



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2002/825-[105N-SWDT]

Mr Bob Mitchell
District Secretary, South Western District Branch
Mining and Energy Division
Construction, Forestry, Mining and Energy Union
Wollongong Office
Ground Floor, Trade Union Centre
Lowden Square
WOLLONGONG NSW 2500

Dear Mr Mitchell

**Re: CFMEU - Mining & Energy Division, South Western District Branch
Financial Reporting Obligations under *Workplace Relations Act 1996***

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed body under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 31 December, 2002.

The legislative scheme set out in Part IX, Division 11 of the Act is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. To assist you with this process I have enclosed for your information a notice summarising these requirements including the time-scales prescribed by the legislation. Please note that a branch of an organisation may be exempted from the obligations arising under Part IX, Division 11 in respect of a financial year by satisfying a Registrar that the branch did not have any financial affairs during the financial year. An application under subsection 271A(1) of the Act must be made within 90 days (unless extended by a Registrar) after the end of the financial year.

Please do not hesitate to contact me on (02) 8374 6618 if you wish to discuss the financial reporting requirements, especially if you anticipate any difficulty in meeting any step in the time-scales prescribed.

Yours sincerely

Belinda Penna
E-mail: belinda.penna@air.gov.au
10 February 2003



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Our ref: FR2002/825

Mr Bob Mitchell
District Secretary
South Western District Branch
CFMEU Mining & Energy Division
Box 1 Trade Union Centre
Lowden Square
WOLLONGONG NSW 2500

Dear Mr Mitchell

**Re: CFMEU Mining & Energy Division - South Western District Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

There is no record of lodgement in the Industrial Registry of the auditor's report, accounts and statements of the abovenamed body, prepared in accordance with Part IX, Division 11 of the *Workplace Relations Act 1996* ('the Act'), for the year ended 31 December 2002.

An organisation registered under the Act or a branch of such an organisation is required after the end of its financial year to prepare accounts and statements, obtain a report from the auditor, provide copies of the auditor's report, accounts and statements to its members, present the auditor's report, accounts and statements to a meeting of members or committee of management, and lodge copies in the Industrial Registry. Having in mind the time-scales allowed by the Act to complete each of these steps, lodgement of the required documents would, in the normal course, be expected before now.

Therefore, I request your written advice *by Monday 17 November 2003* as to when each of the following steps is expected to be completed:-

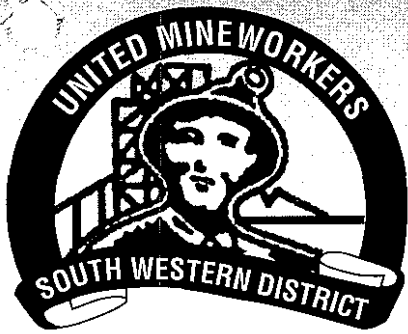
1. preparation of the accounts and statements in compliance with section 273
2. making of the audit report in compliance with section 276(4)
3. provision of copies of the auditor's report, accounts and statements to the members in compliance with sections 279(1) and (3)
4. presentation of the financial documents to a meeting of the members or the committee of management in compliance with sections 279(6) and (7) (*following provision of copies to the members as per step 3 above*)
5. lodgement of copies of the financial documents in the Industrial Registry under cover of a certificate by you in compliance with section 280(1) - such certificate should confirm that the documents so lodged are copies of the documents presented to the meeting referred to in step 4 above - the type of meeting and the date when it was held should be specified.

If you wish to discuss this letter please contact me on (02) 8374 6618.

Yours sincerely

Belinda Penna
for Deputy Industrial Registrar

31 October 2003



THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 49 954 293 181

Box 1 Trade Union Centre
Lowden Square
Wollongong NSW 2500
Ph: (02) 4229 7166
Fax: (02) 4228 7962
Email: admin@umw.com.au

50 Main Street
P.O. Box 364
Lithgow NSW 2790
Ph: (02) 6351 3287
Fax: (02) 6352 3229
Email: umfa@lisp.com.au

14th November, 2003.

Your Ref: FR2002/825

Australian Industrial Registry
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011



Attention: Belinda Penna
For Deputy Industrial Registrar

Dear Sir,

RE: FINANCIAL DOCUMENTS – 31 DECEMBER 2002.

We refer to your letter dated 31st October 2003 regarding our Accounts for the year ended 31 December 2002.

As requested in your letter we detail below feedback pertaining to the various steps you have queried in respect of the 2002 year :-

1. Our Organisation has prepared accounts in accordance with section 273 of the Workplace Relations Act 1996 (the Act);
2. Those accounts were audited in accordance with section 276 of the Act;
3. The accounts were presented to an Annual Board of the Committee of Management 25th & 26th March 2003;
4. Copies of the accounts were circulated – made available to the members 26th & 27th March 2003 in conjunction with section 279(1) and (3);
5. The accounts were subsequently tabled at the next Board of Management meeting held 26th and 27th March, 2003; and

We now enclose a copy of the above mentioned accounts together with a certification in accordance with section 280(1).

Should you have any further questions on the above please contact our Wollongong office.

Yours faithfully,
Bob Mitchell
District Secretary.

President
W. McAndrew

Secretary
B. Mitchell

Vice President
G. Osborne

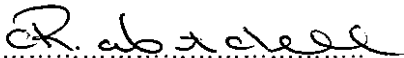
Vice President
G. White

Check Inspectors
Garry Horne
Trevor Schram

I Bob Mitchell, District Secretary of The United Mine Workers – South Western Districts, hereby certify that the documents lodged herewith are true copies of the Financial Report, Auditors Report and Certificates presented to the Committee of Management meeting held on 26th and 27th March, 2003 in respect of the financial year of the organisation ending 31 December, 2002.

The documents lodged herewith are:

- (i) copies of the financial statements prepared in accordance with the requirements of section 273(1) of the Act;
- (ii) a copy of the report of the auditor of the organisation prepared in accordance with the requirements of section 276 of the Act;
- (iii) a copy of the certificate given by the accounting officer of the organisation in accordance with the requirements of section 273(2) of the Act;
- (iv) a copy of the certificate given by the committee of management in accordance with the requirements of section 273(2) of the Act; and
- (v) a statement by an officer in respect of loans, grants or donations by the organisation which are notifiable in accordance with the requirements of section 269(5) of the Act.



District Secretary

Dated this 14 day of Nov., 2003....



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Bob Mitchell
District Secretary
United Mineworkers
South Western District
Box 1 Trade Union Centre
Lowden Square
WOOLLONGONG NSW 2500

Dear Mr Mitchell

Financial Statements (FR2002/825)

I refer to your letter of 14 November 2003 and enclosures.

As discussed yesterday with your office, I have examined these documents on a preliminary basis and would like to draw your attention to the following:

Status of Documents

The entire financial report including the certificates of the accounting officer and board of management are all headed "draft only" and the signature blocks on the certificates, the auditor's report and summary of the financial report carry no signatures. It appears that a draft version of the report may have been enclosed with your letter. Please provide the final signed version for examination.

Donations

The detailed statement of financial performance at page 19 includes an item described as "donations and presentations" adjacent to which is the amount \$10,755. If any individual donation exceeded \$1,000 a statement showing the relevant particulars must be lodged pursuant to subsection 269(1) of the *Workplace Relations Act 1996* (the Act). I enclose a copy of this provision for your information. You will note that the particulars required are:

- (a) the amount of the grant or donation;
- (b) the purpose for which the grant or donation was made; and
- (c) except where the grant or donation was made to relieve a member of the organisation, or a dependant of a member of the organisation, from severe financial hardship—the name and address of the person to whom the grant or donation was made.

I note paragraph (v) of the certificate of the District Secretary dated 14 November 2003 refers to a statement of donations being "lodged herewith" but this document does not appear to be enclosed with your letter.

Date of presentation of report, accounts and financial statements to members or committee of management

Paragraph 4 of your covering letter states that the financial report was circulated and made available to members on 26 - 27 March 2003 and paragraph 5 states the report was subsequently tabled at the Board of Management Meeting held on the same days. Section 279(6) of the Act provides that:

(6) Subject to subsection (7), an organisation shall cause the report, accounts and statements referred to in subsection (1) to be presented:

(a) within the period (in this subsection and subsection (7) called the *relevant period*) starting on the eighth day after the report, accounts and statements are, or the summary referred to in subsection (2) is, supplied to the members and ending 28 days (or such longer period as a Registrar allows) after the end of the period referred to in subsection (3)—to a general meeting of the members of the organisation or a meeting of the committee of management of the organisation; or

(b) if such a meeting is not due to be held within the relevant period—to the first meeting of the committee of management held after the relevant period.

This means that the "second meeting" at which the financial report must be presented must take place no earlier than eight days after the supply of the report to members. The purpose of this interval is to give members time to consider the report after it is supplied to them and, if they wish, to raise any matters at the "second meeting". From the contents of your letter, your organisation does not appear to have presented the report as required.

I would appreciate your comments and your advice on these matters. If you have any queries, please contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter McKerrow', with a long horizontal flourish extending to the right.

Peter McKerrow
Assistant Manager, NSW Registry

9 December 2003



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Bob Mitchell
District Secretary
United Mineworkers
South Western District
Box 1 Trade Union Centre
Lowden Square
WOOLLONGONG NSW 2500

Dear Mr Mitchell

Financial Statements (FR2002/825)

I refer to my letter of 9 December 2003 of which I enclose a copy and to which no reply has been received.

Financial Report

As I have indicated, the documents enclosed with your letter of 14 November 2003 appear to be a "draft" version of the financial report and are unsigned by the accounting officer, committee of management members or auditor. As received by the Registry, they do not fulfil your organisation's reporting obligations under Part IX, Division 11 of the Workplace Relations Act 1996 in respect of the financial year ended 31 December 2002.

Donations

The statement of loans, grants or donations referred to in your certificate dated 14 November 2003 has not been lodged.

Date of presentation of report to members or committee of management

As outlined in my earlier letter, the information you have provided indicates that the "second meeting" which must be held following the supply of the report to members has not been conducted as required by s279(6) of the Act.

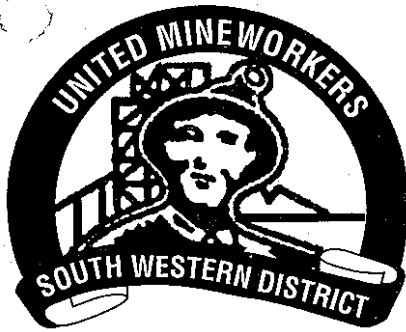
Please arrange for these documents to be lodged and confirm the date of the "second meeting" by 30 January 2004.

If you have any queries, please contact me on (02) 8374 6509.

Yours sincerely,

Peter McKerrow
Assistant Manager, NSW Registry

16 January 2004



THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

(Division of the Construction, Forestry, Mining and Energy Union)

A.B.N. 49 954 293 181

Box 1 Trade Union Centre
Lowden Square
Wollongong NSW 2500
Ph: (02) 4229 7166
Fax: (02) 4228 7962
Email: admin@umw.com.au

50 Main Street
P.O. Box 364
Lithgow NSW 2790
Ph: (02) 6351 3287
Fax: (02) 6352 3229
Email: umfa@lisp.com.au

14th November, 2003.

Your Ref: FR2002/825

Australian Industrial Registry
Level 8
Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Attention: Belinda Penna
For Deputy Industrial Registrar



Dear Sir,

RE: FINANCIAL DOCUMENTS – 31 DECEMBER 2002.

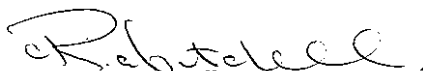
We refer to your letter dated 31st October 2003 regarding our Accounts for the year ended 31 December 2002.

As requested in your letter we detail below feedback pertaining to the various steps you have queried in respect of the 2002 year :-

1. Our Organisation has prepared accounts in accordance with section 273 of the Workplace Relations Act 1996 (the Act);
2. Those accounts were audited in accordance with section 276 of the Act;
3. The accounts were presented to an Annual Board of the Committee of Management 25th & 26th March 2003;
4. Copies of the accounts were circulated – made available to the members 26th & 27th March 2003 in conjunction with section 279(1) and (3);
5. The accounts were subsequently tabled at the next Board of Management meeting held 8th and 9th April, 2003 and

We now enclose a copy of the above mentioned accounts together with a certification in accordance with section 280(1).

Should you have any further questions on the above please contact our Wollongong office.


Yours faithfully,
Bob Mitchell
District Secretary.

President
W. McAndrew

Secretary
B. Mitchell

Vice President
G. Osborne

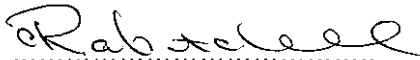
Vice President
G. White

Check Inspectors
Gary Horne
Trevor Schram

I Bob Mitchell, District Secretary of The United Mine Workers – South Western Districts, hereby certify that the documents lodged herewith are true copies of the Financial Report, Auditors Report and Certificates presented to the Committee of Management meeting held on 26th and 27th March, 2003 in respect of the financial year of the organisation ending 31 December, 2002.

The documents lodged herewith are:

- (i) copies of the financial statements prepared in accordance with the requirements of section 273(1) of the Act;
- (ii) a copy of the report of the auditor of the organisation prepared in accordance with the requirements of section 276 of the Act;
- (iii) a copy of the certificate given by the accounting officer of the organisation in accordance with the requirements of section 273(2) of the Act;
- (iv) a copy of the certificate given by the committee of management in accordance with the requirements of section 273(2) of the Act; and
- (v) a statement by an officer in respect of loans, grants or donations by the organisation which are notifiable in accordance with the requirements of section 269(5) of the Act.



District Secretary

Dated this 23 day of JAN, 2003....

THE UNITED MINE WORKERS – SOUTH WESTERN DISTRICT
(A Division of the Construction, Forestry, Mining and Energy Union – Mining Division)

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2002**

CONTENTS

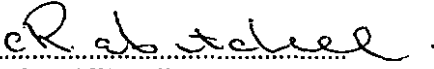
1	Accounting Officer's Certificate
2	Board of Management Certificate
3	Independent Audit Report to the Members
4	Statement of Financial Performance
5	Statement of Financial Position
6	Statement of Cash Flows
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17	Disclaimer on Additional Information
18-19	Detailed Statement of Financial Performance – General Funds
20	Detailed Statement of Financial Performance – Caravan Park
21-22	Summary of the Financial Report

ACCOUNTING OFFICER'S CERTIFICATE

I, Robert Mitchell, being the Officer responsible for keeping the accounting records of The United Mine Workers – South Western Union (A Division of the Construction, Forestry, Mining and Energy Union - Mining Division), certify that as at 31 December 2002 the number of members of the Union was 2000.

In my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2002.
- (ii) A record has been kept of all monies paid by, or collected from, members and all moneys so paid or collected have been credited to the bank/credit union accounts to which those moneys are to be credited, in accordance with the rules of the Union.
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union.
- (iv) With regards to the funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to person holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the Act.

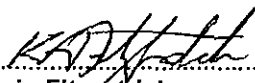

Robert Mitchell

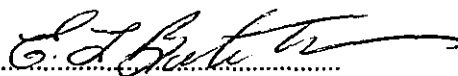
Signed this 26th day of March 2003.

BOARD OF MANAGEMENT CERTIFICATE

We, Kevin Fitzpatrick and Edward Butcher, being two members of the Board of Management of The United Mine Workers – South Western District (A Division of the Construction, Forestry, Mining and Energy Union - Mining Division), do state that on behalf of the Board and in accordance with a resolution passed by the Board, that:

- (i) In the opinion of the Board of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2002;
- (ii) In the opinion of the Board of Management, meetings of the Board were held during the period 1 January 2002 to 31 December 2002 in accordance with the rules of the Union;
- (iii) To the knowledge of any member of the Board there have been no instances where records of the Union or other documents not being documents containing information made available to a member of the Union under sub-section 274(2) of the Workplace Relations Act 1996 or copies of these records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with requirements of the Workplace Relations Act, 1996 and the Regulations thereto, or the rules of the Union ;and
- (iv) The Union has complied with sub-section 279 (1) and (6) of the Act, in relation to the financial report in respect of the preceding financial year and the Audit Report thereon.


.....
Kevin Fitzpatrick


.....
Edward Butcher

Signed this 26th day of March 2003.

INDEPENDENT AUDIT REPORT TO THE MEMBERS

To the members of The United Mine Workers – South Western District (A Division of the Construction, Forestry, Mining and Energy Union - Mining Division), "the Union";

SCOPE

We have audited the financial report comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements of the Union for the year ended 31 December 2002. The Union's Board of Management is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Union.

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

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

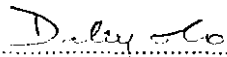
AUDIT OPINION

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

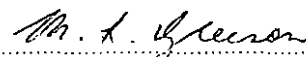
In our opinion:

- (a) Satisfactory accounting records have been kept by the Union so far as appears from our examination of these books, including:
 - (i) records of the sources and nature of the income of the Union (including income from members); and
 - (ii) records of the nature and purposes of the expenditure of the Union; and
- (b) The financial report required to be prepared under Section 273 of the Workplace Relations Act 1996 has been properly drawn up so as to give a true and fair view of:
 - (i) the financial affairs of the Union as at 31 December 2002; and
 - (ii) the income and expenditure, and result of the Union for the year ended on that date;
- (c) The financial report has been prepared in accordance with Accounting Standards and other mandatory professional reporting requirements.

We have where necessary, obtained all the information and explanations that, to the best of our knowledge and belief, were necessary for the purposes of our audit.


.....
Daley & Co
Chartered Accountants

98 Kembla Street
Wollongong NSW 2500


.....
M L Gleeson

Registered Company Auditor

Dated this 26th day of March 2003.

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTES	2002 \$	2001 \$
Revenue from Ordinary Activities	3(a)	<u>2,136,549</u>	<u>2,029,831</u>
Expenses from Ordinary Activities			
Wages and Related Costs		1,032,823	1,124,963
Depreciation and Amortisation Expenses		77,140	84,552
Other Expenses		1,106,170	1,111,032
Written Down Value of Assets Sold		<u>70,417</u>	<u>42,294</u>
		<u>2,286,550</u>	<u>2,362,841</u>
Loss From Ordinary Activities Attributable to Members		<u>(150,001)</u>	<u>(333,010)</u>

The accompanying notes form part of this financial report

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2002**

	NOTES	2002 \$	2001 \$
CURRENT ASSETS			
Cash	4	175,382	194,930
Receivables	5	145,390	149,897
Investments	6	1,120,497	1,116,653
Other	7	32,532	32,664
TOTAL CURRENT ASSETS		<u>1,473,801</u>	<u>1,494,144</u>
NON-CURRENT ASSETS			
Receivables	5	257,256	242,191
Investments	6	375,733	305,222
Property, Plant and Equipment	8	702,297	704,135
TOTAL NON-CURRENT ASSETS		<u>1,335,286</u>	<u>1,251,548</u>
TOTAL ASSETS		<u>2,809,087</u>	<u>2,745,692</u>
CURRENT LIABILITIES			
Accounts Payable	9	708,921	468,844
Provisions	10	333,100	391,046
Other	11	66,349	35,084
TOTAL CURRENT LIABILITIES		<u>1,108,370</u>	<u>894,974</u>
TOTAL LIABILITIES		<u>1,108,370</u>	<u>894,974</u>
NET ASSETS		<u>1,700,717</u>	<u>1,850,718</u>
MEMBERS' FUNDS			
Members' Funds	12	<u>1,700,717</u>	<u>1,850,718</u>

The accompanying notes form part of this financial report

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2002**

	NOTES	2002 \$	2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members		1,746,924	1,710,522
Payments to Suppliers and Employees		(2,127,976)	(2,409,243)
Administration Fees		-	70,110
Interest and Distributions Received		85,173	68,749
Dividends Received		1,360	9,355
Grants Received		40,000	40,000
LSL Receipts		106,775	79,324
Rent Received		33,471	38,211
Caravan Park Site and Other Fees		226,758	126,809
Sundry Income		6,851	39,833
Subsidy Received – NSW Government		25,000	25,000
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15(a)	<u>144,336</u>	<u>(201,330)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Movement in Investments		(74,356)	163,690
Proceeds from Sale of Fixed Assets		56,191	33,848
Payments for Fixed Assets		(145,719)	(77,284)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(163,884)</u>	<u>120,254</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in Loan – Southern Mine Personnel		-	137,993
NET CASH PROVIDED BY FINANCING ACTIVITIES		<u>-</u>	<u>137,993</u>
NET INCREASE (DECREASE) IN CASH HELD		(19,548)	56,917
CASH AT START OF YEAR		<u>194,930</u>	<u>138,013</u>
CASH AT END OF YEAR	15(b)	<u>175,382</u>	<u>194,930</u>

The accompanying notes form part of this financial report

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act, 1996.

The financial report has been prepared on an accruals basis and is based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report.

(a) COMPARATIVES

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

(b) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are brought to account at cost less where applicable, any accumulated depreciation. The carrying amount of property, plant and equipment is reviewed periodically by the Board 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 which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

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

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i> %
Buildings	2.50
Leasehold Improvements	20.00
Office Furniture and Equipment	7.50 to 33.00
Plant and Equipment	7.50 to 33.00
Motor Vehicles	22.50

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

1. STATEMENT OF ACCOUNTING POLICIES

(Continued)

(c) EMPLOYEE BENEFITS

Provision for employee benefits in the form of untaken Sick Leave and Accrued Annual Leave have been made for the estimated accrued benefits of all employees on the basis of their terms of employment. Provision for employee benefits in the form of Long Service leave has also been made for the estimated accrued benefits of the Office Staff. Related on-costs are included in these provisions.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(d) INCOME TAX

No provision for Income Tax is necessary as the Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act.

(e) INVESTMENTS

Shares in listed companies held at balance date are carried at cost. The gains or losses realised are included in profit from ordinary activities.

Non-current investments are also measured on the cost basis. The carrying amount of non-current investments are reviewed periodically by the Union to ensure they are not carried in excess of the recoverable amount of those investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

(a) In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which reads as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received of an application made at the request of the member.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002 \$	2001 \$
3. OPERATING PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities is arrived at after taking into account:		
(a) REVENUE:		
<i>Operating Activities</i>		
Administration Fees	-	70,110
Contributions and Levies	1,596,766	1,469,502
Rents Received	33,471	38,211
Rental Income	183,243	154,859
Investment Revenue	58,226	48,769
Grants Received	40,000	40,000
Legal Recoveries	-	26,204
Long Service Leave – National Office	106,775	79,324
Subsidy – NSW State Government	25,000	25,000
Other Income	36,877	44,004
	<u>2,080,358</u>	<u>1,995,983</u>
<i>Non-Operating Activities</i>		
Proceeds from Sale of Assets	56,191	33,848
	<u>2,136,549</u>	<u>2,029,831</u>
(b) EXPENSES		
Depreciation of Non-Current Assets		
Buildings	16,993	16,969
Plant & Equipment	60,147	67,583
Total Depreciation	<u>77,140</u>	<u>84,552</u>
Movements in Employee Benefits	26,941	(38,267)
Written - Down Value of Assets Sold	70,417	42,294
Remuneration of Auditors		
- Auditing the Financial Report	15,000	17,580
- Other Services	24,834	14,963
4. CASH		
Petty Cash	1,510	1,820
Cash at Bank/Credit Unions	150,947	153,517
Cash at Solicitors Trust Account	22,925	39,593
	<u>175,382</u>	<u>194,930</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	NOTES	2002 \$	2001 \$
5. RECEIVABLES			
Current			
Sundry Debtors		130,541	135,019
Accrued Interest		14,849	14,878
		<u>145,390</u>	<u>149,897</u>
Non-Current			
Deposits Refundable		300	300
Investment – The Trade Union Centre Pty Ltd		256,956	241,891
		<u>257,256</u>	<u>242,191</u>
TOTAL		<u>402,646</u>	<u>392,088</u>
6. INVESTMENTS			
Current			
NAB Managed Funds		949,040	891,559
CBA/Colonial State Deposits		236,968	225,094
		<u>1,186,008</u>	<u>1,116,653</u>
Less: Provision for Diminution in Value		(65,511)	-
		<u>1,120,497</u>	<u>1,116,653</u>
Non-Current			
Shares in the Trade Union Centre Wollongong Pty Ltd	13	308,568	243,057
Shares in Public Companies		11,165	11,165
Debentures			
Esanda Finance Corporation		51,000	46,000
AGC		5,000	5,000
		<u>375,733</u>	<u>305,222</u>
TOTAL		<u>1,496,230</u>	<u>1,421,875</u>
7. OTHER			
Prepayments		17,408	17,530
UMW Trust Fund – Brock Stephenson		15,124	15,084
		<u>32,532</u>	<u>32,664</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002	2001
	\$	\$
8. PROPERTY, PLANT AND EQUIPMENT		
<u>Land and Buildings – at Cost</u>		
Caravan Park Holiday Centre	474,685	474,685
Less Provision for Depreciation	<u>(196,549)</u>	<u>(184,680)</u>
	278,136	290,005
Land and Buildings	224,245	223,200
Less Provision for Depreciation	<u>(64,229)</u>	<u>(59,105)</u>
	160,016	164,095
Leasehold Improvements	36,920	35,283
Less Provision for Depreciation	<u>(16,242)</u>	<u>(12,886)</u>
	20,678	22,397
TOTAL LAND AND BUILDINGS	<u>458,830</u>	<u>476,497</u>
<u>Plant and Equipment – at Cost</u>		
Motor Vehicles	179,888	180,197
Less Provision for Depreciation	<u>(32,660)</u>	<u>(34,146)</u>
	147,228	146,051
Office Furniture and Equipment	268,129	282,793
Less Provision for Depreciation	<u>(226,265)</u>	<u>(233,772)</u>
	41,864	49,021
Partitioning	96,585	96,585
Less Provision for Depreciation	<u>(96,585)</u>	<u>(96,585)</u>
	-	-
Improvements	2,433	2,433
Less Provision for Depreciation	<u>(2,433)</u>	<u>(1,948)</u>
	-	485
Caravan Park Machinery and Equipment	96,421	81,676
Less Provision for Depreciation	<u>(42,046)</u>	<u>(49,595)</u>
	54,375	32,081
TOTAL PLANT & EQUIPMENT	<u>243,467</u>	<u>227,638</u>
TOTAL PROPERTY, PLANT & EQUIPMENT	<u>702,297</u>	<u>704,135</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**
continued

PROPERTY, PLANT AND EQUIPMENT
Continued

(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:-

	LAND & BUILDINGS \$	MOTOR VEHICLES \$	OFFICE EQUIPMENT \$	FURNITURE, PLANT AND EQUIPMENT \$	TOTAL \$
Balance at Start of Year	476,497	146,051	49,021	32,566	704,135
Additions	2,682	103,095	10,805	29,137	145,719
Disposals	-	(70,177)	(240)	-	(70,417)
Amortisation/Depreciation Expense	(20,349)	(31,741)	(17,722)	(7,328)	(77,140)
Carrying Amount -End of Year	458,830	147,228	41,864	54,375	702,297

	2002 \$	2001 \$
9. ACCOUNTS PAYABLE		
Current		
Creditors and Accruals	701,136	440,645
Tax Payable	7,785	28,199
	<u>708,921</u>	<u>468,844</u>
10. PROVISIONS		
Employee Benefits		
Annual Leave	243,687	225,633
Sick Pay	66,788	61,955
Long Service Leave	22,625	18,570
	<u>333,100</u>	<u>306,158</u>
Number of employees at year end	<u>12</u>	<u>14</u>
Other		
Payroll Tax	-	84,888
TOTAL PROVISIONS	<u>333,100</u>	<u>391,046</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002 \$	2001 \$
11. OTHER		
Current		
Income in Advance	31,225	-
Grant in Advance	20,000	20,000
UMW Trust Fund – B Stephenson	15,124	15,084
	<u>66,349</u>	<u>35,084</u>
12. MEMBERS FUNDS		
Balance at Start Of Year	1,850,718	2,183,728
Add: Net Loss Attributable to Members	<u>(150,001)</u>	<u>(333,010)</u>
Balance at End of Year	<u>1,700,717</u>	<u>1,850,718</u>
13. THE TRADE UNION CENTRE WOLLONGONG PTY LTD		
The Union has acquired the following shares in this Company for the purposes of obtaining office accommodation:		
1 Ordinary Share	1	1
374 (2001 - 303) 'A' Class Shares	619,194	619,194
11 (2001 - 10) 'B' Class Shares	114,217	114,217
	<u>733,412</u>	<u>733,412</u>
Less: Provision for Diminution in Value	<u>(424,844)</u>	<u>(490,355)</u>
	<u>308,568</u>	<u>243,057</u>
14. UMW TRUST FUND – BROCK STEPHENSON		
Balance at Beginning of Year	15,084	15,139
Add: Interest (Net)	540	445
Less: Advances	<u>(500)</u>	<u>(500)</u>
BALANCE AT END OF YEAR	<u>15,124</u>	<u>15,084</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002	2001
	\$	\$
15. CASH FLOW INFORMATION		
(a) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH OPERATING DEFICIT		
Operating Result from Ordinary Activities	(150,001)	(333,010)
Non-Cash Flows in Operating Deficit		
Loss on Sale of Fixed Assets	14,226	8,446
Depreciation and Amortisation	77,140	84,552
Provision for Annual Leave	18,054	(79,064)
Provision for Sick Leave	4,833	47,164
Provision for Long Service Leave	4,055	(3,429)
Provision for Payroll Tax and Other	(84,888)	-
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables	(10,557)	70,542
Decrease in Other Assets	132	14,042
(Decrease) Increase in Accounts Payable	271,342	(10,573)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATIONS	<u>144,336</u>	<u>(201,330)</u>
(b) Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of Financial Position as follows:		
Cash on Hand [Note 4]	<u>175,382</u>	<u>194,930</u>
16. SALARIES		
The following analysis of salaries paid during the year ended 31 December 2002 is given in compliance with the requirements of the Workplace Relations Act, 1996.		
Paid to Office Holders	651,296	792,284
Paid to Employees	206,725	235,547
	<u>858,021</u>	<u>1,027,831</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002	2001
	\$	\$
17. LEASING COMMITMENTS		
(a) OPERATING LEASE LAND AT WRIGHTS BEACH EROWAL BAY		
Operating lease commitments exist in respect of Land at Wrights Beach Erowal Bay (Caravan Park Site). The maximum amount contracted for but not capitalised in the financial report is as follows:		
Payable:		
• not later than one year	14,300	14,300
• later than one year but not later than two years	14,300	14,300
• later than two years but not later than five years	42,900	42,900
• later than five years	14,300	28,600
	<u>85,800</u>	<u>100,100</u>

18. LEGAL AND PROFESSIONAL FEES

Auditors Remuneration

• Auditing	15,000	17,580
• Other Services	24,834	14,963
• Travel Expenditure	1,460	-
Legal Expenses	<u>6,675</u>	<u>34,072</u>
	<u>47,969</u>	<u>66,615</u>

19. RELATED PARTY INFORMATION

MEMBERS OF THE BOARD OF MANAGEMENT

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

UNION OFFICIALS

- Mr H Fisher (District President)
- Mr R Mitchell (District Secretary)
- Mr W McAndrews (District Senior Vice President)
- Mr G White (District Vice President)
- Mr E Butcher (District Vice President)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

19. RELATED PARTY INFORMATION

continued

BOARD OF MANAGEMENT MEMBERS

- Mr S Winter
- Mr K Fitzpatrick
- Mr G Lester (Retrenched – 20/12/02)
- Mr G Whiteley
- Mr B O'Halloran
- Mr G Guest
- Mr P Taylor
- Mr M Bright
- Mr R Marjoram
- Mr A Townsend

CENTRAL COUNCILORS

- Mr G Osborne

Other elected officials not members of the Board of Management

DISTRICT CHIEF INSPECTOR

- Mr G Dwyer (Check Inspector)
- Mr D Ward (Check Inspector – Terminated Due to Illness 27/07/02)

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION

The additional financial information presented on pages 18 to 20 is in accordance with the books and records of The United Mine Workers – South Western District (A Division of the Construction Forestry Mining and Energy Union - Mining Division) ("the Union"), which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2002. It will be appreciated that our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the Union) in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

Daley & Co.
.....
Daley & Co
Chartered Accountants
Wollongong NSW 2500

Signed this 26th day of March 2003.

DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002

GENERAL FUNDS

	2002	2001
	\$	\$
INCOME		
Administration Fees	-	70,110
Contributions and Levies	1,596,766	1,469,502
Rents Received – Lithgow Office	29,868	32,734
– Southern Office	1,094	3,600
– Conference Room	2,509	1,877
Dividends Received		
• SMP	-	8,212
• Public Companies	1,360	1,143
Distributions Received – Managed Funds	58,226	48,769
Grants Received		
• Department of Minerals	40,000	40,000
Interest Received	28,175	15,196
Legal Recoveries	-	26,204
Long Service Leave – National Office	106,775	79,324
Profit on Sale of Investments	-	5,401
Sales of Promotional Material	1,035	1,034
Sundry Income	5,816	12,595
Subsidy – NSW State Government Re: 2nd Check Inspector	25,000	25,000
TOTAL INCOME	<u>1,896,624</u>	<u>1,840,701</u>
EXPENSES		
Advertising	1,007	1,015
Affiliation Fees	13,424	25,962
Accrued Annual Leave	23,507	(82,001)
Bank Charges	1,928	4,165
Board of Management, Wages and Expenses	21,711	36,541
Car Expenses	24,269	29,832
CFMEU, Mining Division – National Office	639,520	592,898
Carried Forward	<u>725,366</u>	<u>608,412</u>

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

GENERAL FUNDS

continued

	2002	2001
	\$	\$
Brought Forward	725,366	608,412
Cleaning	1,869	2,246
Depreciation	55,072	65,893
Delegates Expenses and Conferences	2,526	13,140
Donations and Presentations	10,755	11,797
Election Costs	2,600	-
Electricity and Gas	6,935	6,950
Fringe Benefits Tax	8,594	2,361
Funeral and Eye Benefits	10,030	10,369
Insurance	23,730	29,725
Interest Expense	4,745	-
Legal and Professional Fees	47,969	65,035
Long Service Leave – National Office	-	20,351
Loss on Sale of Fixed Assets	14,226	8,446
Payroll Tax	55,773	71,216
Petty Cash	6,105	5,162
Postage and Telephone	29,892	31,554
Printing and Stationery	9,279	8,165
Provision for Sick Leave	9,006	44,246
Provision for Long Service Leave	5,008	(3,702)
Purchases of Promotional Materials	3,644	2,146
Rates	6,640	4,081
Rent	18,202	23,538
Repairs and Maintenance	13,932	10,566
Salaries	826,911	988,589
Staff Amenities	223	1,467
Staff Training	3,079	3,619
Subscriptions	3,326	3,020
Sundry Expenses	4,337	2,852
Superannuation	146,937	131,272
Travel Expenses and Seminars	25,244	28,232
Uniforms	1,076	1,567
TOTAL EXPENDITURE	2,083,031	2,202,315
OPERATING RESULT FOR THE YEAR	(186,407)	(361,614)

**DETAILED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2002**

CARAVAN PARK

	2002	2001
	\$	\$
INCOME		
Interest Received	461	265
Rentals		
• Site Fees	161,594	140,524
• Other	18,157	14,335
• Van Hire	3,492	-
Sundry Income	30	160
TOTAL INCOME	<u>183,734</u>	<u>155,284</u>
EXPENSES		
Accrued Annual Leave	(5,452)	2,938
Bank Charges	83	266
Car Expenses	3,787	3,757
Cleaning	-	605
Depreciation	22,068	18,659
Electricity and Gas	15,217	11,977
General Expenses	3,504	-
Hire of Plant	862	159
Insurance	3,352	1,881
Licences	534	364
Legal and Professional Fees	220	1,580
Petty Cash	2,563	831
Printing, Postage and Stationery	1,254	-
Provision for Sick Leave	(4,175)	272
Provision for Long Service Leave	(953)	2,918
Rates	22,676	19,188
Repairs and Maintenance	8,533	14,334
Subcontractors	31,545	-
Superannuation	924	1,189
Telephone	2,810	2,579
Wages	31,110	39,242
Waste Removal	6,866	3,941
TOTAL EXPENDITURE	<u>147,328</u>	<u>126,680</u>
OPERATING RESULT FOR THE YEAR	<u>36,406</u>	<u>28,604</u>

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2002**

The financial report of The United Mine Workers – South Western Districts (A Division of the Construction Forestry Mining and Energy Union – Mining Division) (“the Union”) have been audited in accordance with the provisions of the Workplace Relations Act 1996, and the following summary is provided for members in accordance with Section 279 (2) of the Act.

A copy of the Audit Report and Financial Report will be supplied free of charge to members who request the same.

Certificates required to be given under the Act by the Accounting Officer and the Central Council have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 274 which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under sub-section (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such a manner, and within such time, as prescribed.
- (3) A Registrar may only make an application under sub-section (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

	2002	2001
	\$	\$
STATEMENT OF FINANCIAL POSITION		
AS AT 31 DECEMBER 2002		
ACCUMULATED FUNDS	<u>1,700,717</u>	<u>1,850,718</u>
Represented by:		
ASSETS		
Cash and Investments	1,671,612	1,616,805
Receivables	402,646	392,088
Property, Plant and Equipment	702,297	704,135
Other	<u>32,532</u>	<u>32,664</u>
TOTAL ASSETS	<u>2,809,087</u>	<u>2,745,692</u>
LIABILITIES		
Accounts Payable	708,921	468,844
Provisions	333,100	391,046
Other	<u>66,349</u>	<u>35,084</u>
TOTAL LIABILITIES	<u>1,108,370</u>	<u>894,974</u>
NET ASSETS	<u>1,700,717</u>	<u>1,850,718</u>

**SUMMARY OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2002**

continued

	2002	2001
	\$	\$
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2002		
Contributions	1,596,766	1,469,502
Other Income	483,592	526,483
	<u>2,080,358</u>	<u>1,995,985</u>
Less: Expenditure	2,230,359	2,328,995
NET LOSS FOR THE YEAR	<u>(150,001)</u>	<u>(333,010)</u>

AUDITORS CERTIFICATE

We certify that the above summary is a fair and accurate summary of the financial report of The United Mine Workers – South Western Districts (A Division of the Construction Forestry Mining and Energy Union - Mining Division) ("the Union") for the year ended 31 December 2002. Our Audit Report dated 26th March 2003 on the Financial Report, did not contain particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

Daley & Co.
.....
Daley & Co
Chartered Accountants

98 Kembla Street
Wollongong NSW 2500

M. L. Gleeson
.....
M L Gleeson

Registered Company Auditor

Dated this 26th day of March 2003.

The liability of Daley & Co is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW)



AUSTRALIAN INDUSTRIAL REGISTRY

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Mr Bob Mitchell
District Secretary
South Western District Branch
CFMEU Mining & Energy Division
Box 1 Trade Union Centre
Wollongong NSW 2500

Dear Mr Mitchell

**Re Financial Statement - CFMEU Mining & Energy Division South Western District Branch
for year ended 31 December 2002 (FR 2002/825)**

I acknowledge receipt of the financial statement and section 269 statement of donations for the year ending 31 December 2002 which were lodged in the Registry by post on 27 January 2004. The documents have been filed.

The section 269 statement will be placed on a file not for public viewing other than by members of the organisation, whilst the financial statement will be placed on a publicly accessible file.

If you have any queries regarding the above, please contact me on (02) 8374 6620.

Yours sincerely,

Alana Paterson
Research, Information and Advice

2 February 2004