian Accounting Standards [AASB 1045]

Interpretations

- UIG 4 Determining whether an Arrangement contains a Lease
- UIG 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- UIG 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economics
- UIG 8 Scope of AASB 2
- UIG 9 Reassessment of Embedded Derivatives

UIG 4 and UIG 9 might have impacts in the future periods, subject to existing contracts being renegotiated.

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Financial instrument disclosure

AASB 7 Financial Instruments: Disclosure is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that presently. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038].

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Corporation.

- AASB 1049 Financial Reporting of General Government Sectors by Governments
- UIG 10 Interim Financial Reporting and Impairment

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

1.4 Taxation

The Corporation is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

1.5 Revenue

The revenues described in this Note are revenues relating to the core operating activities of the Corporation.

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

Dividend revenue is recognised when the right to receive a dividend has been established.

Revenues from Government - Appropriations

Appropriations are recognised as revenue to the extent they have been received into the Corporation's bank account. The Corporation collects a levy paid by employers in a levy collection account. This levy account is not recognised as revenue until it is paid to the Corporation as an above mentioned appropriation as it is not controlled by the Corporation. At 30 June 2007 the balance in this levy account was \$5,409,220.50 and this amount was remitted on 2 July 2007, to Consolidated Revenue. (Refer Note 4 for further details)

1.6 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.7 Financial Risk Management

The Corporation's activities expose it to normal commercial financial risk. Given the nature of the Corporation's business and the Australian Government policies, dealing with the management of financial risk, the Corporation's exposure to market credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.8 Financial Instruments

Accounting policies for financial instruments are stated at Note 13.

1.9 Derecognition of Financial Assets and Liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expire.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.10 Investments

The Corporation classifies its investments as financial assets at fair value through profit and loss.

The financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Derivatives are also categorised as held for trading unless they are designated as hedges. Gains and losses in hedges are capitalised to the carrying value of the asset.

Purchases and sales of investments are recognised on trade-date ie. the date on which the Corporation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Corporation has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit and loss are subsequently carried at fair value, realised and unrealised gains and losses arising from changes in the fair value of the "financial assets at fair value through profit and loss" category are included in the Income Statement in the period in which they arise.

The fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (or is an unlisted security), the Corporation establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The Corporation assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Corporation may have derivative financial instruments in place from time to time by virtue of an active mandate with an investment manager. Active investment managers may utilise derivatives to ensure they comply with the mandated strategy approved by the Corporation. The Corporation itself does not invest in derivatives directly and expects that investment managers utilise derivatives in the short term only.

It is a requirement of all managers that if derivatives are utilised, any such derivatives are fully cash backed. The portfolio is not to be leveraged.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

1.11 Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

Financial Assets held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

Financial Assets held at Cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

Available-for-sale Financial Assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the asset's carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.12 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.14 Provision for Reimbursements

The provisions represent the calculated accrued liability for the reimbursement of employers for the long service leave entitlements of employees in the Australian black coal industry as at 30 June.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

The Corporation has assumed the liability of the former administration for the reimbursement of employers for long service leave entitlements accrued by employees up to the date of the commencement of administration by the Corporation viz 27 June 1993, by way of a 'Provision' in the financial accounts. The liability was at that date estimated by the consulting actuary on the basis of data provided by employers for the purpose of an actuarial review as \$389.984M and this amount was brought to account in the financial statements for the Corporation for the year ended 30 June 1993.

The accrued liability is re-calculated annually using the total weeks of service qualifying for long service leave payment and multiplied by the average weekly cost of long service leave in each of the separate states (NSW, TAS, QLD & WA) and brought into the accounts as a provision. On the basis of this calculation the accrued liability as at 30 June 2007 is \$535 million (2006 - \$502M).

The legislation provides that the Coal Industry Long Service Leave Fund be subjected to periodic actuarial reviews and the rate of levy payable by employers be set such as would provide for the fund to be fully-funded.

As a result of the actuarial review the government enacted an amendment to the enabling legislation reducing the levy rate from 5% of eligible wages to 2.8% effective 31 October 2005.

2. The Impact in the Previous Year of the Transition to AEIFRS from Previous AGAAP

	Opening 1 July 2005 \$'000
Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS	
Total equity under previous AGAAP	(36,091)
Adjusted for value of Investments - Note 7(a)	<u>206</u>
Total equity translated to AEIFRS 1 July 2005	<u>(35,885)</u>

3. Activities

- (a) *Enabling Legislation*
The Corporation was established by the *Coal Mining Industry (Long Service Leave Funding) Act 1992*.
- (b) *Segment Reporting*
The sole activity of the Corporation is the receipt of appropriations from the Commonwealth Government from levies paid by employers and the reimbursement to employers for long service leave payments made to (defined) persons employed in the Australian black coal industry. The Corporation is responsible for the collection and remittance of levies to Consolidated Revenue on behalf of the Commonwealth.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

4. Funding

In the previous year for the period 1 July 2005 until 31 October 2005 levies payable by employers under the provision of the *Coal Mining Industry (Long Service Leave) Payroll Levy Collections Act 1992*, were calculated at 5% of "eligible wages" as defined by the Act (refer Note 9). Since that date the levy is calculated at 2.8% of eligible wages.

5. Cash Flow Reconciliation

For the purpose of the Cash Flow Statement, cash includes cash at bank and investments in short term deposits and discounted commercial bills that are readily convertible to cash.

Reconciliation of Operating Result to the Net Cash from Operating Activities	2007	2006
	\$'000	\$'000
Operating Result	39,792	39,180
Net investment (gains) / losses	(27,758)	(30,446)
(Increase)/decrease in receivables	197	415
(Increase)/decrease in other current assets	243	2,068
Increase/(decrease) in supplier payable	(166)	(56)
Increase (decrease) in other current liabilities	-	(221)
Increase (decrease) in other provisions	-	(388)
Increase/(decrease) in provision for reimbursements	33,513	47,966
Net cash from operating activities	<u>45,821</u>	<u>58,518</u>

Reconciliation of Cash

Cash balance comprises:

Cash on Hand

Corporation	5,258	2,775
Deposits at call	9,478	50,898
Total Cash	<u>14,736</u>	<u>53,673</u>
Balance of cash at 30 June shown in Cash Flow Statement	<u>14,736</u>	<u>53,673</u>

NOTES TO THE FINANCIAL STATEMENTS
30 June 2007

6. Receivables

(a) Debtors	2007	2006
<i>Other debtors</i>	\$	\$
Proceeds from sale of investments (Note 7)	-	184
<i>Amounts receivable from the Commonwealth</i>		
GST paid and claimable	<u>21</u>	<u>34</u>
Total Receivables (net)	<u>21</u>	<u>218</u>
All receivables are current assets		
Receivables (gross) are aged as follows:		
Not Overdue:		
	<u>21</u>	<u>218</u>
Total receivables (gross)	<u>21</u>	<u>218</u>

(b) Other assets	2007	2006
	\$'000	\$'000
Accrued income from investments (Note 7)	<u>202</u>	<u>449</u>
Accrued bank interest	<u>43</u>	<u>39</u>
Total other assets	<u>245</u>	<u>488</u>
All other assets are current		

7. Investments at Fair Value through Profit & Loss

(a)	2007	2006
	\$'000	\$'000
At the beginning of the year	451,307	337,103
Adjusted on adoption of AASB 132 and AASB 139 (Note 2)	-	206
Purchases	84,758	83,550
Realised and unrealised gains (Note 9(b))	<u>27,758</u>	<u>30,448</u>
At end of year	<u>563,823</u>	<u>451,307</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

(b) As at 30 June 2007, a total of \$573 million (2006 - \$503M) from the assets of the Coal Mining Industry Long Service Leave Fund was invested by the Corporation with the appointed fund managers, in accordance with the approved Investment Policy in the following portions:

	2007		2006	
	\$'000	%	\$'000	%
Macquarie Alternative Investment Trust	-	-	6,316	1
Macquarie Listed Property Trust	48,696	9	43,246	9
State Street Global Advisors	52,313	9	36,661	7
Credit Suisse	47,361	8	44,990	9
Merrill Lynch Mercury	-	-	37,921	8
Hyperion	48,116	8	-	-
UBS Brinson	146,323	25	152,226	30
BGI	52,696	9	37,823	8
Pimco	79,098	14	73,705	14
Lazard	42,916	8	31,493	6
Loomis Sayles	15,608	3	-	-
J P Morgan Cash Account	40,376	7	38,457	8
	<u>573,503</u>	<u>100</u>	<u>502,838</u>	<u>100</u>
Cash/Overdraft held directly by the Corp.	5,258		2,775	
	<u>578,761</u>		<u>505,613</u>	

All investments were held on behalf of the Corporation by the Master Custodian, J P Morgan Investor Services Limited. The Custodian reports, that for the year ended 30 June 2007, the gross return on the investment of funds was 12.08% (2006: 12.70%).

The above investments were held at the reporting date in the following categories:

	2007		2006	
	\$'000	%	\$'000	%
Non-current Investments				
Aust. Fixed Interest	146,323	25	121,118	24
O/Seas Fixed Interest	94,706	16	45,364	9
Australian Equities	143,950	25	113,361	22
Overseas Equities	130,148	23	128,218	25
Property Trust	48,696	8	43,246	9
	<u>563,823</u>		<u>451,307</u>	
Current Investments				
Cash or equivalents	14,736	3	53,673	11
	<u>578,559</u>	<u>100</u>	<u>504,980</u>	<u>100</u>
Accrued Income (Note 6b)	202		449	
Unsettled Sales (Note 6a)	-		184	
	<u>578,761</u>		<u>505,613</u>	

NOTES TO THE FINANCIAL STATEMENTS
30 June 2007

	2007 \$'000	2006 \$'000
8. Provisions		
Provision for reimbursements - Current	47,000	43,000
- Non-Current	488,497	458,984
	<u>535,497</u>	<u>501,984</u>
Balance at beginning of year	501,984	454,017
Reimbursement paid to coal mining employers	(51,474)	(43,010)
Write-up of provision	84,987	90,977
Balance at end of year	<u>535,497</u>	<u>501,984</u>
	2007 \$'000	2006 \$'000
9. INCOME STATEMENT		
9 (a) Revenues from Government		
Appropriations		
- Levy Collections from Employers	64,721	85,405
- Refund of Levy to Employers	-	(7,406)
- Interest	101	107
	<u>64,822</u>	<u>78,106</u>
Appropriation revenue is recognised at the time the Corporation becomes entitled to receive the revenue.		
9 (b) Investment Revenue		
Dividends	1,062	2,105
Unit Trust Distributions	24,405	13,243
Fixed Interest	6,860	5,066
Deposit Interest	1,914	3,364
Net Investment gains realised	-	9,650
Investment revenue arising from changes in net market value (assets held at reporting date)	27,758	20,796
	<u>61,999</u>	<u>54,224</u>
9 (c) Investment Expenses		
Net Investment losses realised	<u>41</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

	2007 \$'000	2006 \$'000
9 (d) Professional Services		
Rendering of Services - External Parties	<u>1,122</u>	<u>1,149</u>
<i>Remuneration of Auditors</i>	2007	2006
Amounts received, or due and receivable by:	\$	\$
• Australian National Audit Office – auditing the financial statements for the reporting period.	30,000	36,000
• PricewaterhouseCoopers internal auditing service	30,467	24,240
• PricewaterhouseCoopers custodian auditing service	<u>34,662</u>	<u>33,116</u>
	<u>95,129</u>	<u>93,356</u>

No other services were provided by the Australian National Audit Office.

9 (e) Directors' Remuneration

Directors' Expenses and Allowances

The remuneration of Directors is by way of daily allowances for part-time holders of public office as determined under Part 6 of the determination of the (Commonwealth) Remuneration Tribunal. Directors are also entitled to reimbursement for expenses incurred in travelling to/from meetings and in the conduct of business directly related to the affairs of the Corporation as approved. Directors have elected to have allowances and expenses to which they are entitled under these provisions made payable to their principal employing organisations.

	2007 \$	2006 \$
Remuneration received or due and receivable by Directors:	<u>5,644</u>	<u>7,938</u>

The number of directors included in these figures are shown below in the relevant remuneration bands:

	Number 7	Number 8
- \$ Nil - \$14,999		
	2007 \$'000	2006 \$'000

9 (f) Administration Expenses

Costs associated with the performance of statutory and accounting functions for the Corporation.	142	93
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Costs of administration for receipts of levies on behalf of the Commonwealth, maintenance of employment service records and the payment of reimbursements, in each of the following states:

• Queensland	-	421
• New South Wales and Tasmania/Queensland	650	452
• Western Australia	47	40
	<u>839</u>	<u>1,006</u>

NOTES TO THE FINANCIAL STATEMENTS 30 June 2007

10 Liabilities Not Recognised

As at 30 June 2007, the Directors are not aware of any Liability Not Recognised. The Corporation is exempt from income tax.

11 Related Party Disclosures

Directors of the Authority
The Directors of the Authority during the year were:

- Arthur WESTON (Chairman), Consultant; Chairman - AUSCOAL Services Pty Ltd (Term expired 19/4/07)
- Peter MURRAY – OAM (Deputy Chairman), National Secretary of CFMEU - Mining and Energy Division
- James TAYLOR, OAM, Secretary Treasurer - NSW Colliery Officials Association (Term expired 19/4/2007)
- Garry GREEN - Employee Relations Manager, Griffin Coal Company; Trustee for the Coal Industry Superannuation Board, Western Australia (Resigned 1/12/06)
- Chris FLATT, National Industrial Officer, The Electrical Division of the Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia
- Jim MIDDLETON, Vice President, Mining Operations BHP Billiton Illawarra Coal, Director Illawarra Coal Holdings, Director Dendrobin Coal, Director Endeavour Coal (Appointed 1/3/07)
- Steve REYNOLDS, Human Resources Manager, Wesfarmers Premier Coal, Trustee for the Coal Industry Superannuation Board, Western Australia (Appointed 19/4/07)

Other than where noted, Directors held their positions for the full year.

The aggregate remuneration of Directors is disclosed in Note 9(e).

During the period reported upon in these financial statements, the Corporation contracted administrative services to AUSCOAL Services Pty Ltd and Coal Industry Superannuation Board, Western Australia, of which Directors held an interest as noted above.

12 Economic Dependency

The Corporation is economically dependent upon continued funding by appropriation of moneys out of the Consolidated Revenue Fund of the Commonwealth of Australia derived from levies made on the black coal mining industry.

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

13 Financial Instruments

a) Statement of Terms, Conditions and Accounting Policies

Financial Instruments	Accounting Policies	Terms and Conditions
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- (i) Financial Assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.

Cash and Cash Equivalents	Cash deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Funds are placed on deposit at call with the Corporations bankers and custodian. Refer to Interest Rate Risk table.
Short Term	Short term interest bearing securities are recognised at their net fair value. Interest is credited to revenue as it accrues.	Surplus funds held on deposit. Refer to Interest Rate Risk table.
Fixed Interest	Long term interest bearing securities held at a fixed or indexed interest rate is valued at net fair value. Interest is credited to revenue as it accrues.	Refer to Interest Rate Risk table.
Receivables and Other Assets	Recognised at face value adjusted for impairment.	Usually settled within 30 days.
Equities Investments	Equities are recognised at Net Market Value.	The shares held are ordinary shares.
Unit Trusts	Unit Trusts are recognised at net market value.	Investments are held in Units.
Foreign exchange contracts and Futures	Recognised at net market value.	Usually settled in the short term. Used to manage risk exposures.

Investments consist of short term deposits, fixed interest securities, equities, unit trusts, forward foreign exchange and futures.

- (ii) Financial Liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.

Payables	Recognised at their nominal amounts.	Settlement net 30 days.
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NOTES TO THE FINANCIAL STATEMENTS
30 June 2007

b) Interest Rate Risk – 30 June 2007

	Floating	Fixed Interest			Non	Total	Weighted
	Interest	Time to Maturity			Interest		
	Rate				Bearing		Interest
30 June 2007	\$'000	3-12	1-5 Yrs	Over 5		\$'000	Rate
		Mths	\$'000	Years			%
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash & Cash Equivalent	14,736					14,736	5.68
Short Term Deposits	3,021					3,021	5.57
Fixed Interest		2,486	65,146	69,890		137,522	5.39
Equity Investments - Aust.					45,965	45,965	N/A
Unit Trusts					370,381	370,381	N/A
Futures					217	217	N/A
Forward Foreign Exchange					2	2	N/A
Discount Securities					6,948	6,948	6.41
Receivables and Other Assets					266	266	N/A
Total Financial Assets	17,757	2,486	65,146	69,890	423,779	579,058	
Payables					241	241	N/A
Derivatives - Futures					68	68	N/A
Derivatives - FFX					165	165	N/A
Total Financial Liabilities					474	474	

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

c) Interest Rate Risk – 30 June 2006

	Floating Interest Rate	Fixed Interest Securities Contracted to Mature or be Re-Priced In:			Non Interest Bearing	Total	Weighted Average Interest Rate
		Less than 1 Year \$'000	1-5 Yrs \$'000	Over 5 Years \$'000			
30 June 2006	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Cash & Cash Equivalent	53,673					53,673	4.67
Short term deposits	14,167					14,167	5.92
Fixed Interest		1,518	56,220	63,270		121,008	4.96
Equity Investments - Aust Unit Trusts					35,951 274,792	36,951 274,792	N/A N/A
Futures					206	206	N/A
Forward Foreign Exchange					5,183	5,183	N/A
Receivables and Other Assets					706	706	N/A
Total Financial Assets	67,840	1,518	56,220	63,270	316,838	505,686	
Payables					407	407	N/A
Total Financial Liabilities					407	407	

d) Credit Risk Exposures

The Corporation's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Corporation has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

NOTES TO THE FINANCIAL STATEMENTS
30 June 2007

e) Net Fair Value

	Fair Value	
	2007	2006
	\$'000	\$'000
ASSETS		
Held for Trading		
Derivatives	219	206
Total held for trading	<u>219</u>	<u>206</u>
Designated assets through profit and loss		
Equity securities	45,965	35,951
Fixed interest securities	140,762	140,578
Unit trusts	370,381	274,792
Discount Securities	6,948	-
Total designated assets through profit and loss	<u>564,056</u>	<u>451,321</u>
Total financial assets held at fair value through profit and loss	<u>564,056</u>	<u>451,527</u>
LIABILITIES		
Held for Trading		
Derivatives	233	220
Total held for trading	<u>233</u>	<u>220</u>
Designated liabilities through profit and loss		
Equity securities	-	-
Fixed interest securities	-	-
Unit trusts	-	-
Money market securities	-	-
Total designated assets through profit and loss	<u>-</u>	<u>-</u>
Total financial liabilities held at fair value through profit and loss	<u>233</u>	<u>220</u>
Net Financial Assets held at fair value through profit and loss	<u>563,823</u>	<u>451,307</u>

NOTES TO THE FINANCIAL STATEMENTS

30 June 2007

f) Derivative Financial Instruments

At 30 June the notional principal amounts and net fair value of derivatives held by the Corporation was as follows:

	Notional Principal Amounts		Net Fair Value	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australian fixed interest futures	21,816	9,080	(31)	(48)
Australian share price futures	10,200	(2,667)	188	(132)
Forward Foreign Exchange	5,579	-	(164)	-
Money Market securities futures	14,949	-	2	-
International fixed interest futures	-	1,894	-	(17)
International share price futures	5,309	5,213	(9)	184
	57,853	13,520	(14)	(13)

f) Foreign Exchange Rate Exposures

The Corporation's exposure at 30 June to foreign exchange rate movements on international investments was as follows:

	US			
	Dollars A\$'000	Euro A\$'000	Other A\$'000	Total A\$'000
30 June 2007				
Gross investment amounts denominated in foreign currency	24	21	10	55
Liabilities	(33)	(22)	(5)	(60)
Net Assets	(9)	(1)	5	(5)
30 June 2006				
Gross investment amounts denominated in foreign currency	5,510	1,922	3,118	10,550
Liabilities	(2)	(7)	(5,036)	(5,045)
Net Assets	5,508	1,915	(1,918)	5,505

14 Contingent Liabilities and Assets

The Corporation has no unquantifiable or remote contingencies.