



FAIR WORK
COMMISSION

20 October 2013

Mr Grahame Kelly
Secretary, Northern District Branch,
CFMEU
PO Box 364
CESSNOCK NSW 2325

Dear Mr Kelly

**Re: Lodgement of Financial Accounts and Statements – Construction, Forestry,
Mining and Energy Union, Mining and Energy Division, Northern District Branch – for
year ending 31 December 2012 (FR2012/545)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 12 July 2013.

You will be aware that new Reporting Guidelines were issued on 26 June 2013 and will apply to the next financial report. I attach a copy for your convenient reference. I have set out clarifications of particular disclosure requirements that are either additional or may not have been previously brought to the Branch's attention, in the table attached. I will provide a copy of this correspondence to your Auditor.

I have filed the documents. There is no further action required in respect of the report.

Please do not hesitate to contact me on (02) 6723 7237 if you have any queries about the financial reporting requirements at any time.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



FAIR WORK
COMMISSION

20 October 2013

Mr B N Lindbeck
Lindbeck Partners
PO Box 618
CARDIFF NSW 2285

Dear Mr Lindbeck

**Re: Lodgement of Financial Accounts and Statements – Construction, Forestry,
Mining and Energy Union, Mining and Energy Division, Northern District Branch – for
year ending 31 December 2012 (FR2012/545)**

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Yours sincerely

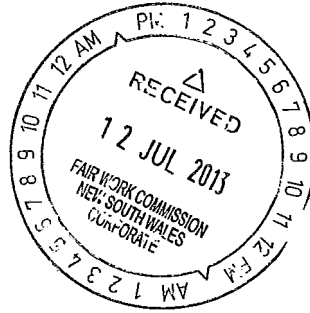
Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

Table of particular disclosures

Provision	What it says	Explanation/Clarification
S254(2)(a) RO Act 2009	“The operating report must contain a review of the reporting unit’s principal activities during the year, <u>the results of those activities</u> and any significant changes in the nature of those activities during the year”	<p>This is a subtle and overlooked or misinterpreted element of operating report reviews, and it does not appear that FWC has always previously clarified this.</p> <p>Though results are sometimes expressed as an operating financial profit or loss, more correctly, the results envisaged by the Act here are those which reflect the activities described. The ‘principal activities’ have been described and have not changed but there should be some indication that results have been reviewed.</p> <p>There is no prescribed degree of detail; a brief statement that the activities listed have achieved their objectives would suffice, (although the Branch may choose to identify particular results it regards as significant.)</p>
Regulation 159(b)	“The following information is prescribed: The number of persons who were, at the end of the financial year to which the report relates, employees of the reporting unit, where the number of employees includes both full-time and part-time employees measured <u>on a full-time equivalent basis</u> ”	<p>This means that where the number of employees includes part-time employees they must be calculated and expressed as a full-time equivalent.</p> <p>This year, the total number of employees happened to consist simply of 19 full-time employees, which did not need further expression.</p> <p>However this should be noted in case it applies in the future.</p>
S268 FW(RO) Act	“A reporting unit must, within 14 days.....after the general meeting referred to in section 266, lodge with FWC.....”	<p>Whenever presentation to the second meeting under s266 is held, the documents must be lodged with FWC within the next 14 days. In this case, since the second meeting concluded with the last of the series of general meetings held on 14 June, the report should have been lodged by 28 June.</p> <p>There should be no reason, ordinarily, for a delay in so lodging within that period, but if circumstances prevent lodgement within that period, the reporting unit should formally request that a longer period than the 14 days be allowed.</p>

<p>Section 252(3)</p> <p>Section 253(4)</p> <p>Section 253(1)</p> <p>AASB 101(27)</p>	<p>“Financial records of an organisation may.....be kept on a cash basis or accrual basis....”</p> <p>“...it may keep the financial records for its membership subscriptions on a cash basis”</p> <p>“...a reporting unit must cause a general purpose financial report to be prepared in accordance with the Australian Accounting Standards...”</p> <p>“An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting”</p>	<p>These references need to be read together. A distinction exists between <i>keeping</i> records and <i>reporting</i>. This distinction has been overlooked by a number of organisations but is now being clarified and corrected by FWC.</p> <p>It means that membership subscriptions (i.e. membership contributions) should be <i>reported</i> on the accrual basis even if, during the year, the original records are <i>kept</i> on a cash basis.</p> <p>The report states that it is prepared on an accruals basis except where specifically stated. The note on Revenue states that membership contributions are recognised upon receipt. Future reports should make clear that membership contributions are reported on the accrual basis.</p>
<p>Paragraphs 44,45 New Reporting Guidelines issued 26/6/13</p>	<p>The auditor’s statement:</p> <p>a) must include a declaration that either:</p> <p>i. the auditor is an approved auditor; or</p> <p>ii. the auditor is a member of a firm where at least one member is an approved auditor; and</p> <p>b) must specify that the auditor:</p> <p>i. is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants (formerly the National Institute of Accountants); and</p> <p>ii. holds a current Public Practice Certificate.</p> <p>45. The auditor’s statement must include a declaration, that as part of the audit of the financial statement, they have concluded that management’s use of the going concern basis of accounting in the preparation of the reporting unit’s financial statements is appropriate.</p>	<p>This provision makes explicit what has been an implicit assumption in the past that appointed auditors fall in any year into the category of currently approved auditors. With increased emphasis on auditors’ duties and standards, this provision will enhance reporting unit’s governance standards and make it easier for FWC records to be maintained up-to-date.</p> <p>This requirement, in its explicit form, takes effect for all reports prepared for years ending 30 June 2013 onwards.</p> <p>Your auditor will be required to make the specific statements prescribed in next year’s report.</p>
<p>ASA 700 paragraph (23)</p> <p>S253(2)</p>	<p>“The introductory paragraph in the auditor’s report shall.....</p> <p>(c) identify the title of each statement that comprises the financial report”</p> <p>“The general purpose financial report must consist of.....</p> <p>(c) any other reports or statements required by the reporting guidelines”</p>	<p>The auditor’s statement refers to the report “as set out on pages 5 to 21”.</p> <p>This form of identification is consistent with previous years, but on closer examination arguably does not comply with paragraph (c) of ASA 700. In any case, it does not cover the “Committee of Management Statement” on page 1 required by paragraph 24 of the old reporting guidelines, now paragraph 40 of the new reporting guidelines.</p> <p>For the avoidance of doubt FWC would expect that each statement included in the relevant pages is identified by title, including the Committee of Management Statement.</p>
<p><i>General Note</i></p> <p>The new Reporting Guidelines set out a number of specific items for disclosure and make it a requirement to avoid doubt by making specific statements in relation to specifically prescribed items even where they have not occurred in any reporting period. [see paragraphs 14,16,18,20,22,24,26,33,38]</p>		

lindbeckpartners.com



BN LINDBECK PTY LTD ACN 079 130 000
ABN 99 839 215 857

10 July 2013

Fair Work Australia
Level 8, Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir

RE: CFMEU MINING & ENERGY UNION NORTHERN DISTRICT BRANCH

I enclose herewith documents for the abovementioned in respect of the year ended 31 December 2012.

Should you have any queries in relation to this matter, please do not hesitate to contact me.

Regards

LINDBECK PARTNERS

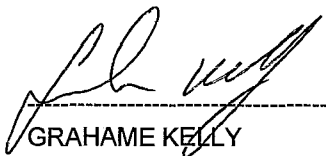
BUSINESS SUPPORT SERVICES

10 JUL 2013

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, GRAHAME KELLY being the Secretary of the Construction, Forestry, Mining and Energy Union, Mining & Energy Division, Northern District Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 18 April 2013
- That the full report was presented to a meeting of the last of a series of general meetings of members of the reporting unit on 14 June 2013 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



GRAHAME KELLY

DATE: 8.7.2013

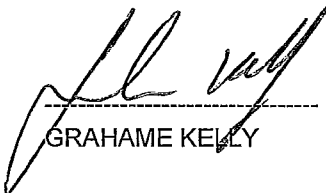
COMMITTEE OF MANAGERMENTS' STATEMENT

On 10 April 2013 the Committee of Management of the Construction Forestry Mining and Energy Union, Mining & Energy Division, Northern District Branch ('Union'), 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 report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of FWC;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year ended 31 December 2012;
- (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 ended 31 December 2012 and since the end of the financial year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union; and
 - (ii) the financial affairs of the Union have been managed in accordance with the rules of the organisation and the rules of the Union; and
 - (iii) the financial records of the Union have been kept and maintained in accordance with Fair Work (Registered Organisations) Act 2009 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 of the other branches of the organisation; and
 - (v) no information has been sought in any request of a member of the Union or the General Manager of FWC under section 272 of Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the General Manager of FWC under section 273 of Fair Work (Registered Organisations) Act 2009

For the Committee of Management:



GRAHAME KELLY

10 April 2013

OPERATING REPORT

This Operating Report covers the activities of the Construction Forestry Mining and Energy Union, Northern District Branch, for the year ended 31 December 2012, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Union

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the National Executive, National Council and Northern District Executive and Board of Management.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and delegates, and assistance to Lodges on planning, resourcing and implementing campaigns.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the rules of the Union, and responding to other Unions' rules applications where they impact on membership of the CFMEU Northern District.
- The negotiation, variation and replacement of industrial instruments (Enterprise Agreements and Federal Awards) for and in association with Lodges and members generally.
- To improve the conditions and protect the interests and rights of the members and workers
- Manage and control the occupational health and safety issues of the Northern District which include, but are not limited to:
 - workers compensation
 - rehabilitation
 - workplace safety and health
 - statutory inspections
 - involvement in Mining legislative review process
 - participation at MSAC

2. Results of Activities

The net profit for the year after income tax was \$885,019 (2011 \$1,112,549).
The decrease is due to the revaluation to fair market of investment properties.

3. Significant Changes

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

Significant changes in the financial affairs of the Union include a rise in the income from member contributions during the year of 18% due to increased membership and increase of 252% in other income. This has been offset by an increase in special levy payments of 509% and members expenses of 53%.

4. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 5 of the Union Rules, (and Section 174 of Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed and delivered to the Secretary of the relevant Lodge or the District Office.

5. Superannuation Trustees

Grahame Kelly is an officer of the Union and is a Trustee and Member of the Board of Directors of AUSCOAL Superannuation Fund.

6. Membership of the Union

There were 9,287 members of the union as at 31 December 2012.

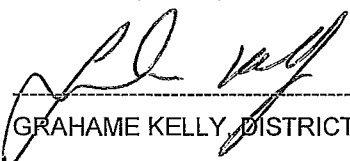
7. Employees of Union

As at 31 December 2012, the Union employed 19 full time and 0 part time employees (2011 19 full time and 1 part time employees)

8. Committee of Management

The following persons were members of the Committee of Management during the year ended 31 December 2012;

Grahame Kelly	01.01.12 - 31.12.12
Peter Jordan	01.01.12 - 31.12.12
Greg Sharp	01.01.12 - 31.12.12
David Simm	01.01.12 - 31.12.12
Keith Shaw	01.01.12 - 31.12.12
Shane Thompson	01.01.12 - 31.12.12
Robin Williams	01.01.12 - 31.12.12
Jeffrey Drayton	01.01.12 - 31.12.12
Todd Hardy	01.01.12 - 31.12.12
Jeremy McWilliams	01.01.12 - 31.12.12
Ross Whitaker	01.01.12 - 31.12.12
Kerry Wild	01.01.12 - 31.12.12
Michael Dunn	01.01.12 - 30.06.12
Ronald Edwards	01.01.12 - 30.06.12
Colin Fenwick	01.01.12 - 30.06.12
James Heaton	01.01.12 - 30.06.12
Russell Trappel	01.01.12 - 30.06.12
Mark Wilson	01.01.12 - 30.06.12
Adam Dever	01.07.12 - 31.12.12
Michael Dobie	01.07.12 - 31.12.12
Anthony Fardell	01.07.12 - 31.12.12
Daryl Haile	01.07.12 - 31.12.12
Richard Lloyd	01.07.12 - 31.12.12
Brent Nolan	01.07.12 - 31.12.12
Nichole Samuelson	01.07.12 - 31.12.12
Michael Schofield	01.07.12 - 31.12.12



GRAHAME KELLY, DISTRICT SECRETARY

10 April 2013

AUDITORS REPORT TO MEMBERS OF CONSTRUCTION, FORESTRY, MINING and ENERGY UNION

MINING & ENERGY DIVISION NORTHERN DISTRICT BRANCH

SCOPE

We have audited the general purpose financial report of Construction, Forestry, Mining and Energy Union, Mining & Energy Division Northern District Branch for the year ended 31 December 2012 as set out on pages 5 to 21. The management of the Union is responsible for the preparation of the financial statements and the information contained therein. We have conducted an independent audit of the financial statements in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with the Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 so as to present a view of the Union which is consistent with our understanding of its financial position and the results of its operations and cash flows.

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

AUDIT OPINION

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

In our opinion, the general purpose financial report of Construction Forestry Mining and Energy Union, Mining & Energy Division Northern District Branch is in accordance:

- (a) The Union's financial position as at 31 December 2012 and of its performance and cash flows for the year ended on that date; and
- (b) Applicable Accounting Standards and other mandatory professional reporting requirements.
- (c) The requirements imposed by the Reporting Guidelines of Fair Work (Registered Organisations) Act 2009.

Lindbeck Partners

LINDBECK PARTNERS
Chartered Accountants
300 Main Road
CARDIFF NSW 2285

B N Lindbeck

B N Lindbeck
Registered Company Auditor

Dated this 11th day of April 2013.

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

	NOTE	2012 \$	2011 \$
Revenue	2	13,650,274	11,011,338
Other income		-	-
Employee benefits expense		(2,938,482)	(2,839,397)
Depreciation expense		(182,754)	(156,968)
Sustentation fees		(5,366,107)	(4,285,208)
Legal & medical fees		(250,318)	(179,835)
All other expenses		(4,027,594)	(2,437,381)
Net Profit Attributable to Members		<u>885,019</u>	<u>1,112,549</u>

The accompanying notes form part of this financial report

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,799,055	1,505,014
Trade and other receivables	5	644,397	718,635
Financial assets	6	18,750,753	17,756,739
Other current assets	7	93,863	69,462
TOTAL CURRENT ASSETS		<u>21,288,068</u>	<u>20,049,850</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	1,729,777	1,615,138
Investment property	9	1,527,000	1,875,986
TOTAL NON-CURRENT ASSETS		<u>3,256,777</u>	<u>3,491,124</u>
TOTAL ASSETS		<u>24,544,845</u>	<u>23,540,974</u>
CURRENT LIABILITIES			
Trade and other payables	10	788,949	821,849
Short term provisions	11	1,114,130	993,042
TOTAL CURRENT LIABILITIES		<u>1,903,079</u>	<u>1,814,891</u>
NON-CURRENT LIABILITIES			
Trade and other payables	10	387,222	387,222
Long term provisions	11	222,435	191,771
TOTAL NON-CURRENT LIABILITIES		<u>609,657</u>	<u>578,993</u>
TOTAL LIABILITIES		<u>2,512,736</u>	<u>2,393,884</u>
NET ASSETS		<u>22,032,109</u>	<u>21,147,090</u>
EQUITY			
Accumulated Members' Funds		<u>22,032,109</u>	<u>21,147,090</u>

The accompanying notes form part of this financial report

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Opening Balance as at 1 January		21,147,090	20,034,541
Profit/(Loss) Attributable to Members		<u>885,019</u>	<u>1,112,549</u>
Closing Balance as at 31 December		<u><u>22,032,109</u></u>	<u><u>21,147,090</u></u>

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,609,291	10,650,457
Payments to suppliers and employees		(13,230,814)	(11,190,544)
Interest received		1,136,583	1,188,066
Other investment income received		141,608	141,038
Net cash inflow from operating activities	13(b)	<u>1,656,668</u>	<u>789,017</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant & equipment		96,456	96,136
Payment for plant & equipment		(452,770)	(282,027)
Payment for investment property		(12,299)	(8,608)
Payment for investments		(994,014)	(159,597)
Net cash inflow from investing activities		<u>(1,362,627)</u>	<u>(354,096)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash inflow from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		294,041	434,921
Cash at 1 January 2012	13(a)	<u>1,505,014</u>	<u>1,070,093</u>
CASH AT 31 DECEMBER 2012	13(a)	<u><u>1,799,055</u></u>	<u><u>1,505,014</u></u>

The accompanying notes form part of this financial report

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Basis of Preparation

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

Accounting Policies

(a) Property, Plant & 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Property, Plant & Equipment (continued)

Depreciation

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

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Motor vehicles	22.5%
Fixtures, fittings & equipment	10%-40%

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

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

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

(b) Income Tax

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

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(d) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which included transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

Held-to-Maturity Investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(e) Impairment of Assets

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

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

(f) Inventories

Inventories held for sale

Raw materials and finished goods are carried at the lower of cost allocated and net realisable value.

Net realisable value

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expense of marketing, selling and distribution to customers, are estimated and are deducted to establish net realisable value.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. 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, inclusive of related on-costs.

(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 upon receipt, which is reflective of the timing and nature of the benefits provided to members.

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

Revenue from the rendering of a service is recognised upon the delivery of the services to the customers.

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

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative Figures

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

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report 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 from within the Union.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union and its assets that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

	NOTE	2012 \$	2011 \$
2. REVENUE:			
Operating Activities			
Membership contributions		10,578,289	8,994,332
Interest received	2(a)	1,136,583	1,188,066
Medical & legal fees reimbursement		107,297	94,374
Rents received		141,608	141,038
Wage subsidy & reimbursement		232,371	169,051
Other income		1,454,126	424,477
		<u>13,650,274</u>	<u>11,011,338</u>
Non-Operating Activities			
Fair value gains		-	-
		<u>-</u>	<u>-</u>
Total Revenue		<u>13,650,274</u>	<u>11,011,338</u>
(a) Interest revenue from			
Other related parties		-	-
Other corporations		1,136,583	1,188,066
		<u>1,136,583</u>	<u>1,188,066</u>

**3. RESULT FROM ORDINARY ACTIVITIES
EXPENSES:**

Depreciation of property, plant & equipment		182,754	156,968
Movement in employee entitlements		434,391	406,026
Rental expense on operating leases		36,921	29,275
Non-Operating Activities			
Fair value losses		361,285	-

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

	NOTE	2012 \$	2011 \$
4. CASH AND CASH EQUIVALENTS			
Cash on hand		5,560	6,110
Cash at bank		<u>1,793,495</u>	<u>1,498,904</u>
		<u>1,799,055</u>	<u>1,505,014</u>
5. TRADE AND OTHER RECEIVABLES			
Current			
Other receivables		<u>644,397</u>	<u>718,635</u>
		<u>644,397</u>	<u>718,635</u>
6. FINANCIAL ASSETS			
Held to Maturity Financial Assets	(a)	18,750,753	17,756,739
Available for Sale Financial Assets	(b)	<u>-</u>	<u>-</u>
		<u>18,750,753</u>	<u>17,756,739</u>
Split As:			
Current		18,750,753	17,756,739
Non Current		<u>-</u>	<u>-</u>
		<u>18,750,753</u>	<u>17,756,739</u>
(a) Held-to-maturity Financial Assets Comprise:			
Term Deposits and Bank Bills held with Financial Institutions.		<u>18,750,753</u>	<u>17,756,739</u>
7. OTHER CURRENT ASSETS			
Prepayments		<u>93,863</u>	<u>69,462</u>

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

	NOTE	2012 \$	2011 \$
8. PROPERTY, PLANT AND EQUIPMENT			
Land			
At cost		197,454	197,454
Buildings			
At cost		1,539,882	1,469,907
Provision for depreciation		669,648	632,653
		<u>870,234</u>	<u>837,254</u>
TOTAL LAND AND BUILDINGS		<u>1,067,688</u>	<u>1,034,708</u>
Furniture & fittings & equipment			
At cost		1,102,942	1,041,349
Provision for depreciation		679,009	694,234
		<u>423,933</u>	<u>347,115</u>
Motor vehicles			
At cost		289,165	289,952
Provision for depreciation		51,009	56,637
		<u>238,156</u>	<u>233,315</u>
		<u>1,729,777</u>	<u>1,615,138</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and end of the current financial year:

	Land \$	Buildings \$	Furniture, Fittings & Equipment \$	Motor Vehicles \$	Total \$
Balance at Start of Year	197,454	837,254	347,115	233,315	1,615,138
Additions	-	69,975	178,981	203,814	452,770
Disposals	-	-	12,854	142,523	155,377
Depreciation/Amortisation	-	36,995	89,309	56,450	182,754
Carrying Amount End of Year	<u>197,454</u>	<u>870,234</u>	<u>423,933</u>	<u>238,156</u>	<u>1,729,777</u>

9. INVESTMENT PROPERTY

Balance at beginning of year	1,875,986	1,867,378
Acquisitions	12,299	8,608
Fair value adjustments	(361,285)	-
Balance at end of year	<u>1,527,000</u>	<u>1,875,986</u>

The fair value model is applied to all investment property. Investment properties are independently revalued at least every three years. Values are based on an active liquid market value and are performed by a registered independent valuer. Committee of Management valuations are prepared at each balance date where an independent valuation has not been obtained.

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

	NOTE	2012 \$	2011 \$
10. TRADE AND OTHER PAYABLE			
Current			
Payables		762,625	760,836
GST liability		<u>26,324</u>	<u>61,013</u>
		<u>788,949</u>	<u>821,849</u>
Non-Current			
Payables		<u>387,222</u>	<u>387,222</u>
		<u>387,222</u>	<u>387,222</u>

11. PROVISIONS

	Provision for Annual Leave \$	Provision For LSL \$	Other Employee Entitlements \$	Total \$
Opening balance at 1 January 2012	517,349	191,771	475,693	1,184,813
Additional provisions	265,320	34,266	134,804	434,390
Amounts used	<u>(222,749)</u>	<u>(3,602)</u>	<u>(56,287)</u>	<u>(282,638)</u>
Balance at 31 December 2012	<u>559,920</u>	<u>222,435</u>	<u>554,210</u>	<u>1,336,565</u>
(a) Analysis of ageing of provisions				
Current			1,114,130	993,042
Non-current			<u>222,435</u>	<u>191,771</u>
			<u>1,336,565</u>	<u>1,184,813</u>
(b) Number of employees at balance date				
			19	19
(c) Total employee benefits attributable to:				
Officeholders			817,899	702,096
Staff			<u>518,666</u>	<u>482,717</u>
			<u>1,336,565</u>	<u>1,184,813</u>

12. CAPITAL AND LEASING COMMITMENTS

(a) OPERATING LEASE COMMITMENTS

An operating lease commitment exists in respect of the lease of printers/photocopiers.
The maximum amount committed is as follows:

The total operating lease commitment is:

Due within 1 year	19,358	19,358
Due within 1-2 years	19,358	19,358
Due within 2-5 years	<u>17,744</u>	<u>37,102</u>
	<u>56,460</u>	<u>75,818</u>

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

	NOTE	2012 \$	2011 \$
12. CAPITAL AND LEASING COMMITMENTS (cont.)			
(b) CAPITAL EXPENDITURE COMMITMENTS			
Capital expenditure commitments contracted for at balance date		<u>-</u>	<u>-</u>
13. CASH FLOW INFORMATION			
(a) RECONCILIATION OF CASH			
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Cash	4	<u>1,799,055</u>	<u>1,505,014</u>
BALANCE PER STATEMENT OF CASH FLOWS		<u>1,799,055</u>	<u>1,505,014</u>
(b) RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating Surplus for the Year		<u>885,019</u>	<u>1,112,549</u>
Depreciation		182,754	156,968
Fair value (gains)/losses		361,285	-
(Profit)/Loss on disposal of property, plant & equipment		58,921	45,864
Changes in Assets and Liabilities			
(Increase)/Decrease in debtors		74,238	(230,396)
(Increase)/Decrease in inventories		-	-
(Increase)/Decrease in prepayments		(24,401)	(6,444)
Increase/(Decrease) in creditors		(32,900)	(474,873)
Increase/(Decrease) in employee provisions		<u>151,752</u>	<u>185,349</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>1,656,668</u>	<u>789,017</u>
(c) STANDBY ARRANGEMENTS AND UNUSED CREDIT FACILITIES			
Standby arrangements with the Union's bankers to provide funds and support facilities comprise:			
Other Short-Term Credit			
• Limit		-	-
• Amount utilised		<u>-</u>	<u>-</u>
UNUSED CREDIT FACILITY		<u>-</u>	<u>-</u>

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

14. FINANCIAL INSTRUMENTS

	Floating Interest Rate	Fixed Interest Rate	Non Interest Bearing	Total
		1 year or less	Over 1 to 5 years	
	\$	\$	\$	\$
31 December 2012				
Financial Assets				
Cash	1,793,495	-	-	1,799,055
Receivables	-	-	-	644,397
Investments	-	18,750,753	-	18,750,753
	<u>1,793,495</u>	<u>18,750,753</u>	<u>-</u>	<u>21,194,205</u>
Weighted average interest	3.38%	5.14%		
Financial Liabilities				
Payables	-	-	-	788,949
Net financial assets/(liabilities)	<u>1,793,495</u>	<u>18,750,753</u>	<u>-</u>	<u>20,405,256</u>
31 December 2011				
Financial Assets				
Cash	1,498,904	-	-	1,505,014
Receivables	-	-	-	718,635
Investments	-	17,756,739	-	17,756,739
	<u>1,498,904</u>	<u>17,756,739</u>	<u>-</u>	<u>19,980,388</u>
Weighted average interest	3.73%	6.29%		
Financial Liabilities				
Payables	-	-	-	821,849
Net financial assets/(liabilities)	<u>1,498,904</u>	<u>17,756,739</u>	<u>-</u>	<u>19,158,539</u>

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

2012 2011
 \$ \$

15. RELATED PARTY INFORMATION

(a) MEMBERS OF THE COMMITTEE OF MANAGEMENT

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

Peter Jordan - President
 Grahame Kelly - Secretary
 Gregory Sharp - Vice President
 Robin Williams - Vice President
 Shane Thompson - Vice President
 Keith Shaw - District Check Inspector
 David Simm - District Check Inspector

Persons holding honorary positions as members of the Committee of Management during the year:

Jeffrey Drayton	Brent Nolan (appointed 01.07.12)
Todd Hardy	Nichole Samuelson (appointed 01.07.12)
Jeremy McWilliams	Michael Schofield (appointed 01.07.12)
Ross Whitaker	James Heaton (resigned 30.06.12)
Kerry Wild	Ronald Edwards (resigned 30.06.12)
Adam Dever (appointed 01.07.12)	Michael Dunn (resigned 30.06.12)
Michael Dobie (appointed 01.07.12)	Russell Trappel (resigned 30.06.12)
Anthony Fardell (appointed 01.07.12)	Colin Fenwick (resigned 30.06.12)
Daryl Haile (appointed 01.07.12)	Mark Wilson (resigned 30.06.12)
Richard Lloyd (appointed 01.07.12)	

(b) RELATED PARTY TRANSACTIONS

Sustentation fees paid to the Construction Forestry Mining and Energy Union, Mining & Energy Division, Federal Office during the year totalled \$5,366,107 (2011: \$4,285,208).

16. SALARIES

The following analysis of salaries paid during the year is given in compliance with the requirements of the Fair Work (Registered Organisations) Act 2009:

Paid to office holders	1,128,025	1,128,025
Paid to employees	737,537	698,097
	1,865,562	1,826,122

17. AUDITORS' REMUNERATION

Amounts received, or due and receivable by the auditors for:

• Auditing	29,500	29,500
• Other services	30,500	30,455
TOTAL	60,000	59,955

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

18. ORGANISATION DETAILS

The Union is a Trade Union registered and domiciled In Australia. The registered office and principal place of business of the Union is: 67A Aberdare Road Aberdare NSW 2325

19. EVENTS SUBSEQUENT TO BALANCE DATE

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
- (i) the operations of the Union;
 - (ii) the results of those operations; or
 - (iii) the state of affairs of the Union, in subsequent financial years.

(b) The financial report was authorised for issue on 10 April 2013 by the Committee of Management.

20. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FWC

In accordance with the requirements of Section 272 of the Fair Work (Registered Organisations) Act 2009; the attention of members is drawn to the following:

- (1) A member of the Union, or the General Manager of FWC, may apply to the Union for specified prescribed information in relation to the Union to be made available to the person making the application.
- (2) The application must be 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**

	2012	2011
	\$	\$
21. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009		
In accordance with the requirements of Section 255 of the Fair Work (Registered Organisations) Act 2009 the following necessary disclosures are made:		
i) INCOME STATEMENT		
ITEMS OF REVENUE		
Compulsory levies raised from members or appeals for voluntary contributions:		
- CFMEU National Assistance Fund	2,484,149	1,910,609
Donations or Grants Income	-	-
ITEMS OF EXPENSE		
Expenses paid to employers for payroll deduction costs incurred relating to membership contributions.	-	-
Affiliation fees/subscriptions to organisations with an interest in industrial matters.	74,238	48,925
Compulsory levies imposed on the Union.	-	-
Donations or Grant Expenses.	54,898	127,019
Employee Benefits Expense:		
- Office Holders	1,664,093	1,501,830
- Employees (Other than Office Holders)	881,238	870,894
	<u>2,545,331</u>	<u>2,372,724</u>
Attendance Fees/Allowances – Conferences and Meetings	179,700	37,800
Legal Costs and Related Expenses	128,050	99,307
Expenses incurred in connection with meetings of members, councils, committees, panels to other bodies for which the Union was wholly or partly responsible.	327,625	228,546
Penalties imposed under the Act or Regulations.	-	-
OTHER BALANCES		
Transfers (from)/to a fund or account kept for specific purposes:		
- CFMEU National Assistance Fund	2,484,149	1,910,609



FAIR WORK
COMMISSION

18 January 2013

Mr Peter Jordan
District President
Construction, Forestry, Mining and Energy Union-Mining and Energy Division
Northern District Branch
Sent by fax: (02) 4991 1595

Dear Mr Jordan,

Re: Lodgement of Financial Report - [FR2012/545]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the Construction, Forestry, Mining and Energy Union-Mining and Energy Division Northern District Branch (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. 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.

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"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	(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.