



FAIR WORK  
COMMISSION

14 October 2013

Mr Andrew Vickers  
General Secretary  
Mining and Energy Division  
Construction, Forestry, Mining and Energy Union  
PO Box Q1641  
SYDNEY NSW 1230

Also by fax: (02) 9267 3198

Dear Mr Vickers

**Re: Lodgement of Financial Accounts and Statements – Construction, Forestry, Mining and Energy Union - Mining and Energy Division - for year ended 31 December 2012 (FR2012/546)**

I acknowledge receipt of the financial report of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union for the year ended 31 December 2012. The documents were lodged with the Fair Work Commission on 30 May 2013.

The financial report has now been filed.

If you wish to discuss any aspect of the financial reporting requirements, please do not hesitate to contact Mr Stephen Kellett on (02) 6723 7237.

Yours sincerely,

Michael Moutevelis  
Assistant Adviser  
Regulatory Compliance Branch  
Fair Work Commission



27 May 2013

Stephen Kellett  
Fair Work Australia  
Terrace Towers  
80 William St,  
East Sydney NSW 2011



Dear Stephen,

**Re: CFMEU Mining & Energy Division**

Please find enclosed the annual Secretary's statement & financial statements for our organisation for the year ended 31 December 2012.

Also attached is the annual statement of donations for 2012.

Should you require any further information please do not hesitate to contact me.

Regards,

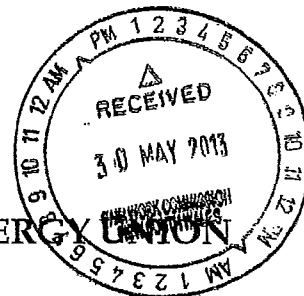
A handwritten signature in black ink, appearing to read 'Mark Watson'.

Mark Watson  
Finance Manager

**CFMEU Mining & Energy** t: +61 2 9267 1035 f: +61 2 9267 3198 e: info@cfmeu.com.au

www.cfmeu.com.au Level 11, 215-217 Clarence Street, Sydney NSW 2000, PO Box Q1641, Sydney NSW 1230 Australia

CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
MINING & ENERGY DIVISION



**SECRETARY'S CERTIFICATE**

I, Andrew Vickers, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 3<sup>rd</sup> April 2013, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 22 May 2013; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

**Andrew Vickers**  
**General Secretary**

27 May 2013

**CONSTRUCTION FORESTRY MINING AND ENERGY UNION  
MINING AND ENERGY DIVISION**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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## OPERATING REPORT

Your Committee of Management of Construction, Forestry, Mining and Energy Union - Mining & Energy Division ("the Union") present their Operating Report on the Union for the year ended 31 December 2012.

### *Committee of Management*

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

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr T Maher	General President	1/01/2012 to 31/12/2012
Mr A Vickers	General Secretary	1/01/2012 to 31/12/2012
Mr I Murray	General Vice President	1/01/2012 to 31/12/2012
Mr W McAndrew	General Vice President	1/01/2012 to 31/12/2012
Mr A Drew	Central Councillor	1/01/2012 to 31/12/2012
Mr C Hinds	Central Councillor	1/01/2012 to 31/12/2012
Mr L Van der Meulen	Central Councillor	1/01/2012 to 31/12/2012
Mr R Whittaker	Central Councillor	1/01/2012 to 31/12/2012
Mr A Honeysett	Central Councillor	1/01/2012 to 31/12/2012
Mr G Wood	Central Councillor	1/01/2012 to 31/12/2012
Mr F Baker	Central Councillor	1/01/2012 to 31/12/2012
Mr T Hardy	Central Councillor	1/01/2012 to 31/12/2012
Mr R Trappell	Central Councillor	1/01/2012 to 30/06/2012
Mr C Brodsky	Central Councillor	1/01/2012 to 30/06/2012
Mr S Smyth	Central Councillor	1/01/2012 to 31/12/2012
Mr P Jordan	Central Councillor	1/01/2012 to 31/12/2012
Mr B Wise	Central Councillor	1/01/2012 to 31/12/2012
Mr F Hibble	Central Councillor	1/01/2012 to 31/12/2012
Mr D McLachlan	Central Councillor	1/01/2012 to 31/12/2012
Mr B Crompton	Central Councillor	1/01/2012 to 30/06/2012
Mr D Haile	Central Councillor	1/07/2012 to 31/12/2012
Mr S Leggett	Central Councillor	1/07/2012 to 31/12/2012
Mr W Small	Central Councillor	1/07/2012 to 31/12/2012
Mr K Wild	Central Councillor	1/07/2012 to 31/12/2012

### *Principal Activities*

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

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Division 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 Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

## OPERATING REPORT

Continued.....

### **Results of Activities**

The result for the year was a loss of \$78,272 (2011: profit of \$745,181). Membership contributions in the current year amounted to \$7,826,434 being a \$828,586 increase on last year.

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

### **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**

There were no significant changes in the financial affairs of the Union during the year.

### **Membership of the Union**

There were 26,954 members of the Union as at 31 December 2012 (2011: 25,962).

### **Rights of Members to Resign**

All members of the Union have the right to resign in accordance with Rule 5 (iv)(a) of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2009), namely, by providing written notice addressed and delivered to either the District Secretary, or a Lodge Secretary or authorised delegate.

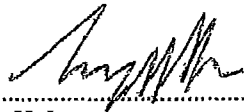
### **Employees of the Union**

As at 31 December 2012 the Union employed 26 full time employees (2011: 26).

### **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.



.....  
**Tony Maher**  
**General President**

Dated this 19<sup>th</sup> day of March 2013.

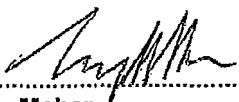
## COMMITTEE OF MANAGEMENT STATEMENT

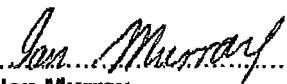
On 19<sup>th</sup> March 2013, the Committee of Management of the Construction, Forestry, Mining and Energy Union – Mining & Energy Division passed the following resolution in relation to the General Purpose Financial Report ("GPFR") of the Union, for the year ended 31 December 2012:

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

- a) The financial statements and notes comply with Australian Accounting Standards; and
- b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia (the General Manger"); and
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate; and
- d) There are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the 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 Union; and
  - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009; and
  - (vi) No orders for inspection of financial records have been made by Fair Work Australia or FWA under section 273 of the Fair Work (Registered Organisations) Act 2009; and
- f) During the financial year ended 31 December 2011 no recovery of wages activities have been undertaken by the Union.

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

  
.....  
**Tony Maher**  
**General President**

  
.....  
**Ian Murray**  
**General Vice President**

Dated this 19<sup>th</sup> day of March 2013.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTES	2012 \$	2011 \$
Revenue	3	11,679,877	11,665,165
Share of Net Profit/(Loss) of Joint Venture	3	9,642	(53,170)
Employee Benefits and On-Costs Expense		(4,748,884)	(4,572,501)
Depreciation and Amortisation Expense		(722,857)	(410,043)
Legal Campaign Fund Expenses		(593,662)	(552,885)
Advertising Expenses		(438,558)	(360,901)
Donations		(257,694)	(463,250)
Operating Expenditure		(4,461,387)	(3,381,464)
Loss on Sale of Property, Plant and Equipment		(32,419)	(47,799)
Impairment of Investments	4(b)	(512,330)	(1,077,971)
<b>(Loss)/Profit for the year before income tax</b>		<u>(78,272)</u>	<u>745,181</u>
Income Tax Expense	1(c)	-	-
<b>(Loss)/Profit for the year</b>		<u>(78,272)</u>	<u>745,181</u>
<b>Other Comprehensive Income</b>			
Net change in fair value of available-for-sale financial Assets		11,200	(47,116)
Net change in fair value of available-for-sale financial assets transferred to profit or loss		-	-
<b>Other Comprehensive Income for the year</b>		<u>11,200</u>	<u>(47,116)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>(67,072)</u>	<u>698,065</u>

The accompanying notes form part of these financial statements



The accompanying notes form part of these financial statements  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

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	NOTES	2012 \$	2011 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	860,933	587,802
Trade and Other Receivables	6	4,101,394	5,928,630
Financial Assets	8	21,460,353	20,911,699
Other Current Assets		196,338	212,259
<b>TOTAL CURRENT ASSETS</b>		<u>26,619,018</u>	<u>27,640,390</u>
<b>NON-CURRENT ASSETS</b>			
Investments Accounted for Using the Equity Method	7	-	-
Property, Plant and Equipment	9	25,373,136	24,477,271
<b>TOTAL NON-CURRENT ASSETS</b>		<u>25,373,136</u>	<u>24,477,271</u>
<b>TOTAL ASSETS</b>		<u>51,992,154</u>	<u>52,117,661</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	10	826,986	1,008,101
Short-term Provisions	11	2,548,844	2,426,164
<b>TOTAL CURRENT LIABILITIES</b>		<u>3,375,830</u>	<u>3,434,265</u>
<b>TOTAL LIABILITIES</b>		<u>3,375,830</u>	<u>3,434,265</u>
<b>NET ASSETS</b>		<u>48,616,324</u>	<u>48,683,396</u>
<b>EQUITY</b>			
Retained Earnings		48,721,390	48,799,662
Reserves		(105,066)	(116,266)
<b>TOTAL EQUITY</b>		<u>48,616,324</u>	<u>48,683,396</u>

The accompanying notes form part of these financial statements  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

	Retained Earnings \$	Financial Assets Reserve \$	TOTAL \$
Balance as at 1 January 2011	48,054,481	(69,150)	47,985,331
Profit Attributable to Members	745,181	-	745,181
<i>Other Comprehensive Income</i>			
Net change in fair value of available-for-sale financial assets transferred to profit or loss	-	-	-
Net increase in value of available-for -sale financial assets	-	(47,116)	(47,116)
<b>Balance as at 31 December 2011</b>	<b>48,799,662</b>	<b>(116,266)</b>	<b>48,683,396</b>
Loss Attributable to Members	(78,272)	-	(78,272)
<i>Other Comprehensive Income</i>			
Net decrease in value of available-for -sale financial assets	-	11,200	11,200
<b>Balance as at 31 December 2012</b>	<b>48,721,390</b>	<b>(105,066)</b>	<b>48,616,324</b>

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTES	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		8,417,105	7,027,763
Receipts from Grants		38,600	-
Receipts from Interest and Investment Income		1,356,938	2,074,258
Receipts from Dividends		3,618	2,814
Receipts from Rents		863,945	613,645
Balance of Income Received		2,351,316	1,828,914
Joint Venture Contribution		(658)	-
Transfer to Employee Entitlement Trust		(345,992)	98,409
Payments to Suppliers and Employees		(10,220,625)	(9,055,494)
<b>CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>	12	<u>2,464,247</u>	<u>2,590,309</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(1,751,868)	(21,704,909)
Proceeds from Sale of Property, Plant and Equipment		100,727	17,937
Purchase of Assets Available for Sale		(395,076)	-
Proceeds from Sale of Assets Available for Sale		-	72,834
(Purchase of) / Proceeds from Sale of Investments		(144,899)	19,291,910
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(2,191,116)</u>	<u>(2,322,228)</u>
<b>NET INCREASE IN CASH HELD</b>		273,131	268,081
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<u>587,802</u>	<u>319,721</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	<u>860,933</u>	<u>587,802</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers the Construction, Forestry, Mining and Energy Union – Mining & Energy Division (the "Union") as an individual entity. This organisation is registered under the Fair Work (Registered Organisations) Act 2009 (the "Act") and domiciled in Australia. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

**Basis of Preparation**

The Construction, Forestry, Mining and Energy Union – Mining & Energy Division has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements to the annual reporting period beginning 1 January 2010.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards' reduced disclosure requirements of the Australian Accounting Standards Board and the requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the RO Act.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**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 Committee of Management 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.

Property, Plant and Equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued...

(a) PROPERTY, PLANT & EQUIPMENT

CONTINUED.....

**Depreciation**

The depreciation amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
	<i>%</i>
Buildings	2 ½ to 20
Furniture Fittings & Equipment	5 to 40
Motor Vehicles	22 ½

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 Statement of Comprehensive Income.

(b) EMPLOYEE BENEFITS

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(c) INCOME TAX

No provision for income tax is necessary as the Union (being a registered Industrial Trade Union) is exempt from tax under section 50-15 of the Income Tax Assessment Act.

(d) COMPARATIVE FIGURES

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

Where the Union applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a Balance Sheet as at the beginning of the earliest comparative period will be disclosed.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**1. STATEMENT OF ACCOUNTING POLICIES**

Continued...

(e) PROVISIONS

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of future economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the period.

(f) FINANCIAL INSTRUMENTS

***Initial Recognition and Measurement***

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

***Classification and Subsequent Measurement***

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

***i) Financial Assets at Fair Value through Profit or Loss***

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued....

(f) FINANCIAL INSTRUMENTS  
CONTINUED.....

*ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

*iii) Held-to-Maturity Investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after reporting period.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

*iv) Available-for-Sale Financial Assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after reporting date. (All other financial assets are classified as current assets).

*v) Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions and reference to similar instruments

**Impairment**

At the end of each reporting period, 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 Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

6

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued....

(f) FINANCIAL INSTRUMENTS  
CONTINUED.....

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(g) IMPAIRMENT OF ASSETS

At the end of each reporting period, the Union reviews the carrying values of its tangible and intangible 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 Statement of Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon on the assets ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

(h) 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.

(i) REVENUE

Revenue from membership contributions are recognised on an accruals basis, which is reflective of the timing and nature of the benefits provided to members.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued...

(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 Tax Office (ATO). 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. The net amount of GST recoverable from, or payable to, the ATO is included as part of Receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis, except for the GST component of cash flows arising from investing and financing activities, which is receivable from, or payable to, the ATO is classified as part of operating cash flow. Accordingly investing and financing cash flows are presented in the Cash Flow Statement net of the amount of the GST that is recoverable from, or payable to, the ATO.

(k) LEASES

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to the Union, are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Union will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(L) GRANTS

The Union receives grant funding from various sources for varying purposes. Grants are recognised at fair value where there are reasonable assurances that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Where grant projects have an operating period that differs from the financial year-end, amounts are carried forward in the Balance Sheet.

(M) INTEREST IN JOINT VENTURES

The Union's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements. Details of the Union's interest are shown at Note 7.

The Union's interest in joint venture entities are brought to account using the equity method of accounting in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

6

**1. STATEMENT OF ACCOUNTING POLICIES**

Continued

(N) TRADE AND OTHER PAYABLES

Trade and other payables represent the liability outstanding at reporting date for goods and services received by the Union during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(O) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Committee of Management evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

**Key Estimates – Impairment**

The Union assesses impairment at each reporting period by evaluation of conditions specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are measure using value-in-use calculations which incorporate various key assumptions.

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER**

In accordance with the requirements of the Fair Work (Registered Organisations) Act, 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 which reads as follows:

- (1) A member of a Union, or the General Manager, 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 2012

	NOTE	2012 \$	2011 \$
<b>3. REVENUE</b>			
<i>Operating Revenue</i>			
Contributions		7,826,434	6,997,847
Trust Distribution Received		1,352,830	1,865,043
Interest Received		1,187,731	1,958,054
Grants Received		38,600	-
Rents Received		863,945	613,645
Income other than listed above		410,337	230,576
		<u>11,679,877</u>	<u>11,665,165</u>
<i>Other Revenue</i>			
Joint Venture Distribution		9,642	-
		<u>9,642</u>	<u>-</u>
<b>TOTAL REVENUE</b>		<u>11,689,519</u>	<u>11,665,165</u>
<b>4. RESULT FOR THE YEAR</b>			
<b>(a) Expenses</b>			
Depreciation of Non-Current Assets			
Buildings		532,158	273,315
Plant & Equipment		190,699	136,728
		<u>722,857</u>	<u>410,043</u>
Rental Expense on Operating Leases		6,449	7,935
Loss on Disposal of Property, Plant & Equipment		32,419	47,799
Remuneration of Auditor			
- Auditing the Financial Report (current year)		35,000	25,000
- Auditing the Financial Report (prior year)		7,210	-
- Accounting & Taxation Services		3,039	6,349
		<u>45,249</u>	<u>31,349</u>
<b>(b) Significant Revenue and Expenses</b>			
The following significant revenue and expense items are relevant in explaining the financial performance:			
Share of Net Profit/(Loss) of Joint Venture		9,642	(53,170)
Donations Expenses		255,694	463,250
National Convention Expenses		804,309	360,901
Impairment of Interest in Joint Venture	7	512,330	1,054,679
Impairment of Unlisted Property Trust Investments		-	23,292

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
<b>5. CASH AND CASH EQUIVALENTS</b>			
Cash on Hand		1,225	1,500
Cash at Bank		859,708	586,302
		<u>860,933</u>	<u>587,802</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Contributions Receivable		730,547	1,321,218
Other Receivables		1,696,681	2,431,216
Loan Receivable – Ableshore (i)	15(c)	1,674,166	2,176,196
		<u>4,101,394</u>	<u>5,928,630</u>

(i) The funds advanced have no set repayment date. Interest is not charged on the amount advanced

*Amounts Relating to:-*

CFMEU – Mining & Energy Division: -

• Queensland District	235,814	772,859
• Northern District	251,611	248,815
• South Western District	118,264	111,182
• NSW Energy District	48,770	51,862
• Victorian District	22,520	40,000
• South Australian District	-	3,924
• Western Australian District	56,105	90,351
• Tasmanian District	7,786	7,786
	<u>740,870</u>	<u>1,326,779</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
<b>7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</b>			
<i>Carrying amount of investment in joint venture entity:</i>			
Balance at beginning of financial year		-	-
Share of joint ventures profit after income tax		10,300	31,082
Distributions received		-	-
JV Contributions via Abelshore Loan		502,030	1,023,597
Less: Impairment Write Down	19	(512,330)	(1,054,679)
Balance at the end of the financial year		-	-
 (a) The Union has a 5% interest in the United Collieries Joint Venture, whose principle activity is, exploration, mining and sale of coal. The equity method has been used to account for the Union's interest in this joint venture. Refer Note 19 for Joint Agreement detail.			
The following table illustrates summarised financial information relating to the Union's interest in Joint Venture:			
<i>Share of the Joint Venture's Balance Sheet</i>			
Total Assets		3,899,407	3,416,495
Total Liabilities		(1,562,574)	(1,550,462)
		2,336,833	1,866,033
Less: Impairment Write Down		(2,336,833)	(1,866,033)
Net Assets		-	-
 <i>Share of the Joint Venture's Results</i>			
Revenue		164,051	93,988
Profit after Income Tax		10,300	31,082
 <b>8. FINANCIAL ASSETS</b>			
Held to Maturity Financial Assets	(a)	20,551,050	20,161,557
Available for Sale Financial Assets	(b)	909,303	750,142
		21,460,353	20,911,699
 (a) <i>Held-to-maturity Financial Assets Comprise:</i>			
Term Deposits and Bank Bills held with Financial Institutions.		20,551,050	20,161,557
 (b) <i>Available for Sale Financial Assets Comprise:</i>			
Shares in Listed Corporations – at Fair Value		93,667	97,369
Shares in Unlisted Corporations – at Fair Value		502,402	106,145
Investments in Unlisted Investment Trusts		313,234	546,628
		909,303	750,142

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND &amp; BUILDINGS</b>		
Land At Cost	3,775,667	3,775,667
Buildings At Cost	20,817,322	20,388,812
Work in Progress At Cost	1,009,371	-
Accumulated Depreciation	(1,057,120)	(524,962)
	<u>20,769,573</u>	<u>19,863,850</u>
<b>TOTAL LAND &amp; BUILDINGS</b>	<u>24,545,240</u>	<u>23,639,517</u>
<b>PLANT &amp; EQUIPMENT</b>		
<b>FURNITURE, FITTINGS AND EQUIPMENT</b>		
At Cost	637,992	608,377
Accumulated Depreciation	(330,198)	(237,904)
	<u>307,794</u>	<u>370,473</u>
<b>MOTOR VEHICLES</b>		
At Cost	670,597	619,370
Accumulated Depreciation	(150,495)	(152,089)
	<u>520,102</u>	<u>467,281</u>
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<u>827,896</u>	<u>837,754</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<u>25,373,136</u>	<u>24,477,271</u>

**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	FURNITURE, FITTINGS & EQUIPMENT	MOTOR VEHICLES	TOTAL
<b>Balance at 1 January 2011</b>	2,695,251	61,227	491,381	3,247,859
Additions	21,217,581	354,808	193,956	21,766,345
Disposals – Assets	-	(5,970)	(120,920)	(126,890)
Depreciation Expense	(273,315)	(39,592)	(97,136)	(410,043)
<b>Balance at 31 December 2011</b>	<u>23,639,517</u>	<u>370,473</u>	<u>467,281</u>	<u>24,477,271</u>
Additions	1,437,881	29,615	284,373	1,751,869
Disposals – Assets	-	-	(133,147)	(133,147)
Depreciation Expense	(532,158)	(92,294)	(98,405)	(722,857)
<b>Balance at 31 December 2012</b>	<u>25,545,240</u>	<u>307,794</u>	<u>520,102</u>	<u>25,373,136</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
<b>10. TRADE AND OTHER PAYABLES</b>		
Creditors and Accruals	734,121	956,798
Tax Payable (GST)	92,865	51,303
	<u>826,986</u>	<u>1,008,101</u>
<i>Amounts Relating to:-</i>		
CFMEU – Mining & Energy Division:		
• Queensland District	1,000	2,867
• Northern District	45,324	1,867
• South Western District	23,650	1,867
• NSW Energy District	60,600	32,167
• Victorian District	-	703
• Western Australian District	-	2,489
	<u>130,574</u>	<u>41,960</u>
<b>11. SHORT TERM PROVISIONS</b>		
Employee Benefits	<u>2,548,844</u>	<u>2,426,164</u>
<b>(a) Analysis of ageing of provisions</b>		
Current	<u>2,548,844</u>	<u>2,426,164</u>
<b>(b) Number of Employees at Balance Date</b>		
• National Executives and staff	26	26
• District Executives (National LSL Fund)	32	30
<b>(c) Total Employee Benefits Attributable to:</b>		
• Office holders	1,298,282	1,193,435
• Staff	1,250,562	1,232,729
	<u>2,548,844</u>	<u>2,426,164</u>
<b>(d) Right of Indemnity</b>		
All long service leave entitlement relating to National Officials are the responsibility of 'The CFMEU Mining & Energy Employees' Entitlement Trust' from which all relevant LSL entitlements and obligations are settled from. Accordingly, the provision for long service leave is reduced by the fair value of trust assets available and set aside to settle those entitlements.		

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
<b>12. CASH FLOW INFORMATION</b>		
<b>RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH OPERATING RESULT</b>		
Net Operating Result	(78,272)	745,181
<b>Non Cash Flows In Net Result</b>		
Depreciation	722,857	410,043
Share of Joint Venture (Profit) / Loss	(10,300)	53,170
Net Unrealised Loss on Investments	-	17,264
Impairment of Interest in Joint Venture	512,330	1,054,679
Loss/(Gain) on Disposal of Property, Plant and Equipment	34,940	47,799
<b>Changes in Assets and Liabilities</b>		
Decrease / (Increase) in Contributions Receivable	590,672	29,915
Decrease / (Increase) in Receivables	734,535	170,065
Decrease / (Increase) in Prepayments	15,920	(57,847)
Increase / (Decrease) in Accounts Payable	(181,115)	23,314
(Decrease) / Increase in Provisions	122,680	96,726
<b>CASH FLOWS FROM OPERATIONS</b>	<u>2,464,247</u>	<u>2,590,309</u>

(i) Net cash flows relating to another reporting unit of the organisation are as follows:

CFMEU – Mining & Energy Division: -

• Queensland District	3,563,117	2,429,400
• Northern District	2,945,157	2,729,366
• South Western District	1,127,533	1,130,989
• NSW Energy District	146,825	156,096
• Victorian District	265,010	249,129
• South Australian District	1,182	15,021
• Tasmanian District	(4,294)	(10,194)
• Western Australian District	329,987	255,619
	<u>8,374,517</u>	<u>6,955,426</u>

**13. CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2012 and there are no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, or the results of those operations.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

6

**14. CAPITAL & LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

	2012 \$	2011 \$
Non-cancellable operating leases contracted for but not capitalised in financial statements:		
Payable – Minimum lease payments		
Not later than 12 months	7,094	7,094
Between 12 months & 5 years	20,098	27,192
	<u>27,192</u>	<u>34,286</u>

An operating lease commitment exists in respect of certain residential housing supplied for organisers in remote locations throughout Australia. An operating commitment is also in place with Canon Finance Australia, for two photocopiers situated at Clarence St Sydney.

**15. RELATED PARTY INFORMATION**

**(a) MEMBERS OF THE CENTRAL COUNCIL**

Persons holding positions within the Union and as members of the Central Council during the year:

**NATIONAL OFFICIALS**

- Mr T Maher (General President)
- Mr A Vickers (General Secretary)
- Mr I Murray (General Vice President)
- Mr W McAndrew (General Vice President)

**CENTRAL COUNCIL**

- Mr A Drew (NSW Energy President)
- Mr S Smyth (Queensland President)
- Mr P Jordan (Northern President)
- Mr A Honeysett (NSW South Western President)
- Mr G Wood (West Australian Secretary)
- Mr C Hinds (Tasmanian President)
- Mr L Van Der Meulen (Victorian President)
- Mr R Whittaker (Central Councillor North)
- Mr D Haile (Central Councillor North)
- Mr K Wild (Central Councillor North)
- Mr T Hardy (Central Councillor North)
- Mr D MacLachlan (Central Councillor South West)
- Mr W Small (Central Councillor South West)
- Mr F Baker (Central Councillor QLD)
- Mr B Wise (Central Councillor QLD)
- Mr S Leggett (Central Councillor QLD)
- Mr F Hibble (Central Councillor QLD)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**15. RELATED PARTY INFORMATION**

Continued.....

**(b) RELATED PARTY TRANSACTIONS**

**Other related parties**

- i) Office space was rented to the CFMEU – Mining and Energy Division, New South Wales Energy District during the year. Commercial rent totalling \$12,000 (2011: \$12,000) was charged by the Union.
- ii) Sustentation fees totalling \$297,187 (2011: \$212,256) were charged by the Construction, Forestry, Mining and Energy Union during the year.
- iii) Sustentation fees were charged to the following Districts during the year:-

	<b>2012</b>	<b>2011</b>
	\$	\$
Queensland	2,909,035	2,703,688
Northern	2,881,958	2,374,599
South Western	1,284,298	1,179,651
NSW Energy	177,346	177,346
Western Australia	292,562	275,056
Victorian	248,529	242,629
Tasmanian	28,314	28,314
South Australia	4,392	16,564
	<u>7,826,434</u>	<u>6,997,847</u>

**(c) RELATED PARTY BALANCES**

**Associated companies**

- i) As at balance date there was a loan of \$1,674,166 receivable from Abelshore Pty Limited (2011: \$2,176,196)—refer Note 19.

**16. KEY MANAGEMENT PERSONNEL COMPENSATION**

	<b>2012</b>	<b>2011</b>
	\$	\$
Total Compensation		
The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:		
Key management personnel compensation	<u>1,214,725</u>	<u>1,051,228</u>

**17. 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: Level 11, 215-217 Clarence St, Sydney NSW 2000.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**18. EVENTS AFTER THE REPORTING PERIOD**

- (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 19<sup>th</sup> day of March 2013 by the Central Council.

**19. JOINT VENTURE AGREEMENT**

In accordance with the terms of a joint venture agreement dated 27 May 1991 the Division established an interest in the United joint venture.

Land (and its associated mining rights) owned by the Division is provided to the joint venture for the purposes of mining operations. The Joint Venture Agreement provides that royalties are payable to the Division in respect of such operations. These royalties are paid to the Mineworker's Trust, (a trust formed to directly or indirectly benefit Mineworker's, their families or dependants) - subject to the retention by the Division of 20% thereof as reimbursement of expenses incurred by the Division.

The Joint Venture and the operation of a related loan account are governed by a series of agreements covering the operations of the joint venture, sales of coal and the operation of a 'Called Sums' loan account.

The carrying value recognised as the Division's interest in the joint venture includes an interest in Mount Thorely Coal Loading Limited, and Newcastle Coal Shippers Pty Limited. These shares are not separately disclosed in this Financial Report.

The joint venture suspended longwall mining operations in March 2010. At the date of this report the joint venture has commenced a suspension of operations plan in conjunction with the completion of mining of economically recoverable coal reserves. Due to the suspension of operations and the undeterminable future economic benefit arising from any proposed operations, impairment of the Division's interest in the joint venture has been reflected in this financial report as per note 7.

The land is used in the operation of the joint venture, the life of which is not certain, is located in a mining region, and will require restoration. Due to these uncertainties regarding the outcome of future operations and the costs of restoration, the Division is not able to measure reliably the value of land and accordingly, it has previously been written down to a fair value of nil. (Cost: \$1,083,539).

At 31 December 2012, the Division has a loan amount receivable from the joint venture of \$1,674,166 (2011: \$2,176,196). Under the terms of the joint venture agreement this loan is only repayable under certain conditions. The capital costs that created this loan (upon inception of the joint venture) have now been repaid in full. Notwithstanding that these funds are being retained in the joint venture to fund future operational expenditures, feasibility studies and restoration, the Division is entitled to receive distribution payments of their share of joint venture profits and therefore the loan receivable has been formally recognised [refer Note 6].

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**20. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

The Union's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The Union does not have any derivative instruments at 31 December 2012.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	NOTES	2012 \$	2011 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	860,933	587,802
Held to maturity financial assets	8	20,551,050	20,161,557
Available-for-sale financial assets			
- Shares in Listed Corporations - at fair value	8	93,667	97,369
- Shares in Unlisted Corporations - at fair value	8	502,402	106,145
- Units in unlisted Managed Funds - at fair value	8	313,234	546,628
Trade and other receivables	6	4,101,394	5,928,630
		<u>26,422,680</u>	<u>27,428,131</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	10	826,986	1,008,101
		<u>826,986</u>	<u>1,008,101</u>

**Net Fair Value**

The fair values of financial assets and financial liabilities are disclosed in the Balance Sheet and in the notes to the financial statements. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2010**

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act"), the following necessary disclosures are made:

	2012 \$	2011 \$
<b>PROFIT &amp; LOSS DISCLOSURES</b>		
<b>i) ITEMS OF REVENUE</b>		
Donations or Grants Income	38,600	-
<b>ii) ITEMS OF EXPENSE</b>		
Compulsory levies imposed on the Union	297,187	212,258
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	85,109	113,438
<i>Donations or Grant Expenses.</i>		
• Donations (greater than \$1,000)	254,719	460,691
• General Donations (individually less than \$1,000)	2,975	2,559
	<u>257,694</u>	<u>463,250</u>
<i>Employee Benefits Expense:</i>		
- Office Holders	933,502	904,170
- Employees (Other than Office Holders)	2,888,085	3,002,119
	<u>3,821,587</u>	<u>3,906,289</u>
<i>Conference &amp; Meeting Expenses:</i>		
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	917,767	89,357
Attendance Fees/Allowances – Conferences & Meetings	212,011	76,605

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2010**

Continued..

	2012	2011
	\$	\$
<i>Schedule of Campaign Expenses:</i>		
AGL	32,970	-
BHP	31,723	13,050
Blair Athol	1,739	-
Bowditch	1,865	-
COA	-	17,150
Coal Services	25,012	21,905
Crinum	-	2,100
CSBP	68,719	83,616
Endeavour Coal	14,858	3,480
General Expenditures	34,189	24,962
Loy Yang	35,529	-
Pike River	24,150	72,655
PKCT	141,647	23,396
PSPL	38,767	-
Rio Tinto	116,888	102,456
SCE	4,218	-
Shell	1,600	-
Springvale Colliery	(54,613)	44,467
Tahmoor Collieries	-	15,923
Thiess	3,000	-
Ulan Coal	1,417	11,788
United Collieries	3,723	3,164
Wambo Coal	-	550
Wongawilli	-	5,250
Westcliffe	2,116	-
Xstrata	3,778	20,258
<b>TOTAL</b>	<b>533,095</b>	<b>466,170</b>

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE  
CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY DIVISION**

We have audited the accompanying financial statements of Construction, Forestry, Mining and Energy Union – Mining & Energy Division (the Union), which comprises the Balance Sheet as at 31 December 2012 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

*Committee of Management's Responsibility for the Financial Statements*

The Union's Committee of Management are responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards' Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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 report. 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 Union'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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE  
CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION - MINING & ENERGY DIVISION**

Continued...

*Auditor's Opinion*

In our opinion, the general purpose financial report of the Construction, Forestry, Mining & Energy Union – Mining & Energy Division is presented fairly in accordance with:

- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act; and
- (c) There have been no recovery of wages activities undertaken during the year.

*Daley & Co.*  
.....  
Daley & Co  
Chartered Accountants  
98 Kembla Street  
Wollongong NSW 2500

*Michael Mundt*  
.....  
Michael Mundt  
Partner

Dated this 19<sup>th</sup> day of March 2013





FAIR WORK  
COMMISSION

18 January 2013

Mr Andrew Vickers  
General Secretary M & E / National Vice President  
Construction, Forestry, Mining and Energy Union-Mining and Energy Division  
Sent by email: [avickers@cfmeu.com.au](mailto:avickers@cfmeu.com.au)

Dear Mr Vickers,

**Re: Lodgement of Financial Report - [FR2012/546]**  
**Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division (the reporting unit) ended on 31 December 2012.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 July 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au) . If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at [robert.pfeiffer@fwc.gov.au](mailto:robert.pfeiffer@fwc.gov.au).

Yours sincerely,

Robert Pfeiffer  
Senior Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	(a) if the report is to be presented to 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.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.