



FAIR WORK  
AUSTRALIA

26 July 2012

Mr Grahame White  
Secretary, South Western District Branch (Mining and Energy Division)  
CFMEU  
636 North Cliff Drive  
KEMBLA GRANGE NSW 2526



Dear Mr White

**Lodgement of Financial Statements and Accounts - South Western District Branch, Mining and Energy Division - for year ended 31 December 2011(FR2011/2829)**

I acknowledge receipt of the above financial statements and accounts which were lodged with Fair Work Australia on 18 July 2012.

I wish to confirm, as we discussed in our telephone conversation on 17 July 2012, that the Branch can comply with the prescribed time for lodgement in the future by lodging the financial report after it has been presented to the series of meetings of the members in the Lodges.

As I explained, because the rules of the Mining and Energy Divisional District Branches do not contain a rule as described in subsection 266(3), it is the presentation of the financial report to the Lodge meetings which constitutes presentation for the purposes of section 266. These Lodge meetings are effectively "general members' meetings". So long as copies of the signed full audited report are made available to members electronically 21 days prior to the Lodge meetings themselves, the Branch will comply with both section 265 and section 266. [I refer you to subsection 265(5)(a)].

As you explained, the subsequent approval of the report at a second meeting of the Board is a procedure that the Branch customarily observes but which takes place beyond the 6 month time period prescribed for lodgement, thus causing a problem with compliance.

I trust I have apprehended correctly what you explained occurs. Please contact me if you believe I have misunderstood the practice of the Branch.

The documents have been filed.

Yours sincerely,

Stephen Kellett  
Organisations, Research & Advice Branch  
Fair Work Australia



# THE UNITED MINE WORKERS SOUTH WESTERN DISTRICT

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

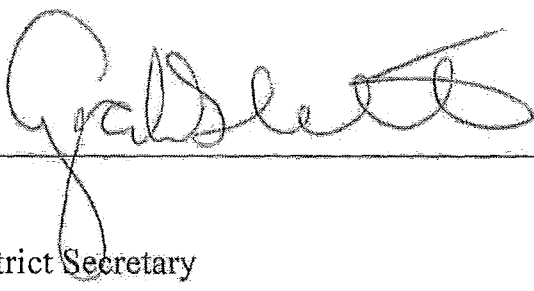
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## CERTIFICATE BY PRESCRIBED DESIGNED OFFICER S268 Fair Work (Registered Organisations) Act 2009

I, Graham White, a prescribed designated officer of the South Western District Branch, Mining Division, CFMEU, certify that the financial statements and accounts for the year ended 31<sup>st</sup> December 2011 lodged with Fair Work Australia on 18<sup>th</sup> July 2012 are:

- Copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*
- Copies of the documents provided to the members on or from 8<sup>th</sup> May 2012
- Subsequently presented to a meeting (or series of meetings) in accordance with section 266 on 29<sup>th</sup> June 2012

Signature 

Position – District Secretary

Dated 18.07.2012



**THE UNITED MINE WORKERS - SOUTH WESTERN DISTRICT**  
(A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division)

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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## **OPERATING REPORT**

The Committee of Management of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union") present their Operating Report on the Union for the year ended 31 December 2011.

### ***Committee of Management***

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

<b>NAME</b>	<b>POSITION</b>	<b>PERIOD OF APPOINTMENT</b>
Mr A Honeysett	District President	1/1/2011 - 31/12/2011
Mr G White	District Secretary	1/1/2011 - 31/12/2011
Mr G Braes	District Vice President - Metalliferous	1/1/2011 - 31/12/2011
Mr G Osborne	District Vice President - West	1/1/2011 - 31/12/2011
Mr R Timbs	District Vice President - South	1/1/2011 - 31/12/2011
Mr S Winter	BOM Member	1/1/2011 - 31/12/2011
Mr A Townsend	BOM Member	1/1/2011 - 31/12/2011
Mr S Field	BOM Member	1/1/2011 - 31/12/2011
Mr A Giddings	BOM Member	1/1/2011 - 31/12/2011
Mr R Crawford	BOM Member	1/1/2011 - 31/12/2011
Mr B Reeves	BOM Member	1/1/2011 - 31/12/2011
Mr B Neall	BOM Member	1/1/2011 - 31/12/2011
Mr W Small	BOM Member	11/4/2011 - 31/12/2011
Mr D McLachlan	Central Councillor	1/1/2011 - 31/12/2011

### ***Principal Activities***

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

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Lodges on industrial matters.
- Provision to Lodges with economic and industrial research.
- Provision to Lodges of assistance with administration and financial management.
- Co-ordinating O H & S nationally and maintaining a national policy database and information service.
- Leading the conduct of legal action launched in defence of the Division's constitutional work.
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

### ***Results of Activities***

The result of the Union for the financial year was a profit of \$201,629 (2010: \$13,634).

### ***Significant Changes in Nature of Activities***

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

**OPERATING REPORT**

Continued

***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 4,013 financial members of the Union as at 31 December 2011.

***Rights of Members to Resign***

All members of the Union have the right to resign in accordance with Rule 11 of the Union Rules (and section 174 of the Fair Work (Registered Organisations) Act 2010).

***Employees of the Union***

As at 31 December 2011 the Union employed 12 full time employees.

***Superannuation Trustees***

Mr G Osborne is an executive of the Union and holds a directorship of Auscoal Superannuation.

No other 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.



.....  
**Graham White**  
**District Secretary**

Dated this 26<sup>th</sup> day of March 2012.

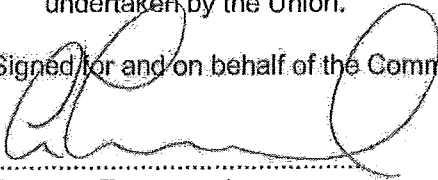
**COMMITTEE OF MANAGEMENT STATEMENT**

On 26<sup>th</sup> of March, 2012 the Committee of Management of The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("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 2011:

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

- (a) The financial statements and notes comply with Australian Accounting Standards;
- (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;
- (e) During the financial year to which the GPFR relates and since the end of that year:-
  - (i) Meetings of the Committee of Management were held in accordance with the rules of the Union; and
  - (ii) The financial affairs of the Union have been managed in accordance with the rules of the Union; and
  - (iii) The financial records of the Union have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2010 ('The RO Act') and the Fair Work (Registered Organisations) Regulations 2010; 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 2010; 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 2010; and
- (f) During the financial year ended 31 December 2011 no recovery of wages activities have been undertaken by the Union.

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



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**Andrew Townsend**



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**Stephen Winter**

Dated this 26<sup>th</sup> day of March 2012.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTES	2011 \$	2010 \$
Revenue	2	4,477,556	3,870,745
Wages and Related Costs		(1,921,139)	(1,864,555)
Depreciation and Amortisation Expenses		(148,653)	(153,352)
Sustentation Fees		(1,354,623)	(1,117,514)
Impairment of Investment in Associate		(121,302)	-
Other Expenses		(721,663)	(717,170)
Loss on Disposal of Assets		(8,547)	(4,520)
<b>Net Result</b>		<u>201,629</u>	<u>13,634</u>
<b>Other Comprehensive Income</b>			
Net Gains (Loss) on Available for Sale Financial Assets		(1,479)	716
<b>Total Comprehensive Income Attributable to Members</b>		<u>200,150</u>	<u>14,350</u>

The accompanying notes form part of these financial statements

**The United Mine Workers - South Western District**  
(A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division)

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	832,693	711,676
Trade and Other Receivables	5	303,513	220,440
Financial Assets	6	590,424	459,047
Other Assets	7	52,327	27,786
<b>TOTAL CURRENT ASSETS</b>		<u>1,778,957</u>	<u>1,418,949</u>
<b>NON-CURRENT ASSETS</b>			
Trade and Other Receivables	5	300	300
Property, Plant and Equipment	8	1,922,512	1,963,965
Financial Assets	6	1,169,581	1,290,882
<b>TOTAL NON-CURRENT ASSETS</b>		<u>3,092,393</u>	<u>3,255,147</u>
<b>TOTAL ASSETS</b>		<u>4,871,350</u>	<u>4,674,096</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	462,862	523,548
Other Current Liabilities	10	189,772	220,498
Short-term Provisions	11	722,567	634,051
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,375,201</u>	<u>1,378,097</u>
<b>TOTAL LIABILITIES</b>		<u>1,375,201</u>	<u>1,378,097</u>
<b>NET ASSETS</b>		<u>3,496,149</u>	<u>3,295,999</u>
<b>EQUITY</b>			
Retained Earnings		3,495,099	3,293,470
Investment Reserve		1,050	2,529
<b>TOTAL EQUITY</b>		<u>3,496,149</u>	<u>3,295,999</u>

The accompanying notes form part of these financial statements



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Retained Earnings \$	Financial Assets Reserve \$	Total \$
Balance at 1 January 2010	3,279,836	1,813	3,281,649
<b>Total Comprehensive Income for the Year</b>			
Result for the year	13,634		13,634
<i>Other Comprehensive Income</i>			
Net increase in value of Available-for-Sale financial assets		716	716
Total Other Comprehensive Income		716	716
<b>Balance at 31 December 2010</b>	<b>3,293,470</b>	<b>2,529</b>	<b>3,295,999</b>
<b>Total Comprehensive Income for the Year</b>			
Result for the year	201,629		201,629
<i>Other Comprehensive Income</i>			
Net decrease in value of Available-for-Sale financial assets		(1,479)	(1,479)
Total Other Comprehensive Income		(1,479)	(1,479)
<b>Balance at 31 December 2011</b>	<b>3,495,099</b>	<b>1,050</b>	<b>3,496,149</b>

The accompanying notes form part of these financial statements

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	NOTE	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Members		3,800,506	3,352,786
Payments to Suppliers and Employees		(4,433,850)	(3,881,677)
Administration Fees		119,016	81,154
Interest and Distributions Received		50,273	36,029
Dividends Received		33	27
Grants Received		88,000	65,000
Long Service Leave - National Office		185,240	75,146
Donations Received		-	20,000
Rent Received		252,039	230,616
Caravan Park Site and Other Fees		214,075	337,585
Sundry Income		48,026	56,664
Subsidy Received - NSW Government		27,500	27,500
Net cash generated from operating activities	14	<u>350,858</u>	<u>400,830</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Movements in Investments		(132,856)	(23,619)
Proceeds from Sale of Fixed Assets		190,455	204,999
Payments for Fixed Assets		(287,440)	(344,348)
Net cash used in investing activities		<u>(229,841)</u>	<u>(162,968)</u>
Net increase in cash held		121,017	237,862
Cash and cash equivalents at the start of the financial year		<u>711,676</u>	<u>473,814</u>
Cash and cash equivalents at the end of the financial year	4	<u>832,693</u>	<u>711,676</u>

The accompanying notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report covers The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union") as an individual entity. The Union is an organisation of employees registered under the Fair Work (Registered Organisation) Act 2010 ("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**

The United Mine Workers - South Western District (A Division Of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) has elected to early adopt the pronouncements AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2011-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

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**

Revenue from membership contributions are recognised upon receipt, which is reflective of the timing and nature of the benefits provided to members.

Donations and bequests are recognised as revenue when received.

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

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

**b) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**c) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**c) Property, Plant and Equipment**

Continued...

**Property, Plant and Equipment**

Property, plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of property, plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Property, plant and equipment that have been contributed at no cost, or for nominal cost are valued 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>
Buildings	2.5%
Leasehold Improvements	5%
Plant and Equipment	20 – 50%
Motor Vehicles	20 – 33.33%
Office Equipment	20 – 50%

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

Asset classes 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.

**d) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**d) Leases**

Continued...

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.

**e) Financial Instruments**

***Initial Recognition and Measurement***

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

***Classification and Subsequent Measurement***

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

Amortised cost is calculated as:

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**e) Financial Instruments**

Continued....

*ii) Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

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

*iii) Held-to-Maturity Investments*

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

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

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

*iv) Available-for-Sale Financial Assets*

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

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

*v) Financial Liabilities*

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

**Fair Value**

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

**Impairment**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

Continued...

**e) Financial Instruments**

Continued...

**Derecognition**

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

**f) 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.

**g) 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.

**h) Cash and Cash Equivalents**

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

**i) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**  
Continued...

**i) Goods and Services Tax (GST)**  
Continued...

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.

**j) 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.

**k) 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.

**l) 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.

**m) 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.

**n) 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.

**o) Critical Accounting Estimates and Judgments**

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

**Key Estimates – Impairment**

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>2. REVENUE AND OTHER INCOME</b>		
Administration Fees	84,126	73,776
Contributions and Levies	3,499,166	3,035,861
Rents Received	231,454	208,206
Site Rental Income	300,449	287,416
Grants Received	80,000	55,000
Donations Received	-	20,000
Interest Received	53,256	31,150
Long Service Leave – National Office	139,020	75,146
Subsidy – NSW State Government	25,000	25,000
Other Revenue	65,085	59,190
	<u>4,477,556</u>	<u>3,870,745</u>
<b>3. RESULT FOR THE YEAR</b>		
<b>(a) Expenses</b>		
Loss on Disposal of Plant and Equipment	8,547	4,521
Contributions to defined contribution superannuation funds	123,488	132,936
Impairment of Investment in Associate	121,302	-
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	1,920	1,770
Cash at Bank	830,773	709,906
	<u>832,693</u>	<u>711,676</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Debtors	296,799	216,710
Accrued Interest	6,714	3,730
	<u>303,513</u>	<u>220,440</u>
<b>Non-Current</b>		
Deposits Refundable	300	300
	<u>303,813</u>	<u>220,740</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 \$	2010 \$
<b>6. FINANCIAL ASSETS</b>			
<b>Current</b>			
Held to Maturity Financial Assets	(a)	588,758	455,902
Available for Sale Financial Assets	(b)	1,666	3,145
		<u>590,424</u>	<u>459,047</u>
<b>(a) Held-to-maturity Financial Assets Comprise:</b>			
Term Deposits and Bank Bills held with Financial Institutions.		<u>588,758</u>	<u>455,902</u>
<b>(b) Available for Sale Financial Assets Comprise:</b>			
Shares in Listed Corporations – at Fair Value		<u>1,666</u>	<u>3,145</u>
Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.			
<b>Non-Current</b>			
Available for Sale Financial Assets	(a)	<u>1,169,581</u>	<u>1,290,882</u>
<b>(a) Available for Sale Financial Assets Comprise:</b>			
Shares in Unlisted Corporations – at Fair Value		<u>1,169,581</u>	<u>1,290,882</u>
Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.			
<b>7. OTHER ASSETS</b>			
Prepayments		<u>52,327</u>	<u>27,786</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
<u>Land and Buildings – at Cost</u>		
Caravan Park Holiday Centre	480,085	480,085
Less Provision for Depreciation	(304,586)	(292,177)
	<u>175,499</u>	<u>187,908</u>
Land and Buildings	1,664,647	1,664,647
Less Provision for Depreciation	(238,027)	(207,136)
	<u>1,426,620</u>	<u>1,457,511</u>
Leasehold Improvements	51,362	51,362
Less Provision for Depreciation	(43,599)	(41,976)
	<u>7,763</u>	<u>9,386</u>
<b>TOTAL LAND AND BUILDINGS</b>	<u><u>1,609,882</u></u>	<u><u>1,654,805</u></u>
<u>Plant and Equipment – at Cost</u>		
Motor Vehicles	224,079	255,267
Less Provision for Depreciation	(42,509)	(59,074)
	<u>181,570</u>	<u>196,193</u>
Office Furniture and Equipment	281,913	291,572
Less Provision for Depreciation	(204,568)	(212,009)
	<u>77,345</u>	<u>79,563</u>
Improvements	4,598	4,598
Less Provision for Depreciation	(4,598)	(4,598)
	<u>-</u>	<u>-</u>
Caravan Park Machinery and Equipment	160,449	131,205
Less Provision for Depreciation	(106,734)	(97,801)
	<u>53,715</u>	<u>33,404</u>
<b>TOTAL PLANT &amp; EQUIPMENT</b>	<u><u>312,630</u></u>	<u><u>309,160</u></u>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<u><u>1,922,512</u></u>	<u><u>1,963,965</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

8. 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:-

2011	Opening WDV \$	Additions \$	Disposals \$	Depreciation Expense \$	Closing WDV \$
Freehold Land & Buildings	1,654,805	-	-	(44,923)	1,609,882
Motor Vehicles	196,193	241,116	(179,921)	(75,818)	181,570
Office Equipment & Improvements	79,563	17,080	(319)	(18,979)	77,345
Furniture, Plant and Equipment	33,404	29,244	-	(8,933)	53,715
	<u>1,963,965</u>	<u>287,440</u>	<u>(180,240)</u>	<u>(148,653)</u>	<u>1,922,512</u>

2011  
\$

2010  
\$

9. TRADE AND OTHER PAYABLES

Trade and Other Payables	462,862	523,548
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Included in the above are the following superannuation amounts payable as at balance date:

- Officers	21,816	22,211
- All Other Employees	2,449	2,411
	<u>24,265</u>	<u>24,622</u>

10. OTHER CURRENT LIABILITIES

Income in Advance	109,598	147,250
Grant in Advance	20,000	20,000
Funds Held in Trust	60,174	53,248
	<u>189,772</u>	<u>220,498</u>

11. PROVISIONS

Employee Benefits	722,567	634,051
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Analysis of Total Provisions

Current	<u>722,567</u>	<u>634,051</u>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**11. PROVISIONS**  
Continued...

**Provision for Long-term Employee Benefits**

A provision has been recognised for employee entitlements relating to annual leave, long service leave, sick leave and redundancy. 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.

	2011 \$	2010 \$
<b>(a) Employee Benefits Attributable to:</b>		
Office Holders	643,190	567,904
Staff	79,377	66,147
	<u>722,567</u>	<u>634,051</u>

**12. CAPITAL AND LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

Non-Cancellable operating leases contracted for but not capitalised in the financial statements

Payable - Minimum lease payments

- Not later than 12 months	80,231	55,000
- Later than 12 months but not later than 5 years	285,882	220,000
- Later than 5 years	862,260	825,000
	<u>1,228,373</u>	<u>1,100,000</u>

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a maximum term of twenty years. Increases in lease commitments may occur in line with the Consumer Price Index (CPI).

**13. 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	<u>1,587,898</u>	<u>1,489,011</u>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011 \$	2010 \$
<b>14. CASH FLOW INFORMATION</b>		
Operating Result	201,629	13,634
<b>Non-Cash Flows In Operating Deficit</b>		
Loss On Sale Of Fixed Assets	8,547	4,521
Depreciation And Amortisation	148,653	153,352
Profit on Sale of Fixed Assets	(18,762)	-
Impairment of Investment in Associate	121,302	
<b>Changes In Assets And Liabilities</b>		
(Increase) Decrease In Receivables	(83,073)	22,053
(Increase) Decrease In Other Assets	(24,541)	30,959
Increase (Decrease) In Accounts Payable	(53,761)	49,326
Increase (Decrease) In Grants In Advance	(37,651)	47,924
Increase In Provisions	88,515	79,061
<b>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>350,858</b>	<b>400,830</b>

**15. RELATED PARTY INFORMATION**

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

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

**Union Officials**

- Mr A Honeysett (District President)
- Mr G White (District Secretary)
- Mr G Braes (District Vice President - Metalliferous)
- Mr G Osborne (District Vice President - West)
- Mr R Timbs (District Vice President - South)

**Board of Management Members**

- Mr S Winter
- Mr B Reeves
- Mr W Small (appointed - 11/04/2011)
- Mr A Townsend
- Mr S Field
- Mr A Giddings
- Mr R Crawford
- Mr B Neall

**Central Councillors**

- Mr D McLachlan

Other elected officials not members of the Board of Management

**District Check Inspector**

- Mr G Horne (Check Inspector – resigned 11/04/2011)
- Mr T Schram (Check Inspector)
- Mr B Selak (Check Inspector)
- Mr P Tatton (Relief Check Inspector)
- Mr J Collins (Relief Check Inspector)

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2011**

**15. RELATED PARTY INFORMATION**

Continued...

**(b) Related Party Transactions**

**Associated companies**

- i) Office space was rented from The Trade Union Centre Wollongong Pty Limited during the year. Commercial rent totalling \$56,057 (2010: \$56,498) were paid during the year.

**Other related parties**

- ii) Sustentation fees totalling \$1,354,623 (2010: \$1,117,514) were charged by the Construction, Forestry, Mining and Energy Union – Mining and Energy Division during the year.

**16. 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	2011 \$	2010 \$
<b>Financial Assets</b>			
Cash and cash equivalents	4	832,693	711,676
Trade and other receivables	5	303,513	220,740
		<u>1,136,206</u>	<u>932,416</u>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	9	462,862	523,548
		<u>462,862</u>	<u>523,548</u>

**17. EVENTS AFTER THE REPORTING PERIOD**

- (a) No matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect:
- (i) the operations of the Union;
  - (ii) the results of those operations; or
  - (iii) the state of affairs of the Union, in subsequent financial years.
- (b) The financial report was authorised for issue on the 26<sup>th</sup> March 2012 by the Committee of Management.

**NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2011**

**18. 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).

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

In accordance with the requirements of section 255 of the Fair Work (Registered Organisations) Act 2010 ("the RO Act), the following necessary disclosures are made:

	2011 \$	2010 \$
<b>PROFIT AND LOSS DISCLOSURES</b>		
<b>ITEMS OF REVENUE</b>		
Donations or Grants	<u>80,000</u>	<u>100,000</u>
<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:	1,354,623	1,117,514
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	18,732	13,813
Grants or donations	16,439	19,558
Employee Benefits to:		
- Holders of office	1,447,476	1,391,490
- Employees (Other than holders of office)	346,259	277,212
	<u>1,793,735</u>	<u>1,668,702</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2011

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

Continued...

Fees or allowances to persons in respect of their attendance as representatives of the Union at conferences or other meetings	16,002	10,370
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	65,798	63,298
Legal costs and other expenses related to litigation or other legal matters	8,763	726

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF THE UNITED MINE WORKERS - SOUTH WESTERN DISTRICT (A DIVISION OF THE  
CONSTRUCTION, FORESTRY, MINING & ENERGY UNION - MINING & ENERGY DIVISION)**

We have audited the accompanying financial statements of The United Mine Workers - South Western District (a Division of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) ("the Union"), which comprises the Balance Sheet as at 31 December 2011 and the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of the significant accounting policies and other explanatory notes and the Committee of Management Statement.

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

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

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

*Independence*

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS  
OF THE UNITED MINE WORKERS - SOUTH WESTERN DISTRICT (A DIVISION OF THE  
CONSTRUCTION, FORESTRY, MINING & ENERGY UNION - MINING & ENERGY DIVISION)  
continued...**

*Auditor's Opinion*

In our opinion, the general purpose financial report of The United Mine Workers - South Western District (a Division of The Construction, Forestry, Mining & Energy Union - Mining & Energy Division) , as at 31 December 2011 and for the year then ended, is presented fairly in accordance with:

- (a) Accounting Standards' reduced disclosure requirements (including the Australian Accounting Interpretations); and
- (b) The Fair Work (Registered Organisations) Act 2010 ('The RO Act'), including the requirements imposed by Part 3 of Chapter 8 of the RO Act.

*Daley & Co.*

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

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

Dated this 26<sup>th</sup> day of March 2012



FAIR WORK  
AUSTRALIA

16 July 2012

Mr Grahame White  
Secretary, South Western District Branch (Mining and Energy Division)  
CFMEU  
636 North Cliff Drive  
KEMBLA GRANGE NSW 2526



Dear Mr White

**Lodgement of Financial Documents for year ended 31 December 2011 - Fair Work  
(Registered Organisations) Act 2009 ['FW(RO) Act'] - South Western District Branch  
(FR2011/2829)**

The FW(RO) Act requires audited financial accounts and statements to be lodged with Fair Work Australia within 6 months and 14 days of the end of its financial year. However this office has no record of lodgement of the South Western District's financial documents for year ended 31 December 2011 which should have been lodged by 14 July 2012.

In order to avoid exposure to a civil (pecuniary) penalty, you must lodge the following documents without further delay: (1) A **general purpose financial report** (see section 253(2)(a)); (2) A **committee of management statement** (see the Financial Reporting Guidelines); (3) An **operating report** (see section 254(2)); (4) An **auditor's report** (see sections 257(5) to 257(11)); and (5) A **certificate** of the **secretary or other authorised officer** (see section 268).

If the outstanding documents cannot be lodged in the next 21 days, please advise in writing by 7 August 2012 an explanation why not and whether: (i) a committee of management statement and operating report have been prepared; (ii) the auditor has audited the financial report and, if so, when the auditor signed the audit report; (iii) members have been provided with the full report including the committee of management statement, the auditor's report and the operating report; (iv) the full report has also been presented to a second meeting and (v) when you expect a copy of the full report will be lodged in this office.

I draw your attention to the civil penalty provisions of the FW(RO) Act [see section 305(2)(ze)] which allow the Federal Court to impose a pecuniary penalty upon a person or organisation where accounts are not lodged in accordance with section 268. You should also be aware of the provisions of Part 1 of Chapter 9 of the FW(RO) Act which set out general duties of officers and employees of organisations and their branches in relation to financial management.

You may lodge documents electronically by sending an email with the documents attached to [sydney@fwa.gov.au](mailto:sydney@fwa.gov.au) or you may send the documents by fax to (02) 9380 6990.

Yours sincerely,

Stephen Kellett  
Organisations, Research & Advice Branch  
Fair Work Australia



FAIR WORK  
AUSTRALIA

13 January 2012

Mr Graham White  
Secretary, South Western District Branch, Mining Division  
CFMEU  
636 Northcliff Drive  
KEMBLA GRANGE NSW 2526



Dear Mr White

**Re: Lodgement of Financial Statements and Accounts – South Western District Branch, Mining Division, CFMEU – for year ending 31 December 2011 (FR2011/2829)**

The financial year of the South Western District Branch ended on 31 December 2011. This is a courtesy letter for your file to remind you of the obligation to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame, that is, by 14 July 2012, unless a 1 month extension is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report*; (ii) A *Committee of Management statement* (iii) An *operating report*; (iv) An *auditor's report*; and (v) A *certificate* in accordance with section 268.

I draw your particular attention to

(a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;

(b) s265(5) which requires you to publish or otherwise *provide the members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and

(c) s266 which requires you to *present the completed documents to a second meeting* (which, by past practice and under the rules will include Lodge meetings endorsing presentation to the Board).

Relevant references may be found at

<http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and  
<http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>.

Yours sincerely,

Stephen Kellett

Organisations, Research and Advice Branch

Terrace Towers  
80 William Street  
East Sydney NSW 2011

Telephone: (02) 8374 6666  
International: (612) 8374 6666  
Facsimile: (02) 9380 6990  
Email: sydney@fwa.gov.au