



FAIR WORK  
COMMISSION

30 September 2013

Ms Lorraine Usher  
Secretary, (former) NSW Energy District Branch  
CFMEU  
PO Box Q1641, QVB Post Office  
SYDNEY NSW 1230

Dear Ms Usher

**RE: Financial accounts and statements - Construction, Forestry, Mining and Energy Union, NSW Energy District Branch - for year ending 31 December 2012 (FR2012/544)**

I refer to the above financial accounts and statements which were lodged on 25 June 2013. I note the amalgamation of the Branch with the Northern District Branch on 8 August 2013, and have filed the documents.

Yours faithfully,

Stephen Kellett  
Senior Adviser, Regulatory Compliance Branch

cc. Mr Grahame Kelly, Secretary, Northern Mining and NSW Energy District Branch

**From:** KELLETT, Stephen  
**To:** ["lusher@cfmeu.com.au"](mailto:lusher@cfmeu.com.au)  
**Cc:** ["gkelly@cfmeunsw.org.au"](mailto:gkelly@cfmeunsw.org.au)  
**Subject:** Attention Ms Lorraine Usher - financial report for y/e 31 Dec 2012 - filing  
**Date:** Monday, 30 September 2013 11:52:00 AM  
**Attachments:** [CFMEU\\_MIN\\_NEST\\_FR2012\\_544 \(amended final\).pdf](#)

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Dear Ms Usher,

Please see my letter (amended) in relation to the above, for the record. Please disregard my earlier email and attachments.

Yours sincerely

STEPHEN KELLETT  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

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**From:** Orgs  
**To:** [KELLETT, Stephen](#)  
**Subject:** FW: ON CMS+ CFMEU-NEST - FR for 31-12-12.  
**Date:** Saturday, 28 September 2013 7:38:00 AM  
**Attachments:** [250613NSWEnergyFinReport.pdf](#)

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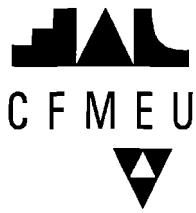
**Email Address:** [mmitchell@cfmeu.com.au](mailto:mmitchell@cfmeu.com.au)

#### Comments:

Please find attached the Financial Report of the CFMEU Mining and Energy Division, NSW Energy District.

#### Attachments:

Lodgement of full financial report: 250613NSWEnergyFinReport.pdf



Mining and Energy Division  
**NSW Energy District**

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President *Allen Drew* ♦ Secretary *Lorraine Usher*

25th June, 2013.

**Certificate of Secretary or other Authority Officer**  
s268 of Schedule 1B Workplace Relations Act 1996

I, LORRAINE USHER, being the Secretary of the NSW Energy District Branch, 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 s268 of the RAO Schedule; and
- That the full report, was provided to members on 8<sup>th</sup> April, 2013; and
- That the full report was presented to the last of a series of general meetings of members of the reporting unit on 16<sup>th</sup> May, 2013; in accordance with section 266 of the RAO Schedule.
- The resolution was adopted by the Board of Management on 24th June 2013.

.....  
SECRETARY

Encl.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
MINING & ENERGY DIVISION  
NEW SOUTH WALES ENERGY DISTRICT**

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

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## OPERATING REPORT

The Board of Management of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division, New South Wales Energy District ("the Union") present their Operating Report on the Union for the year ended 31 December 2012.

### **Board of Management**

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

<b>NAME</b>	<b>POSITION</b>	<b>PERIOD OF APPOINTMENT</b>
Mr A Drew	District President	1/1/2012 to 31/12/2012
Ms L Usher	District Secretary	1/1/2012 to 31/12/2012
Mr W De Vecchis	Vice President	1/1/2012 to 31/12/2012
Mr J Porter	Vice President	1/1/2012 to 31/12/2012
Mr P Compton	Vice President	1/1/2012 to 31/12/2012
Mr M Connor	Board of Management	1/1/2012 to 23/4/2012
Mr M McGrath	Board of Management	1/1/2012 to 31/12/2012
Mr P Samaras	Board of Management	1/1/2012 to 31/12/2012
Mr D Maxwell	Board of Management	1/1/2012 to 31/12/2012
Mr W Smith	Board of Management	1/1/2012 to 31/12/2012
Mr R Waters	Board of Management	1/1/2012 to 31/12/2012
Mr A Arnott	Board of Management	20/3/2012 to 31/12/2012
Mr J La Greca	Board of Management	20/3/2012 to 31/12/2012
Mr M Sloane	Board of Management	20/3/2012 to 31/12/2012
Mr M Asser	Board of Management	1/1/2012 to 20/3/2012
Mr A Cameron	Board of Management	23/4/2012 to 31/12/2012

### **Principal Activities**

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

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

**OPERATING REPORT**

(Continued...)

***Results of Activities***

The result of the Union for the financial year was a profit of \$55,348 (2011: loss of \$13,814 ).

***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 1,052 financial members of the Union as at 31 December 2012.

***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.

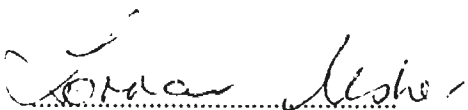
***Employees of the Union***

As at 31 December 2012 the Union employed 3 full time employees.

***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.



**Lorraine Usher**  
**District Secretary**

Dated this 12th day of March 2013.

## **BOARD OF MANAGEMENT STATEMENT**

On 12th of March, 2013 the Board of Management of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, New South Wales Energy District ("the Union"), passed the following resolution in relation to the general purpose financial report (GPFR) of the Union, for the financial year ended 31 December 2012:

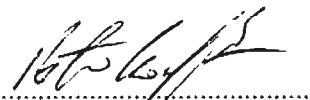
The Board of Management declares in relation to the GPFR that in its opinion:

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (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;
- (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 Board of Management were held in accordance with the rules of the Union; and
  - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) 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
  - (v) 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.

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



**Allen Drew  
District President**



**Peter Compton  
District Vice President**

Dated this 12th day of March 2013.



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

	<b>NOTE</b>	<b>2012 \$</b>	<b>2011 \$</b>
Revenue	2	887,944	793,896
Employee Benefits Expense		(543,481)	(498,648)
Sustentation Fees		(177,346)	(177,346)
Delegate Expenses		(24,420)	(20,419)
Depreciation Expense		(15,381)	(15,014)
Motor Vehicle Expenses		(15,291)	(12,768)
Administration Expense		(56,677)	(55,887)
<b>Result for the Year</b>		<b>55,348</b>	<b>13,814</b>
<b>Other Comprehensive Income</b>			
Net Gain (Loss) on Revaluation of Financial Assets		1,136	(797)
<b>Other Comprehensive Income for the Year</b>		<b>1,136</b>	<b>(797)</b>
<b>Total Comprehensive Income for the Year</b>		<b>56,484</b>	<b>13,017</b>

The accompanying notes form part of these financial statements

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**BALANCE SHEET  
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and Cash Equivalents	3	32,673	6,061
Trade and Other Receivables	4	89,556	81,520
Financial Assets	5	336,616	312,170
Other Assets	6	6,169	4,750
TOTAL CURRENT ASSETS		<u>465,014</u>	<u>404,501</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	<u>61,288</u>	<u>55,182</u>
TOTAL NON-CURRENT ASSETS		<u>61,288</u>	<u>55,182</u>
TOTAL ASSETS		<u>526,302</u>	<u>459,683</u>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and Other Payables	8	50,064	52,685
Borrowings	9	7,658	32,769
Short-term Provisions	10	261,316	223,449
TOTAL CURRENT LIABILITIES		<u>319,038</u>	<u>308,903</u>
TOTAL LIABILITIES		<u>319,038</u>	<u>308,903</u>
NET ASSETS		<u>207,264</u>	<u>150,780</u>
<b>EQUITY</b>			
Retained Earnings		205,332	149,984
Reserves		<u>1,932</u>	<u>796</u>
TOTAL EQUITY		<u>207,264</u>	<u>150,780</u>

The accompanying notes form part of these financial statements

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

	<b>Retained Earnings \$</b>	<b>Financial Assets Reserve \$</b>	<b>Total \$</b>
Balance at 1 January 2011	136,170	1,593	137,763
<b>Total Comprehensive Income for the Year</b>			
Result for the year	13,814		13,814
<i>Other Comprehensive Income</i>			
Net increase in value of Available-for-Sale financial assets		(797)	(797)
Total Other Comprehensive Income		(797)	(797)
<b>Balance at 31 December 2011</b>	<b>149,984</b>	<b>796</b>	<b>150,780</b>
<b>Total Comprehensive Income for the Year</b>			
Result for the year	55,348		55,348
<i>Other Comprehensive Income</i>			
Net decrease in value of Available-for-Sale financial assets		1,136	1,136
Total Other Comprehensive Income		1,136	1,136
<b>Balance at 31 December 2012</b>	<b>205,332</b>	<b>1,932</b>	<b>207,264</b>

The accompanying notes form part of these financial statements

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

	NOTE	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Membership Levies Received		860,936	770,905
Other Receipts		79,671	40,331
Payment to Suppliers and Employees		(869,090)	(875,723)
Interest Received		23,874	12,619
Net cash generated from (used in) operating activities	11(b)	95,391	(51,868)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Property, Plant & Equipment		15,909	17,727
Purchase of Property, Plant and Equipment		(36,266)	(40,035)
Purchase of Investments		(23,311)	(10,489)
Net cash used in investing activities		(43,668)	(32,797)
Net increase (decrease) in cash held		51,723	(84,665)
Cash and cash equivalents at the start of the financial year		(26,708)	57,957
Cash and cash equivalents at the end of the financial year	11(a)	25,015	(26,708)

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 and Energy Division, New South Wales Energy District ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2009 ("the RO Act"). In accordance with the RO 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**

Construction, Forestry, Mining and Energy Union - Mining and Energy Division, New South Wales Energy District has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2012-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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) Revenue**

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).

**b) 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.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**b) Property, Plant and Equipment**

Continued....

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

**Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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 for each class of depreciable assets are:-

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Furniture, Fittings and Equipment	7.5 – 20%
Motor Vehicles	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

**c) 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.

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

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Continued...

#### d) 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.

##### *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.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**d) Financial Instruments**

Continued....

*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.

**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.



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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**e) 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.

**f) 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.

**g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Balance Sheet.

**h) 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. 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.

**i) Income Tax**

No provision for income tax has been raised as the Union is exempt from income tax under s.50-15 of the Income Tax Assessment Act 1997.

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

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**j) 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.

**k) 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.

**l) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

**m) Comparatives**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for 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.

**n) Critical Accounting Estimates and Judgments**

The Board 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.

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

	2012 \$	2011 \$
<b>2. REVENUE AND OTHER INCOME</b>		
<b>Revenue</b>		
<b>Service Revenue</b>		
Membership Levies	760,737	705,681
Attendance Fees	55,185	55,091
	<u>815,922</u>	<u>760,772</u>
<b>Other Revenue</b>		
Interest Received	17,371	20,183
Profit on Sale of Plant & Equipment	1,129	984
Other Income	53,522	11,957
	<u>72,022</u>	<u>33,124</u>
Total Revenue	<u>887,944</u>	<u>793,896</u>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	300	300
Cash at Bank	32,373	5,761
	<u>32,673</u>	<u>6,061</u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Trade Receivables	87,707	73,168
Other Receivables	1,849	8,352
	<u>89,556</u>	<u>81,520</u>

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

	NOTE	2012 \$	2011 \$
<b>5. FINANCIAL ASSETS</b>			
<b>Current</b>			
Held-to-Maturity Financial Assets	(a)	333,502	310,191
Available for Sale Financial Assets	(b)	3,114	1,979
		<u>336,616</u>	<u>312,170</u>
(a) Held-to-Maturity Investments comprise:			
- Term Deposits		<u>333,502</u>	<u>310,191</u>
(b) Available-for-Sale Financial Assets comprise:			
- Listed investments, at fair value		<u>3,114</u>	<u>1,979</u>
Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity dates attached to these investments.			
<b>6. OTHER ASSETS</b>			
Prepayments		<u>6,169</u>	<u>4,750</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Furniture, Fittings and Equipment			
At Cost		8,604	9,162
Less Accumulated Depreciation		(4,224)	(6,321)
		<u>4,380</u>	<u>2,841</u>
Motor Vehicles			
At Cost		71,513	67,613
Less Accumulated Depreciation		(14,605)	(15,272)
		<u>56,908</u>	<u>52,341</u>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>		<u>61,288</u>	<u>55,182</u>

**(a) Movements in Carrying Amounts**

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

	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
<b>2012</b>					
Furniture, Fittings & Equipment	2,841	3,753	(387)	(1,827)	4,380
Motor Vehicles	52,341	32,513	(14,392)	(13,554)	56,908
	<u>55,182</u>	<u>36,266</u>	<u>(14,779)</u>	<u>(15,381)</u>	<u>61,288</u>

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

	NOTE	2012 \$	2011 \$
<b>8. TRADE AND OTHER PAYABLES</b>			
Trade and Other Payables		<u>50,064</u>	<u>52,685</u>

**9. BORROWINGS**

**CURRENT**

Bank Overdraft	(a)	<u>7,658</u>	<u>32,769</u>
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(a) As at 2012 year end, the bank statement balance is actually in funds with the overdraft being caused by unpresented cheques. There is no overdraft facility in place and the overdraft is unsecured.

**10. PROVISIONS**

Employee Benefits – Current	(a)	<u>261,316</u>	<u>223,449</u>
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**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 of the financial statements.

**(a) Employee Benefits Attributable to:**

Office Holders		220,438	186,322
Staff		40,878	37,127
		<u>261,316</u>	<u>223,449</u>

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

	NOTE	2012 \$	2011 \$
<b>11. CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of Cash</b>			
Cash and Cash Equivalents	3	32,673	6,061
Borrowings	9	(7,658)	(32,769)
		25,015	(26,708)
<b>(b) Reconciliation of Cash Flows from Operations with Result after Income Tax</b>			
Operating Result after Income Tax		55,348	13,814
<b>Non Cash Flows</b>			
Depreciation		15,381	15,014
Profit on Sale of Property, Plant and Equipment		(1,129)	(984)
<b>Changes in Assets and Liabilities</b>			
Decrease/(Increase) in Trade and Other Receivables		(8,035)	(42,090)
Decrease/(Increase) in Other Assets		(1,419)	(875)
Increase/(Decrease) in Trade and Other Payables		(2,623)	(60,405)
Increase/(Decrease) in Provisions		37,868	23,658
		95,391	(51,868)
<b>(c) Net cash flows (excluding GST) relating to another reporting unit of the Union are as follows:</b>			
CFMEU – Mining & Energy Division		(148,506)	(140,751)
CFMEU – Mining & Energy Division – Nth District		(5,700)	(5,200)
CFMEU – Construction & General Division		(2,453)	(2,361)

**12. KEY MANAGEMENT PERSONNEL COMPENSATION**

The totals of remuneration paid to key management personnel (KMP) of the Company during the year are as follows:

Key management personnel compensation	472,437	443,321
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**13. RELATED PARTY INFORMATION**

**(a) Members of the Board of Management**

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

Mr A Drew (District President)	Mr J Porter (Vice President)
Ms L Usher (District Secretary)	Mr W De Vecchis (Vice President)
Mr P Compton (Vice President)	

Persons appointed and holding honorary positions as members of the Board of Management for the financial year:

Mr L Gleeson	Mr A Arnott
Mr M Connor	Mr M Asser
Mr M McGrath	Mr D Maxwell
Mr P Samaras	Mr R Waters
Mr W Smith	Mr J La Greca
Mr M Sloane	Mr A Cameron

Refer to the Operating Report for details of change of appointment dates and positions.

**(b) Related Party Transactions**

**Other related parties**

- i) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division during the year. Commercial rent totalling \$12,000 (2011: \$12,000) was paid during the year.
- ii) Office space was rented from Construction, Forestry Mining and Energy Union – Mining and Energy Division, Northern District during the year. Commercial rent totalling \$5,700 (2011: \$5,200) was paid during the year.
- iii) Sustentation fees totalling \$177,346 (2011: \$177,346) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.
- iv) Computer Software support was supplied by Construction, Forestry Mining and Energy Union – Construction & General Division during the year. Total amount paid during the year was \$2,453 (2011: \$2,361).
- v) During the year the Union sold a motor vehicle valued at \$17,500 to a family member of a Key Management Personnel. Terms and conditions in relation to the sale were within a normal commercial relationship and were no more favourable than those made available to other third parties.
- vi) From time to time the Union makes expenditures which relate to itself as well as other branches and divisions of the CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

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

**14. FINANCIAL RISK MANAGEMENT**

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable, commercial bills and leases.

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	3	32,673	6,061
Trade and other receivables	4	89,556	81,520
Held to Maturity Financial Assets	5	333,502	310,191
Available-for-sale financial assets			
- Shares in Listed Corporations - at fair value	5	3,114	1,979
		458,845	399,751
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	8	50,064	52,685
- Borrowings	9	7,658	32,769
		57,722	85,454

**15. EVENTS AFTER THE REPORTING PERIOD**

(a) On 12<sup>th</sup> March 2013, the Board of Management endorsed the process of the integration of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division, New South Wales Energy District into the Northern District of the Construction, Forestry, Mining and Energy Union - Mining and Energy Division. Discussions are ongoing to give effect to integration on terms acceptable to both branches. This integration is anticipated to occur during the 2013 year.

(b) The financial report was authorised for issue on the 12th of March 2013 by the Board of Management.

**16. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of subsection 272(5) of the RO Act, attention is drawn to the requirements of subsections (1), (2) and (3) of section 272 of the RO Act, which read as follows:-

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).



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

**17. 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 RO Act), the following necessary disclosures are made:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>PROFIT AND LOSS DISCLOSURES</b>		
<b>ITEMS OF REVENUE</b>		
Entrance fees or periodic subscriptions in respect of membership of the organisation	760,737	705,681
Donations or Grants	-	-
<b>ITEMS OF EXPENSE</b>		
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Proportion of entrance fees paid contributed towards the administrative expenses of another Union:	177,346	177,346
Fees and periodic subscriptions in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters	4,694	4,072
Grants or donations	-	-
<hr/>		
Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	16,860	11,927
Employee Benefits to:		
- Holders of office	397,241	375,655
- Employees (Other than holders of office)	46,416	47,407
	<hr/> 443,657	<hr/> 423,062

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

**17. ADDITIONAL DISCLOSURES REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**  
Continued...

	2012 \$	2011 \$
<b>PROFIT AND LOSS DISCLOSURES</b>		
<b>ITEMS OF EXPENSE</b> Continued...		
Legal costs and other expenses related to litigation or other legal matters	-	267
Expenses incurred in connection with meetings of members of the Union and any conferences or meeting of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible	7,560	8,492

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
MINING AND ENERGY DIVISION, NEW SOUTH WALES ENERGY DISTRICT**

We have audited the accompanying financial statements of Construction, Forestry, Mining and Energy Union - Mining and Energy Division, New South Wales Energy District (the Union), which comprises the Balance Sheet as at 31 December 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended on, notes comprising a summary of the significant accounting policies and other explanatory notes and the Board of Management Statement.

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

The Union's Board of Management are responsible for the preparation and fair presentation of the financial statements 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'). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Board of Management also state, in accordance with Accounting Standards AASB 101: Presentation of Financial Statements, that compliance with Australian Standards' reduced disclosure requirements ensure that the financial report, comprising the financial statements and notes, complies with Australian Accounting Standards' reduced disclosure requirements.

*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. Those 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 Board 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*

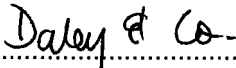
In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
MINING AND ENERGY DIVISION, NEW SOUTH WALES ENERGY DISTRICT**  
Continued...

*Auditor's Opinion*

In our opinion:

- (a) the general purpose financial report of the Construction, Forestry, Mining and Energy Union - Mining & Energy Division, New South Wales Energy District as at 31 December 2012 and for the year then ended is presented fairly in accordance with:
  - (i) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
  - (ii) The Fair Work (Registered Organisations) Act 2009 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act;
- (b) There have been no recovery of wages activities undertaken during the above year.

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

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

Dated this 12th day of March 2013.



FAIR WORK  
COMMISSION

18 January 2013

Ms Lorraine Usher  
District Secretary  
Construction, Forestry, Mining and Energy Union-Mining and Energy Division - NSW Energy  
District  
Sent by email: [lusher@cfmeu.com.au](mailto:lusher@cfmeu.com.au)

Dear Ms Usher,

**Re: Lodgement of Financial Report - [FR2012/544]**

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

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