

CISB

Coal Industry Superannuation Board

Annual Report 2012



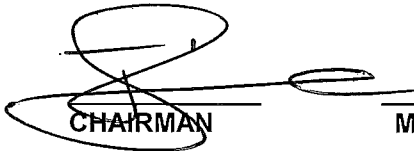
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**HON NORMAN MOORE MLC
MINISTER FOR MINES AND PETROLEUM**

"In accordance with the Financial Management Act 2006, we hereby submit for your information and presentation to Parliament, the report of the Coal Industry Superannuation Board for the year ending 30 June 2012."

The report has been prepared in accordance with the provisions of the Financial Management Act 2006 and in conformity with Section 26 of the Coal Industry Superannuation Act 1989.


CHAIRMAN


MEMBER



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STATEMENT OF COMPLIANCE WITH RELEVANT WRITTEN LAW

ENABLING LEGISLATION

The administration of the Coal Industry Superannuation Fund is established under the Coal Industry Superannuation Act 1989 and Coal Industry Superannuation Regulations 1990.

LEGISLATION ADMINISTERED

The Coal Industry Superannuation Board is responsible for the administration of the enabling legislation.

LEGISLATION IMPACTING ON THE BOARD'S ACTIVITIES

Anti - Corruption Commission Act 1988
Anti-Money Laundering and Counter-Terrorism Financing Act 2006*
Australian Prudential Regulation Authority Act 1998*
Auditor General Act 2006
Coal Industry Superannuation Act 1989
Corporations (Western Australia) Act 1990
Corporations Act 2001*
Electoral Act 1907
Equal Opportunity Act 1984
Family Law Act 1975*
Finance Sector (Collection of Data) Act 2001*
Financial Management Act 2006
Financial Services Reform Act 2001*
Freedom of Information Act 1992
Income Tax Assessment Act 1936*
Income Tax Assessment Act 1997
Industrial Relations Act 1979
Interpretation Act 1984
Minimum Conditions of Employment Act 1993
Occupational Safety and Health Act 1984
Privacy Act 1988*
Public Sector Management Act 1994
Public and Bank Holidays Act 1972
Salaries and Allowances Act 1975
Sex Discrimination Act 1984*
Stamp Act 1921
State Records Act 2000
Superannuation (Resolution of Complaints) Act 1993*
Superannuation Contributions Tax (Assessment and Collection) Act 1997*
Superannuation Guarantee (Administration) Act 1992*
Superannuation Guarantee Charge Act 1992*
Superannuation Industry (Supervision) Act 1993*
Trustees Act 1962
Workers' Compensation and Rehabilitation Act 1981

* Denotes Federal legislation

In the financial administration of the Coal Industry Superannuation Board we have complied with the requirements of the Financial Management Act and Auditor General Act and every other relevant written law and exercised controls which provide reasonable assurance that the receipt and expenditure of moneys and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.


CHAIRPERSON

CHIEF FINANCE OFFICER


MEMBER

1/9/2012
DATE



CONSTITUTION AND FUNCTIONS OF THE BOARD

The Coal Industry Superannuation Act 1989 is administered by the Coal Industry Superannuation Board which is responsible to the Honourable Minister for Mines and Petroleum. The Board members are designated the Accountable Authority and the Administration Manager nominated as the Principal Accounting Officer under the constraints of the Financial Management Act 2006.

The Board consists of five members.

Two employer representatives are nominated by the employer companies, two employee representatives are elected by the members and a Chairman is appointed by the Governor of Western Australia.

As at 30 June 2012 the members of the Board were:

Chairman:

Mr F Sciarrone

Employer Nominees:

Mr I Stewart (replaced R Conley on 28/3/12)
Griffin Coal Mining Company Pty Ltd

Mr S Reynolds
Human Resources Manager
Premier Coal

Mrs T Avins (Alternate)
Griffin Coal Mining Company Pty Ltd

Employee Nominees:

Mr G N Wood
Secretary, CFMEU Mining & Energy Division WA

Mr G Faries
Premier Coal

Mr G Della (Alternate)
Griffin Coal Mining Company Pty Ltd

FUNCTIONS OF THE BOARD

The main functions of the Coal Industry Superannuation Board are to:-

- Apply the Coal Industry Superannuation Act 1989 fairly and equitably for Coal Industry Superannuation Fund members;
- Conduct the Board's operations in an efficient manner in accordance with sound administration and financial principals; and
- Ensure sufficient funds are accrued to meet superannuation entitlements.



ADMINISTRATION

ADMINISTRATION STAFF

Administration staff of the Board are as follows:-

Administration Manager:- Mr G E Peirce

Administration Assistant - Ms J Reynolds

ADMINISTRATION EXPENSES

The expenses involved with the administration of the Coal Industry Superannuation Fund are chargeable to the Fund under Section 9(3) of the Act.

	2011/12	2010/11
	\$	\$
Office Accommodation Exp's	18,117	16,569
Accounting & Actuarial Advice	34,546	36,748
Auditors Fees	75,669	55,000
Computer Services	54,471	47,701
Consulting Fees	60,378	46,103
FBT Tax / Bank Charges	8,300	7,597
APRA Fees	54,773	35,852
Legal Advice	6,956	-
Motor Vehicle Costs	4,843	4,288
Printing Postage & Stationery	24,121	15,753
Salaries & Board Remun.	215,309	198,765
Sundry Administration	19,733	20,625
Superannuation	20,373	20,691
Travelling Expenses	6,141	3,849
Trustee Liability Insurance	11,409	9,366
Trustee training/Conf.exp	27,974	28,556
Workers Compensation	379	370
TOTAL	643,492	547,832

REVIEW OF ACTIVITIES

COMPLIANCE WITH GOVERNMENT SUPERANNUATION STANDARDS

The Board has made an irrevocable election for the Coal Industry Superannuation Fund (the Fund) to be a Regulated Superannuation Fund under the Superannuation Industry (Supervision) Act 1993.

LEGISLATION

The Coal Industry Superannuation Act 1989 (the Act) and Regulations made under the Act are the enabling legislation for the Fund.

INSURANCE OF MEMBERS

The Board continued to insure with Commlnsure to cover the Fund against death and total and permanent disablement for members both on and off the job to age 60 years. Insurance premiums for 2011/2012 amounted to \$198,006 compared to \$186,490 in 2010/2011.

ACT & REGULATION AMENDMENTS

There were no amendments made to the Act and Regulations in 2011/2012.

AMENDMENTS TO THE RISK MANAGEMENT PLAN

The Coal Industry Superannuation Board Risk Management Plan was updated to reflect that the Board manages risks through processes incorporated in the quarterly trustee meetings.

TRUSTEE INDEMNITY INSURANCE

The Board has Trustee Indemnity Insurance cover with Vero Insurance Limited.

ELECTORAL ACT

As per section 175ZE (1) of the Electoral Act 1907 the Coal Industry Superannuation Board report that there was no expenditure in relation to:

- Advertising Agencies
- Market research organisations
- Polling organisations
- Direct mail organisations
- Media advertising organisations



FUND OPERATIONS

The Coal Industry Superannuation Fund (the Fund) provides a superannuation scheme to coal mine workers which provides:

- A defined benefit based on a benchmark amount for all defined benefit members.
- Cost to the member is 3% of the benchmark amount.
- Cost to the employer can range between 7% and 10% of the benchmark amount and is currently set at 8.5%.
- Administration charges are not directly deducted from members benefits but have been taken into account in the formula calculations for benefit payments by the Actuary.
- Death and disability cover is included in the benefits (subject to a medical report).
- Member Protection is automatically provided in that no member's benefit less than \$1000, including preserved benefits, is diminished by fees.
- Members may make after tax contributions, salary sacrifice contributions and award contributions to an accumulation account in the Fund. No fees or charges are deducted from this account for members who have a defined benefit account. For those members with accumulation accounts only a \$1 a week administration fee is charged.
- Account Based and Transition to Retirement Pensions are available to members of the Fund.

MEMBERSHIP OF THE FUND

On 30 June 2012, there were 729 current members who were required to make contributions to the Fund and 452 retained members, 30 accumulation only and 19 Pension members making a membership of 1230 in total who were eligible for benefits under the Act.

The following table provides a comparison of new members and exits over the last two years.

	2011/12	2010/11
Mine workers beginning of period	642	676
Active LWOP/Maternity		2
New Members	158	29
Less Exits		
Retirements 60 years	17	6
Opt. Retirement 55-60 years	6	7
Opt. Retirement 62 years	-	-
Total & Permanent Disablement	-	-
Partial & Permanent Disablement	-	-
Death	2	2
Resignation, Dismissal	43	42
Retrenchment	-	-
Leave Without Pay	3	8
Mine workers at end of period	729	642

CONTRIBUTIONS

The weekly rate of contributions payable by members and employers was 3% and 8.5% of the Benchmark Amount which was \$56,870 until 30 June 2012 when it was indexed by 4.40% to \$59,372 in line with Average Weekly Ordinary Time Earnings (AWOTE) on advice from the Actuary.

New contributions are \$68.50 per fortnight member and \$194.10 per fortnight employer. All employer contributions required to be contributed have been received.

Contributions paid into the Fund during the year were:

	2011/12	2010/11
	\$	\$
Member	1,196,908	1,352,726
Salary Sacrifice	2,775,842	3,137,861
Employer / Award	5,889,943	5,592,846
Transfers In	2,346,726	1,253,958
Total Contributions	12,209,419	11,337,391



FUND OPERATIONS (cont.)

BENEFIT PAYMENTS

During the year benefits paid and payable totalled \$7,270,235.

CONTRIBUTION / BENEFIT COMPARISON

A comparative table of contributions received and benefits paid is shown below.

	2011/12	2010/11
	\$	\$
Contributions	12,209,419	11,337,391
Benefits	7,270,235	7,327,905
Surplus	4,939,184	4,009,486
Deficit	-	-

CONSULTANTS TO THE BOARD

The Board retains the following consultants to provide advice as and when required.

Accounting & Taxation

Sharyn Long - Chartered Accountants

Actuarial & Investment Advice

PriceWaterhouse Coopers - Actuaries & Consultants

ACTUARIAL REVIEW

A Triennial Actuarial Review of the Fund was undertaken at 30 June 2009.

The benefits of defined benefit members continues to be based on the benchmark amount at the time of the benefit payment. The benchmark amount is increased each year in line with the annual increase in Average Weekly Ordinary Time Earnings. Over the three year period, the increase in the benchmark amount was an average of 4.6%.

The average investment return for the Fund over the last three years was -1.8% per annum, net of tax and investment expenses. The corresponding smoothed Fund return averaged -0.8% per annum which was less than the increase in salaries of 5.4% per annum over the three years to 30 June 2009.

The Actuary has advised that the Fund is in a sound financial position, and the benefits of all members remain well secured by the current level of assets. Projections for the next ten years indicate that the Fund is likely to remain in a satisfactory financial position, with the current level of assets, together with the future contributions and investment earnings, being adequate to cover members accruing benefits.

The member's benefits on resignation/retirement (Minimum Vested Benefits) are all well covered by the existing assets, as are the retrenchment benefits. Details of Minimum Vested Benefits are as follows:-

Vested Benefits as at 30 June 2009

This ratio measures the extent to which the minimum entitlements of contributing members are covered by the net market value of assets of the Fund. The minimum entitlements are those benefits payable if all members voluntarily resigned or retired, where aged over 55, as at the valuation date.

For the purposes of calculating the vested benefits, the Actuary has assumed that the resignation benefit is to be the cash/transfer resignation benefit.

Before calculating this ratio, the net market value of assets must be reduced by those assets representing the accumulation account liabilities and the accumulation investment fluctuation reserve (that is the accumulation assets).

Net Market Value Assets:	\$124,132,898
less:	
Accumulation Assets	\$43,747,366

leaving:

Net market value of defined benefit Assets	\$80,385,532
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Vested Benefits for Defined Benefits (Category A and Retained)	\$76,274,116
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Minimum Vested Benefits Ratio:	105%
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A ratio of 105% represents a satisfactory level of cover for the Fund's minimum vested benefits. The vested benefits ratio at the last Actuarial Review at 30 June 2006 was 135% and has primarily reduced due to the Global Financial Crisis.



PUBLICATION AND ADVISORY INFORMATION

The Board produces and makes available to members the following:

Coal Industry Superannuation Fund Product Disclosure Statement

The Product Disclosure Statement (PDS) is the Board's main advisory publication. All new members are issued with a PDS and copies can be obtained from the Board offices.

Members Newsletter

A newsletter for members advising of updates and relevant news items is produced and distributed on a regular basis.

Coal Industry Superannuation Act and Regulations

Copies of the Act and Regulations are available for inspection at either employers office or at the Coal Industry Superannuation Board.

Annual Report

Fund members are provided with a summarised Annual Report (Report to Members). Copies of the Annual Report containing full audited Financial Statements are available on request from the Board offices.

Web Site

The CISF website contains general information on the Fund including publications, forms, newsletters, general superannuation information and web links. The website address is www.cisf.com.au

Members Benefit Statements

Members are provided with Benefit Statements annually and upon request.

Actuarial Statement and APRA Notices

Copies of Actuarial Statements and APRA Notices are available to members on request.

Member Complaints

Should you ever need to dispute a matter in relation to your superannuation, please contact the Administration Manager or one of the Board members. The Board has procedures in place to deal with any query or complaint within 90 days. A complaint will need to be put in writing to the Administration Manager.

External Complaints Tribunal

If you are not satisfied with the handling of your complaint or the Board decision, you may contact the Superannuation Complaints Tribunal.

The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with Fund Trustees.

The Tribunal may be able to assist you to resolve your complaint but only if you are not satisfied with the response from the Coal Industry Superannuation Board. If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and the Coal Industry Superannuation Board to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination which is binding.

If you wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, telephone one of the following numbers, for the cost of a local call anywhere in Australia:

Superannuation Complaints Tribunal
☎ 1300 884 114

Australian Prudential Regulation Authority
☎ 1300 131 060

If you require any assistance to make a complaint, please contact the Administration Manager.

Member Enquiries

Members should address correspondence and enquiries to:-

The Administration Manager
Coal Industry Superannuation Board
PO BOX 492
SUBIACO WA 6904

Telephone No: (08) 9388 1840
Facsimile No: (08) 9388 3545
Email: cisb@bigpond.com

RECORDKEEPING PLANS

The Coal Industry Superannuation Board's Recordkeeping Plan:

- Was approved by the State Records Commission in 2010. The next review is scheduled for completion before 7 April 2015.
- All employees, including new employees, have participated in a recordkeeping training program for CISB.
- The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's Recordkeeping Plan.

OCCUPATIONAL SAFETY, HEALTH and INJURY MANAGEMENT

The CISB is committed to occupational safety and health and injury management.

All employees are regularly consulted on occupational safety and health matters.

<i>Indicator</i>	<i>2011-12</i>
<i>Number of fatalities</i>	<i>Zero (0)</i>
<i>Lost time injury/disease (LTI/D) incidence rate</i>	<i>Zero (0)</i>
<i>Lost time injury severity rate</i>	<i>Zero (0)</i>
<i>Percentage of injured workers returned to work within 28 weeks</i>	<i>Zero (0) workers injured.</i>



INVESTMENTS

COAL INDUSTRY SUPERANNUATION FUND INVESTMENT POLICY

The Investment Policy for the Coal Industry Superannuation Fund has been put in place by the Coal Industry Superannuation Board (CISB) to maximise long term investment returns compatible with a prudent level of risk for comparable funds. In pursuing this policy, the CISB will have regard for risk, diversification, liquidity, liabilities and cash flow.

INVESTMENT OBJECTIVES

Specific objectives are:

1. To achieve a minimum long term rate of return, after taxes and fees, of 2% per annum ahead of growth in the benchmark wage. It was noted that the benchmark wage would move with Average Weekly Ordinary Time Earnings (AWOTE).
2. The required rate of return is the minimum necessary to ensure that the Fund meets its liabilities.
3. The required level of investment return will be measured over 3-year rolling periods. Measurement will commence with effect from 30 June 1995 and will be no less frequently than quarterly.
4. To outperform the average pooled superannuation trust, ignoring all fees and taxes involved in administering and advising the CISB. Measurement will take place on a 3 year rolling basis, commencing 30 June 1995 and will be measured no less frequently than quarterly.

INVESTMENT STRATEGY

1. The strategy is growth orientated.
2. Investment vehicles are pooled superannuation trusts with the addition of, as necessary to achieve benchmark asset allocation, sector specific funds.

Notwithstanding the overall intention to use pooled and sector specific funds, the CISB retains the flexibility to invest in alternative specific investments. Such investments would only be made if the CISB considered them to be suitable and provided it had received the appropriate professional advice. In such cases, specific investments could comprise up to 20% of the Fund's assets.

INVESTMENTS AND INVESTMENT MANAGERS

1. The type of investment management preferred is the active approach.
2. Investments will be primarily pooled superannuation trusts. Where deemed appropriate, to bring about a specific portfolio composition within the asset allocation ranges, sector specific investments may be used.
3. Investments will be selected by the CISB from a short list recommended by the investment adviser to the CISB. Sector specific investments when required can be in any of the major investment sectors such as shares, listed property trusts, real property, fixed interest, cash and derivatives, provided asset backed and/or guaranteed.
4. Using derivatives to increase exposure of the portfolio to more than 100% of its value is excluded, as is investment in any fund which uses derivatives in this manner.



ASSET ALLOCATION

The following details the actual asset allocation of the Fund as at 30 June 2012 against the benchmark or neutral position and the acceptable ranges as set out in the Investment Policy Statement.

	Shares	Property	Alternatives	Fixed Interest	Cash	Growth Assets	Overseas Unhedged
Range	20%-70%	0%-25%	0%-10%	10%-50%	0%-50%	20%-75%	0%-30%
Benchmark	57.5%	7.5%	5.0%	25.0%	5.0%	70.0%	20.0%
Actual 2012	62.6%	3.7%	4.6%	19.4%	9.7%	70.9%	23.2%
Actual 2011	62.8%	3.9%	4.2%	18.8%	10.3%	70.9%	21.6%

PERFORMANCE

Measured to 30 June 2012 comparative performance statistics (% p.a.) for the last five years are as follows:

	5 Year Av.	2011/12	2010/11	2009/10	2008/09	2007/08
CISB EARNING NET RATE	0.5 %	0.04 %	8.5 %	11.5 %	-12.0 %	-8.4 %
CISB CREDITING RATE	0.2	1.5	8.0	10.0	-12.0	-5.0

The rate of return credited to members accumulation accounts unless otherwise agreed is the Minimum Cash Return Method which involves the following:

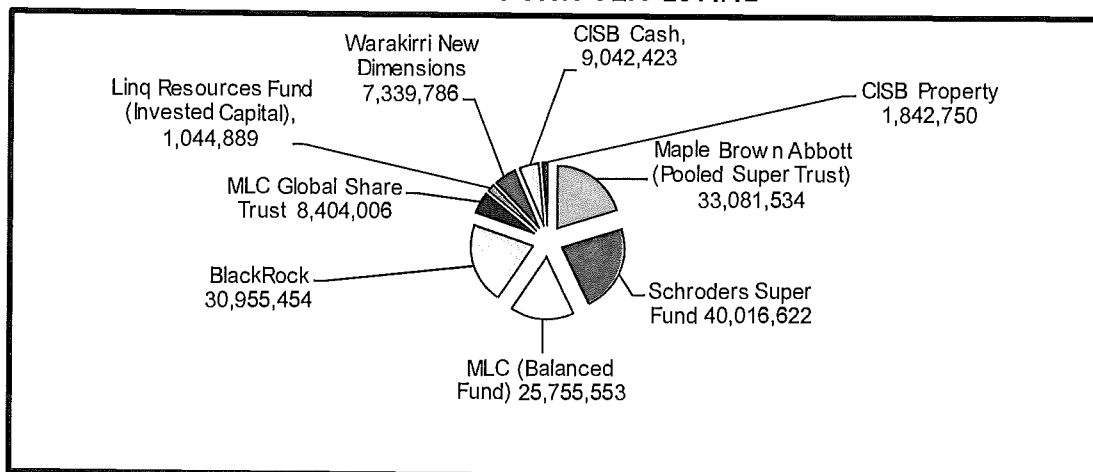
In a year in which the fund earning rate is higher than the return on cash:

- Crediting Rate = Net cash return + 70% x (Fund return – Net cash return);
- Provided that this does not result in a reserve greater than 20% of assets – in which case a higher rate would be declared.
- In a year where the Fund return is less than the return on cash:
- Crediting Rate = Net cash return
- Provided the reserves are sufficient to allow it.

For the 2011/12 year the Board of Trustees on advice from the Actuary agreed to vary the crediting rate from the Minimum Cash Return Method of 4% due to reserving and investment market conditions.

Pension members were credited at 1.6% for the Growth option and 4.7% for the Cash option.

PORTFOLIO 2011/12





FINANCIAL STATEMENTS

STATEMENT OF NET ASSETS AS AT 30 JUNE 2012

	Notes	2012 \$	2011 \$
ASSETS			
Cash & cash equivalents			
Cash on hand		585	585
Cash at bank		1,253,240	545,016
Receivables			
Accrued income		27,671	25,840
Trust distributions receivable		452,189	78,260
GST receivable		7,530	7,454
Investments			
Pooled Superannuation Trusts	6	104,053,610	103,774,558
Insurance Policies	7	25,755,553	25,422,526
Equities in Listed Entities	8	1,044,889	1,783,699
Units in Unit Trusts	9	15,743,792	16,784,949
Interest Bearing Investments	10	9,042,423	7,037,898
Land and Buildings	11	1,842,750	1,735,500
Other Assets			
Prepayments		206,666	42,706
Office equipment and furniture		9,500	15,450
Motor vehicle		27,500	32,000
Deferred tax assets	13(e)	420,326	246,857
TOTAL ASSETS		159,888,224	157,533,298
LIABILITIES			
Benefits payable		-	342,701
Creditors and accruals	12	202,056	262,525
Current tax liabilities	13(c)	240,606	365,079
TOTAL LIABILITIES		442,662	970,305
NET ASSETS AVAILABLE TO PAY BENEFITS		159,445,562	156,562,993

The accompanying notes form an integral part of this statement.



FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$	2011 \$
INVESTMENT REVENUE			
Interest		374,593	287,995
Dividends		73,881	31,663
Trust distributions	14	694,009	1,048,051
Rent received		16,996	16,405
Changes in net market values of investments	15(a)	(1,430,422)	10,508,090
Direct investment (expenses)/rebate	16	(44,405)	3,009
		<u>(315,348)</u>	<u>11,895,213</u>
CONTRIBUTION REVENUE			
Employer contributions		5,889,943	5,592,846
Salary sacrifice contributions		2,775,842	3,137,861
Member contributions		1,196,908	1,352,726
Transfers in		2,346,726	1,253,958
		<u>12,209,419</u>	<u>11,337,391</u>
OTHER REVENUE			
Insurance proceeds		25,684	341,712
Changes in net market value other assets	15(b)	(14,660)	(23,114)
		<u>11,024</u>	<u>318,598</u>
TOTAL REVENUE		11,905,095	23,551,202
EXPENSES			
General administration expenses	17	643,492	547,832
Group life premiums		198,006	186,490
Benefits paid		7,270,235	7,670,606
TOTAL EXPENSES		8,111,733	8,404,928
CHANGES IN NET ASSETS BEFORE TAX		3,793,362	15,146,274
INCOME TAX EXPENSE	13(a)(b)	910,793	1,137,116
CHANGES IN NET ASSETS AFTER TAX		2,882,569	14,009,158
NET ASSETS AVAILABLE TO PAY BENEFITS at the beginning of the period		<u>156,562,993</u>	<u>142,553,835</u>
NET ASSETS AVAILABLE TO PAY BENEFITS at the end of the period		159,445,562	156,562,993

The accompanying notes form an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The financial report of Coal Industry Superannuation Fund ("Fund") are general purpose statements which have been drawn up in accordance with Australian accounting standards including AAS 25 "Financial Reporting by Superannuation Funds" ("AAS25") as amended by AASB 2005-13 (December 2005), other applicable Accounting Standards and the requirements of the Superannuation Industry (Supervision) Act 1993 and Regulations ("SIS") and the provisions of the Act as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

Where modification is required and has a material or significant effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

The Fund is a superannuation fund domiciled in Australia. The financial statements are presented in Australian dollars, which is the functional currency of the Fund.

The registered office of Coal Industry Superannuation Fund is located at:

242 Rokeby Road
Subiaco WA 6008

The financial statements were approved by the Members of the Trustee, Coal Industry Superannuation Board, on 24 August 2012.

(b) Basis of Preparation

International Financial Reporting Standards ("IFRS") form the basis of Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB"). Since AAS25 is the principal standard that applies to the financial statements, other standards, including AIFRS, are also applied where necessary except to the extent that they differ from AAS25.

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 30 June 2012, and have not been applied in preparing these

financial statements. None of these is expected to have a significant effect on the financial statements.

The financial statements have been prepared in accordance with the historical cost convention, except for the valuation of investments, which are measured at net market value.

(c) Use of Estimates and Judgements

The preparation of financial statements requires the use of certain critical accounting assumptions and estimates. It also requires the Trustee and management to exercise judgement in the process of applying the entity's accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no critical accounting estimates and judgements contained in these financial statements other than those used to determine the liability for accrued benefits, which are not brought to account but disclosed by way of note.

(d) Investments

Investments of the Fund are initially recognised using trade date accounting. From this date any gains and losses arising from changes in net market value are recorded.

Estimated costs of disposal are deducted in the determination of net market value. As disposal costs are generally immaterial, unless otherwise stated, net market value approximates fair value.

Net market values have been determined as follows:

Market quoted investments

The net market value of an investment for which there is a readily available market quotation is determined as the last quoted sale price at the close of business on reporting date, less an appropriate allowance for costs expected to be incurred in realising the investments.

Non-market quoted investments

Investments for which market quotations are not readily available are valued at the net fair value determined by the Trustee as follows:

- Unlisted securities – recorded with reference to recent arm's length transactions, current market value of another instrument



substantially the same or discounted cash flows, less estimated realisation costs.

- Where discounted cash flow techniques are used, estimated future cash flows are based on Trustee's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms, condition and risk.
- Where other pricing models are used, inputs are based on market data at the reporting date.
- Private equity investments are valued according to the most recent valuation obtained from the underlying manager at net market value adjusted for subsequent investments, redemptions and significant changes in underlying market conditions through to balance date.

Units in pooled superannuation trusts and unlisted managed investment schemes

These are valued at the redemption price at reporting date quoted by the investment managers which are based on the net market value of the underlying investments. Unit values denominated in foreign currency are translated to Australian dollars at the current exchange rates.

Insurance policies

These are valued at the surrender value of insurance policies or the quoted redemption price at balance date as advised by the Insurer or investment manager.

Investment properties

Investment properties comprise investment interests in land and buildings (including integral plant & equipment). Investment properties are initially recorded at cost of acquisition, less any disposal costs, at the date of acquisition.

The carrying amount of an investment property is the net market value of the property which is determined using the capitalisation of net rental income and the discounted cash flow methods and also having regard to recent market transactions for similar properties in the same location as the Fund's investment property. Generally, the market value is determined by a registered independent appraiser having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

Derivative Financial Instruments

Derivative financial instruments including financial futures and forward exchange contracts, interest rate swaps, exchange traded and other options and forward rate agreements are recorded at mark to market basis at balance

date using the most recent verifiable sources of market prices or generally accepted valuation principles

(e) Income Tax

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Act and accordingly the concessional tax rate of 15% has been applied.

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable benefits accrued for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities which affect neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

(f) Contribution Surcharge

The contribution surcharge is recorded as an expense in the Statement of Changes in Net Assets if an amount has been paid or an assessment has been received during the period irrespective of the period to which the surcharge related. A liability for future payments is only recognised if an assessment has been issued by the Australian Taxation Office (ATO) and was unpaid at balance date.

The Superannuation Laws Amendment (Abolition of Surcharge) Act 2005 abolishes both the superannuation contributions surcharge and the termination payments surcharge in respect of superannuation contributions and certain termination payments made or received on or after 1 July 2005. Assessments for surcharge in respect of contributions and payments for the year ended 30 June 2005 and prior years will continue to be issued and remain payable.

(g) Insurance

The Coal Industry Superannuation Board insures against the death and total and permanent disability of members on and/or off the job to age 60 years.

(h) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Changes in net market value of investments

Changes in net market value of investments are recognised as income in the statement of changes in net assets in the periods in which they occur. Changes in net market values are determined as the difference between the net market value at balance date or consideration received (if sold during the year) and the net market value at the previous balance date or the cost (if the investment was acquired during the year).

Interest revenue

Interest revenue is recognised in the statement of changes in net assets using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Dividend revenue

Revenue from dividends is recognised on the date the dividend is received by the Fund or reinvested as part of a dividend reinvestment plan.

Trust distribution revenue

Distributions from managed investment schemes are recognised on the date as at the date the unit value is quoted ex-distribution and the Fund is entitled to receive the distribution. If not received at reporting date, the distribution receivable is reflected in the statement of net assets as a receivable at net market value.

Contributions revenue and transfers in

Contributions revenue and transfers in are recognised when the control and the benefits from the revenue have transferred to the Fund and is recognised gross of any taxes in the period to which they relate.

Superannuation co-contributions from the Australian government are recognised on a cash basis as this is the only point at which measurement is reliable.

Property revenue

Rental revenue from investment property is recognised on an accrual basis over the term of the lease and if not received at reporting date is reflected in the statement of net assets as a receivable at net market value. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

(i) Goods and Services Tax

GST incurred that is not recoverable from the Australian Taxation Office (ATO) has been recognised as part of the cost of acquisition of the asset or as part of the expense to which it relates.

Receivables and payables are stated with the amount of GST included in the value.

The amount of GST recoverable from, or payable to, the ATO is included as an asset or liability in the Statement of Net Assets.

(j) Benefits Payable

Benefits payable comprises the entitlements of members who ceased employment and had provided the Fund with appropriate notification, but where the benefit has not been paid prior to year end. Benefits payable also includes any death or disablement benefit for which the insurer had reimbursed the Fund prior to balance date but where the benefit had not been paid at that time.

(k) Receivables

Receivables are carried at nominal amounts accrued or due at reporting date, which approximate fair value.

(l) Financial Liabilities

The Fund recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Benefits payable comprises the entitlements of members who ceased employment prior to year end but had not been paid at that time. Members who subsequently advise the Fund that they have ceased employment and were not included in benefits payable are included in vested benefits at year end.

Other payables are payable on demand or over short time frames of less than 60 days.

The Fund recognises financial liabilities at net market value as at reporting date with any change in net market values since the beginning of the reporting period included in the statement of changes in net assets.

As disposal costs are generally immaterial, unless otherwise stated net market value approximates fair value.

(m) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits

Cash equivalents are short term, highly liquid investments that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Excess Contributions Tax

The Australian Taxation Office ("ATO") may issue release authorities to members of the Fund relating to the relevant member's excess contributions tax that is payable in respect of the member's concessional and/or non-concessional contributions for a particular year.

The liability for excess contributions tax will be recognised when the relevant release authorities are received from members, as the Trustee considers this is when it can be reliably measured.

The excess contributions tax liability recognised by the Fund will be charged to the relevant members' accounts.

(o) No-TFN Contributions Tax

Where a member does not provide their tax file number to a fund, the fund may be required to pay no-TFN contributions tax at a rate of 31.5% which is in addition to the concessional tax rate of 15% which applies to the Fund's assessable income.

The no-TFN contributions tax liability recognised by the Fund will be charged to the relevant members' accounts. Where a tax offset is obtained by the Fund in relation to members' no-TFN contributions tax, the tax will be included in the relevant members' accounts.

(p) Financial Instruments**(a) Recognition**

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Financial assets are recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or liabilities are recorded. Financial liabilities are not recognised unless one of the parties has performed or the contract is a derivative contract not exempt from the scope of AASB139.

(b) Measurement

Financial instruments are initially measured at cost, being the fair value of the consideration given. Subsequent to initial recognition all financial instruments are valued at net market value.

(c) Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Fund transfers substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.



2 LIABILITY FOR ACCRUED BENEFITS

The amount of accrued benefits has been determined on the basis of the present value of expected future payments which arise from membership of the fund up to the measurement date. The figure reported is determined by reference to expected future salary levels and by application of a market-based, risk-adjusted discount rate and relevant actuarial assumptions.

The valuation of accrued benefits was undertaken by the Actuary as part of a comprehensive actuarial review undertaken at 30 June 2009. Accrued benefits were previously valued as part of a comprehensive actuarial review undertaken at 30 June 2006.

	2009	2006
	\$	\$
Accrued Benefits	118,957,966	101,595,374
	=====	=====

The main assumptions used to determine the actuarial value of accrued benefits at the last review date were:

- The future rate of investment return earned on the Fund's investments would be 6%
- The future rate of salary increases would be 4.5%

3 VESTED BENEFITS

Vested benefits are benefits which are not conditional upon continued membership of the fund (or any factor other than resignation from the fund) and include benefits which members were entitled to receive had they terminated their fund membership as at the reporting date and elected a cash benefit.

	2012	2011
	\$	\$
Vested Benefits	152,883,215	144,826,084
	=====	=====

4 GUARANTEED BENEFITS

No guarantees have been made in respect of any part of the liability for accrued benefits.

5 FUNDING ARRANGEMENTS

The funding policy adopted in respect of the fund is directed at ensuring that benefits accruing to members and beneficiaries are fully funded as the benefits fall due. As such, in framing employer and member contribution rates, the Actuary has considered long-term trends in such factors as fund membership, salary growth and average market value of plan assets.

5 FUNDING ARRANGEMENTS (CONTINUED)

The weekly rate of contributions payable by members and employers was 3% and 8.5% of the Benchmark Amount, which was \$56,870 during the year ended 30 June 2011. At 30 June 2012 the Benchmark Amount was indexed by 4.40% to \$59,372 in line with Average Weekly Ordinary Time Earnings (AWOTE) on advice from the Actuary.

6 POOLED SUPERANNUATION TRUSTS

	2012	2011
	\$	\$
BlackRock Diversified Growth Fund	30,955,454	30,885,946
Maple-Brown Abbott PST	33,081,534	33,351,862
Schroders Superannuation Fund	40,016,622	39,536,750
	-----	-----
	104,053,610	103,774,558
	=====	=====

7 INSURANCE POLICIES

	2012	2011
	\$	\$
MLC Balanced Fund	25,755,553	25,422,526
	=====	=====

8 EQUITIES IN LISTED ENTITIES

	2012	2011
	\$	\$
Linq Resources Fund	1,044,889	1,783,699
	=====	=====

9 UNITS IN UNIT TRUSTS

	2012	2011
	\$	\$
MLC (NCIT) Global Share Trust	8,404,006	8,391,003
Warakirri New Dimensions Fund	7,339,786	8,393,946
	-----	-----
	15,743,792	16,784,949
	=====	=====

10 INTEREST BEARING INVESTMENTS

	2012	2011
	\$	\$
Bankwest Cash Management	-	541,885
Bankwest Telenet Saver	9,042,423	6,496,013
	-----	-----
	9,042,423	7,037,898
	=====	=====

11 LAND AND BUILDINGS

	2012	2011
	\$	\$
242 Rokeby Rd, Subiaco	1,842,750	1,735,500
	=====	=====



12 CREDITORS AND ACCRUALS

	2012	2011
	\$	\$
Accounting fees	12,931	15,753
Actuarial fees	2,495	2,495
APRA fees	49,153	35,856
Audit fees	59,400	55,000
Direct investment expenses	17,151	26,235
Fringe benefits tax	1,962	1,962
PAYG withholding	5,931	77,096
Salaries & wages	45,458	44,704
Sundry expenses	7,575	3,424
	-----	-----
	202,056	262,525
	=====	=====

13 INCOME TAX

(a) Major components of tax expense

	2012	2011
	\$	\$
Current income tax		
- Current tax charge	1,092,216	1,152,091
- Adjustment to current tax for prior period	(7,954)	(59,009)
Deferred income tax		
- Relating to the origination and reversal of temporary differences	(173,469)	44,034
	-----	-----
Income Tax Expense	910,793	1,137,116
	=====	=====

(b) Income tax expense

Changes in net assets before tax	3,793,362	15,146,274
	=====	=====
Tax applicable at the rate of 15% (2011 15%)	569,004	2,271,941
Tax effect of income that is not assessable in determining taxable income		
- Investment income	(41,252)	(1,623,444)
- Members' contributions	(179,536)	(202,909)
- Transfer In	(352,009)	(188,093)
- Insurance proceeds	(3,853)	(51,257)
Tax effect of expenses that are not deductible in determining taxable income		
- Benefit payments	1,090,535	1,150,591
- Legal fees	1,043	-
Tax effect of other adjustments		
- Exempt pension income	(4,267)	(8,951)
- Anti-detriment deduction	(57,850)	-
- Imputation & foreign tax credits	(103,068)	(154,963)
- Over provision prior periods	(7,954)	(55,799)
	-----	-----
Income Tax Expense	910,793	1,137,116
	=====	=====

(c) Current tax liabilities

	2012	2011
	\$	\$
<u>Provision for current income tax</u>		
Balance at beginning of year	365,079	510,890
Income tax paid – current period	(851,611)	(787,013)
Income tax paid – prior period	(357,124)	(451,880)
Overprovision prior periods	(7,954)	(59,009)
Current years income tax expense	1,092,216	1,152,091
	-----	-----
	240,606	365,079
	=====	=====

13 INCOME TAX (CONTINUED)

(d) Deferred tax assets

	2012	2011
	\$	\$
The amount of deferred tax asset recognised in the Statement of Net Assets:		
Accrued Expenses	18,756	17,925
Balancing charge other assets	1,329	1,554
Unrealised capital losses	426,281	229,814
Prepayments	(26,040)	(2,436)
	-----	-----
	420,326	246,857
	=====	=====

14 TRUST DISTRIBUTIONS

	2012	2011
	\$	\$
MLC (NCIT) Global Share Trust	83,267	78,260
Warakirri New Dimensions Fund	610,742	969,791
	-----	-----
	694,009	1,048,051
	=====	=====

15 CHANGES IN NET MARKET VALUES

(a) Investments

	2012	2011
	\$	\$
<u>Held at Reporting Date</u>		
Pooled Superannuation Trusts	214,657	8,128,207
Insurance Policies	321,150	1,898,911
Shares in Listed Entities	(738,810)	306,078
Unit Trusts	(1,333,291)	(33,022)
Land & Buildings	107,250	(222,628)
<u>Realised during the period</u>		
Shares in listed entities	-	429,000
Unit Trusts	(1,378)	1,544
	-----	-----
	(1,430,422)	10,508,090
	=====	=====

(b) Other Assets

	2012	2011
	\$	\$
<u>Held at Reporting Date</u>		
Office Equipment	(10,160)	(8,650)
Motor Vehicles	(4,500)	(7,873)
<u>Realised during the period</u>		
Motor Vehicles	-	(6,591)
	-----	-----
	(14,660)	(23,114)
	=====	=====



**16 DIRECT INVESTMENT
(EXPENSES)/REBATES**

	2012 \$	2011 \$
Investment monitoring	(75,011)	(45,799)
Property expenses	(28,630)	(14,166)
Direct investment expenses	(17,035)	(31,926)
	-----	-----
Fee rebates	76,271	94,900
	-----	-----
	(44,405)	3,009
	=====	=====

17 GENERAL ADMINISTRATION EXPENSES

	2012 \$	2011 \$
Accounting fees	23,199	27,695
Actuarial advice	11,347	9,086
APRA fees	54,773	35,852
Audit fees	75,669	55,000
Bank charges	450	193
Board remuneration	27,500	28,000
Computer support and services	54,471	47,701
Consulting fees - PWC	32,313	29,719
Consulting fees - other	28,065	16,350
Electricity	5,622	5,232
Fringe benefits tax	7,850	7,404
Legal fees	6,956	-
Motor vehicle expenses	4,843	4,288
Office cleaning	3,518	3,444
Printing, postage & stationery	24,121	15,753
Salaries & wages	187,809	170,765
Security expenses	932	978
Sundry administration	19,733	20,625
Superannuation	20,373	20,691
Telephone	8,045	6,915
Travelling & accommodation expenses	6,141	3,849
Trustee, staff training & conference expenses	27,974	28,556
Trustee insurance	11,409	9,366
Workers compensation	379	370
	-----	-----
	643,492	547,832
	=====	=====

18 AUDITOR'S REMUNERATION

	2012 \$	2011 \$
Amounts paid or due and payable to the Auditor General for the following services:		
Audit Services	59,400	55,000
Other Services	-	-
	-----	-----
	59,400	55,000
	=====	=====

19 GENERAL DISCLOSURE

In accordance with Treasurer's Instruction 952 the following general disclosures are made:

(a) Remuneration of Members of the Accountable Authority

Members of the Accountable Authority have received \$27,500 (2011: \$28,000) in remuneration for attending board meetings.

(b) Remuneration Benefits of Senior Officers

	2012 \$	2011 \$
The total remuneration of Senior Officers is:	162,809	144,009

The number of Senior Officers, other than Members of the Accountable Authority, whose total of fees, salaries and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2012	2011
120,000 - 129,999	1	1
130,000 - 139,999	1	-

(c) Retirement Benefit of Senior Officers

The following amounts in respect of retirement benefits were paid or became payable for the financial year:

	2012 \$	2011 \$
Total retirement benefits of Senior Officers	20,373	20,691

The Trustee of the Fund throughout the year was The Coal Industry Superannuation Board. The members of the Board are considered to be the Key Management Personnel of the Fund.

(d) Related Parties

The Board is considered to be the key management personnel of the Coal Industry Superannuation Fund. The members of the board at 30 June 2012 are:

- Steven Reynolds
- Gary Wood
- Gary Faries
- Gregory Della
- Frank Sciarrone (appointed 1 July 2011)
- Ian Stewart (resigned 1 July 2011, re-appointed 28 March 2012)
- David Pullan (appointed 1 July 2011, resigned 30 June 2012)
- Barbara Whittle (resigned 1 July 2011)
- Russell Conley (resigned 20 February 2012)



19 GENERAL DISCLOSURE (CONTINUED)

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally-related entities at any time.

All Trustee transactions with related parties are conducted on normal commercial terms and conditions, or pursuant to normal membership terms and conditions.

Apart from those details disclosed in this note, no key management personnel have entered into a contract for services with the Fund since the end of the previous financial year and there were no contracts involving key management personnel existing at year end.

20 EXPLANATORY STATEMENT

(a) Estimate Comparisons

	Actual 2012 \$	Unaudited Estimate 2012 \$	Variation \$
Interest	374,593	300,000	74,593
Dividends	73,881	10,000	63,881
Trust distributions	694,009	900,000	(205,991)
Rental income	16,996	17,000	(4)
Changes in NMV	(1,430,422)	9,000,000	(10,430,422)
Direct invest expense	(44,405)	5,000	(49,405)
Contribution revenue	12,209,419	11,135,000	1,074,419
Insurance proceeds	25,684	200,000	(174,316)
Changes NMV assets	(14,660)	(15,000)	340
TOTAL REVENUE	11,905,095	21,552,000	(9,646,905)
General admin expenses	643,492	575,000	68,492
Group life premiums	198,006	200,000	(1,994)
Benefits paid	7,270,235	6,000,000	1,270,235
TOTAL EXPENSES	8,111,733	6,775,000	1,336,733
NET SURPLUS/ (DEFICIT)	3,793,362	14,777,000	(10,983,638)
Income Tax Expense	910,793	1,000,000	89,207
NET SURPLUS AFTER TAX	2,882,569	13,777,000	(10,894,431)
Net Assets beginning of period	156,562,993	156,562,993	-
Net Assets end of period	159,445,562	170,339,993	(10,894,431)

20 EXPLANATORY STATEMENT
(CONTINUED)

Explanation of Significant Variances

Trust Distributions

Trust distributions are dependent on the investment performance of the underlying unit trust. Distributions are declared at the discretion of the Trustee and are a function of the revenue earned by the trust in a particular reporting period. This amount will vary from year to year depending on the circumstances of the trust.

Changes in Net Market Value

Changes in the net market value of investments are largely determined by investment market conditions prevailing during and at the reporting date. Market volatility makes the estimation of changes in investment values very difficult to estimate.

Contributions

Members can elect to make additional salary sacrifice and member contributions, which the Fund estimated would be a similar amount to the previous year. Members elected to contribute more than anticipated.

Benefits Paid

The estimate for benefits paid was based on benefits paid in prior years. However, as benefit payments are a function of members terminating employment, the Fund is unable to accurately estimate the number of members who will receive benefit payments in any period.

Income Tax Expense

Income tax expense was lower than anticipated due to a variance in expected contribution revenue.



20 EXPLANATORY STATEMENT
(CONTINUED)

(b) Actual Comparisons

	Actual 2012 \$	Actual 2011 \$	Variation \$
Interest	374,593	287,995	86,598
Dividends	73,881	31,663	42,218
Trust distributions	694,009	1,048,051	(354,042)
Rental Income	16,996	16,405	591
Changes in NMV	(1,430,422)	10,508,090	(11,938,512)
Direct invest expense	(44,405)	3,009	(47,414)
Contribution revenue	12,209,419	11,337,391	872,028
Insurance proceeds	25,684	341,712	(316,028)
Changes NMV assets	(14,660)	(23,114)	8,454
TOTAL REVENUE	11,905,095	23,551,202	(11,646,107)
General admin expenses	643,492	547,832	95,660
Group life premiums	198,006	186,490	11,516
Benefits paid	7,270,235	7,670,606	(400,371)
TOTAL EXPENSES	8,111,733	8,404,928	(293,195)
NET SURPLUS/ (DEFICIT)	3,793,362	15,146,274	(11,352,912)
Income Tax Expense	910,793	1,137,116	(226,323)
NET SURPLUS AFTER TAX	2,882,569	14,009,158	(11,126,589)
Net Assets beginning of period	156,562,993	142,553,835	14,009,158
Net Assets end of period	159,445,562	156,562,993	2,882,569

Explanation of Significant Variances

Trust Distributions

Trust distributions are dependent on the investment performance of the underlying unit trust. Distributions are declared at the discretion of the Trustee and are a function of the revenue earned by the trust in a particular reporting period. This amount will vary from year to year depending on the circumstances of the trust.

Changes in Net Market Value

Investment values decreased overall during the financial year due to generally difficult and volatile investment markets.

20 EXPLANATORY STATEMENT
(CONTINUED)

Contribution Revenue

Members can elect to make additional salary sacrifice contributions and member contributions at their discretion. Members elected to contribute more than they did in the previous year.

Benefits Paid

Benefit payments are lower than the previous year, as the previous year was abnormally high compared to previous years.

Income Tax Expense

Income tax expense was lower than the prior year due to lower contribution revenue and trust distributions in the current year.

21 FINANCIAL INSTRUMENTS

The Fund's assets principally consist of financial instruments which comprise units in pooled superannuation trusts, insurance policies, equities in listed entities and units in unlisted trusts. It holds these investment assets in accordance with the Trustee's published investment policy statement.

The allocation of assets between the various types of financial instruments is determined by the Trustee who manages the Fund's portfolio of assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund on at least a quarterly basis.

The Fund's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Trustee of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.



21 FINANCIAL INSTRUMENTS (CONTINUED)

The Trustee is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's investment managers, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

In managing and monitoring the risks the Trustee receives quarterly reports from the Fund's investment consultant and management to monitor compliance with the Fund's investment policy statement. The Fund's investment consultant provides recommendations in their quarterly report in relation to the review or retention of investments. The Trustee appoints the investment consultant to complete independent reviews of the Fund's investments when they consider it necessary.

The Fund's Trustee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

Categories of financial instruments

The assets and liabilities of the Fund are recognised at net market value as at the reporting date. Net market value approximates fair value less costs of realisation for investments. The cost of realisation is minimal and therefore net market value that is carrying value approximates fair value. Changes in net market value are recognised through the Statement of Changes in Net Assets.

21 FINANCIAL INSTRUMENTS (CONTINUED)

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency Risk

The Fund invests in Australian domiciled investments where the underlying investments may include overseas equities. These investments are all denominated in Australian dollars.

Interest rate risk

The majority of the Fund's financial assets are non-interest-bearing. The Fund's only direct interest bearing financial instruments is in a cash management trust and term deposit. The Fund invests in Australian domiciled pooled superannuation trusts, insurance policies, listed entities and unlisted trusts where the underlying investments may include interest bearing financial instruments. As a result, the Fund may be subject to indirect exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents of the Fund are invested in an interest bearing bank account.

As the interest rates on the Fund's bank account and cash management trust are floating rates and vary with market interest rates, any change in interest rates will have no impact on the valuation of the account. The amount of interest the Fund receives after interest rate changes is dependent on the Fund's bank balance in the future. As any increase or decrease in interest likely to be received is immaterial, a sensitivity analysis was not performed.



21 FINANCIAL INSTRUMENTS (CONTINUED)

Other market price risk

Other market price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the Fund's financial instruments are valued at net market value with changes in net market value recognised in the Statement of Changes in Net Assets, all changes in market conditions will directly affect investment revenue.

The Trustee has determined that the standard deviation of the rate of return for the Fund will provide a reasonably possible change in the prices of the investments. The five year average standard deviation of rates of return for the Fund, were provided by the Fund's asset consultant. The following table illustrates the effect on change in net assets after tax and net assets available to pay benefits from possible changes in market price risk.

Sensitivity variable	Standard Deviation	Change in accrued benefits as a result of Operations \$	Net Assets available to pay benefits \$
Benchmark standard deviation – 2012	11.2%	16,684,723	16,684,723
Benchmark standard deviation – 2011	10.9%	16,295,634	16,295,634

A positive or negative rate of return equal to the standard deviations above would have an equal but opposite effect on the Fund's investment revenue, on the basis that all other variables remain constant.

Standard deviation is a useful historical measure of the variability of return earned by an investment portfolio. The standard deviations above provide a reasonable sensitivity variable to estimate each asset classes' expected return in future years.

Actual movements in returns may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

21 FINANCIAL INSTRUMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The net market value of financial assets, included in the Statement of Net Assets represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not have any significant exposure to any individual counter party or industry. The credit risk is monitored by the Trustee by quarterly reporting from its investment consultant.

The Fund does not have any assets which are past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity position is monitored on a weekly basis. The Fund's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, Fund expenses and investing activities.

The following tables summarise the expected maturity profile of the Fund's financial liabilities based on the earliest date on which the Fund can be required to pay. The amounts in the table are the contractual undiscounted cash flows.



21 FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2012	Less than 3 months \$	3 Months to 1 year \$	Total Contractual Cash Flows \$	Carrying Amount (Asset)/Liabilities \$
Creditors & accruals	202,056	-	202,056	202,056
Current tax liabilities	259,375	78,150	337,525	337,525
Vested benefits	152,883,215	-	152,883,215	152,883,215
Total	153,344,646	78,150	153,422,796	153,422,796

30 June 2011	Less than 3 months \$	3 Months to 1 year \$	Total Contractual Cash Flows \$	Carrying Amount (Asset)/Liabilities \$
Benefits payable	342,701	-	342,701	342,701
Creditors & accruals	262,525	-	262,525	262,525
Current tax liabilities	365,154	(75)	365,079	365,079
Vested benefits	144,826,084	-	144,826,084	144,826,084
Total	145,796,464	(75)	145,796,389	145,796,389

Vested benefits have been included in the less than 3 months column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

Fair Value Estimation

The carrying amounts of all the Fund's financial instruments at the balance date approximated their fair values.

Derivative financial instruments

The Fund's investment managers may use derivative financial instruments to reduce risks in the share, bond and currency markets and to increase or decrease the Fund's exposure to particular investment classes or markets.

21 FINANCIAL INSTRUMENTS (CONTINUED)

Fair Value of Financial Instruments

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The column for Level 3 has not been disclosed as no financial instruments are in this level.

30 June 2012	Level 1	Level 2	Total
Financial assets at fair value through profit or loss			
<i>(i) Listed equities and managed investment schemes</i>			
- Listed equity securities	1,044,889	-	1,044,889
- Unlisted managed investment schemes	-	15,743,792	15,743,792
- Insurance policies	-	25,755,553	25,755,553
- Pooled super trusts	-	104,053,610	104,053,610
<i>(ii) Interest bearing securities</i>			
- Bank deposits	9,042,423	-	9,042,423
	<hr/>	<hr/>	<hr/>
	10,087,312	145,552,955	155,640,267
	<hr/>	<hr/>	<hr/>
30 June 2011	Level 1	Level 2	Total
Financial assets at fair value through profit or loss			
<i>(i) Listed equities and managed investment schemes</i>			
- Listed equity securities	1,783,699	-	1,783,699
- Unlisted managed investment schemes	-	16,784,945	16,784,945
- Insurance policies	-	25,422,526	25,422,526
- Pooled super trusts	-	103,774,558	103,774,558
<i>(ii) Interest bearing securities</i>			
- Bank deposits	7,037,898	-	7,037,898
	<hr/>	<hr/>	<hr/>
	8,821,597	145,982,029	154,803,626
	<hr/>	<hr/>	<hr/>



22 ACTUARIAL REPORT

The triennial actuarial review of the Fund was undertaken at 30 June 2009.

The benefits of defined benefit members continue to be based on the benchmark amount at the time of the benefit payment. The benchmark amount is increased each year in line with the annual increase in Average Weekly Ordinary Time Earnings. Over the three year period, the increase in the benchmark amount was an average of 4.6%.

The average investment return for the Fund over the last three years to 30 June 2009 was -1.8% per annum, net of tax and investment expenses.

The corresponding smoothed Fund return averaged -0.8% per annum which was less than the increase in salaries of 5.4% per annum over the three years to 30 June 2009.

The Fund's actuary is Janice Jones, FIAA.

Based on the triennial actuarial review undertaken at 30 June 2009 the actuary has advised that the Fund is in a sound financial position, and the benefits of all members remain well secured by the current level of assets. Projections for the next ten years indicate that the Fund is likely to remain in a satisfactory financial position, with the current level of assets, together with the future contributions and investment earnings, being adequate to cover members accruing benefits.

The member's benefits on resignation/retirement (Minimum Vested Benefits) are all well covered by the existing assets, as are the retrenchment benefits. Details of Minimum Vested Benefits are as follows:-

Minimum Vested Benefits

This ratio measures the extent to which the minimum entitlements of contributing members are covered by the net market value of assets of the Fund. The minimum entitlements are those benefits payable if all members voluntarily resigned or retired, where aged over 55, as at the valuation date.

For the purposes of calculating the vested benefits, the Actuary has assumed that the resignation benefit is to be the cash/transfer resignation benefit.

22 ACTUARIAL REPORT (CONTINUED)

Before calculating this ratio, the net market value of assets must be reduced by those assets representing the accumulation account liabilities and the accumulation investment fluctuation reserve (that is the accumulation assets)..

In the case of retained members, it was assumed that the retained benefit was transferred out of the Fund, using the current discount rate of 0% per annum.

	\$
Net Market Value of Assets:	124,132,898
less:	
Accumulation assets attributable to Accumulation benefits	43,747,366
	<hr/>
Net market value of defined benefits	80,385,532
	<hr/>
Vested Benefits for defined benefits (Category A and Retained)	76,274,116
	<hr/>
Minimum vested benefits ratio:	105%

A ratio of 105% represents a satisfactory level of cover for the Fund's minimum vested benefits. The vested benefits ratio at the last actuarial review at 30 June 2006 was 135% and has been primarily reduced due to the global financial crisis.

23 SUBSEQUENT EVENTS

There have been no events subsequent to balance date which would have a material effect on the Fund's financial statements at 30 June 2012.



CERTIFICATION OF FINANCIAL STATEMENTS

"The accompanying financial statements of the Coal Industry Superannuation Fund have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions of the Fund for the year ending 30 June 2012 and the financial position as at 30 June 2012.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate".


CHAIRMAN

11/9/2012
DATE


MEMBER

11/9/2012
DATE


G E PEIRCE
CHIEF FINANCE OFFICER

11/9/2012
DATE



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

COAL INDUSTRY SUPERANNUATION BOARD

Report on the Financial Statements

I have audited the accounts and financial statements of the Coal Industry Superannuation Board.

The financial statements comprise the Statement of Net Assets as at 30 June 2012, and the Statement of Changes in Net Assets for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 statements. 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 Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Coal Industry Superannuation Board at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Coal Industry Superannuation Board during the year ended 30 June 2012.

Controls exercised by the Coal Industry Superannuation Board are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Coal Industry Superannuation Board based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Board complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Coal Industry Superannuation Board are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Coal Industry Superannuation Board for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Coal Industry Superannuation Board are relevant and appropriate to assist users to assess the Board's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Coal Industry Superannuation Board for the year ended 30 June 2012 included on the Board's website. The Board's management is responsible for the integrity of the Board's website. This audit does not provide assurance on the integrity of the Board's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
14 September 2012



PERFORMANCE INDICATORS

The Coal Industry Superannuation Board's primary outcome is to:

Apply the Coal Industry Superannuation Act 1989 fairly and equitably for members of the Coal Industry Superannuation Fund. In doing so, ensuring benefit payments are made in accordance with the Coal Industry Superannuation Act, compliance with other relevant legislation and maintaining the viability of the Fund for both current and future members.

- (a) Trustee issues
- (b) Trust Deed Amendments
- (c) Investments
- (d) Information Disclosure
- (e) Contributions
- (f) Benefit Issues
- (g) Administrative Matters
- (h) Employer Issues
- (i) Actuaries and Auditors

EFFECTIVENESS INDICATORS

PERFORMANCE INDICATOR

'TO ENSURE COMPLIANCE WITH COMMONWEALTH GOVERNMENT SUPERANNUATION STANDARDS TO ENABLE THE FUND TO BE TAXED AT THE REDUCED RATE OF 15% TAXATION IN LIEU OF THE TOP MARGINAL RATE OF 45%'

From 1 July 1988 superannuation funds such as the Coal Industry Superannuation Fund have been liable to taxation on all earnings of the Fund. The Coal Industry Superannuation Fund has been granted compliance status by the Commissioner of Taxation as a complying superannuation fund since inception to 30 June 1994 and the Coal Industry Superannuation Board has made an irrevocable election for the Fund to be a Regulated Superannuation Fund under the SIS legislation.

As a complying fund, the Fund has been taxed at the reduced rate of 15% in lieu of the top marginal rate of 45% thus ensuring members funds are protected.

No audit report required pursuant to the Superannuation Industry Supervision (SIS) legislation has ever reported any breaches for the Fund.

NOTES:

This indicator is a key indicator in ensuring the Fund's compliance with Commonwealth Government Superannuation Standards ensuring a reduced taxation rate. Compliance also covers other administrative aspects of the Fund relating to:

PERFORMANCE INDICATOR

'THE EXTENT TO WHICH THE FUND'S LIABILITIES ARE COVERED BY THE ASSETS'

A triennial Actuarial Review of the Fund was undertaken as at 30 June 2009.

The Actuary has indicated that the Fund is in a sound financial state and that assets are sufficient to cover:

Minimum Vested Benefits

This ratio measures the extent to which the minimum entitlements of contributing members are covered by the net market value of assets of the Fund. The minimum entitlements are those benefits payable if all members voluntarily resigned or retired, where aged over 55, as at the valuation date.

For the purposes of calculating the vested benefits, the Actuary has assumed that the resignation benefit is to be the cash/transfer resignation benefit.

Before calculating this ratio, the net market value of assets must be reduced by those assets representing the accumulation account liabilities and the accumulation investment fluctuation reserve (that is the accumulation assets).

Minimum Vested Benefits Ratio: 105%

A ratio of 105% represents a satisfactory level of cover for the Fund's minimum vested benefits.

NOTES:

This indicator has been derived to ensure the viability of the Fund is monitored, therefore allowing adjustments to benefits or contributions to be made if necessary.



EFFICIENCY INDICATORS

(i) TO ENSURE MEMBERS RECEIVE PROMPT BENEFIT PAYMENTS.

Payments to Fund members are processed by the Board immediately the Board receives coal mining companies fortnightly contribution returns which provide Fund members ceasing details.

'AVERAGE TIME TAKEN TO PROVIDE A BENEFIT PAYMENT TO FUND MEMBERS.'

A total of 93 benefit payments were made during 2011/12 compared to 76 benefit payments during 2010/11. The following comparative tables reflect the time taken to process benefits once the members ceasing details are received. Payments made later than 14 days were due to members indecision on benefit rollovers.

2011/12		
Days	No. of Benefits	%
1 - 5 days	91	98
6 - 14 days	2	2
15 - 28 days	-	-
over 28 days	-	-
	<u>93</u>	<u>100</u>

2010/11		
Days	No. of Benefits	%
1 - 5 days	71	94
6 - 14 days	4	5
15 - 28 days	1	1
over 28 days	-	-
	<u>76</u>	<u>100</u>

2009/10		
Days	No. of Benefits	%
1 - 5 days	48	89
6 - 14 days	5	9
15 - 28 days	1	2
over 28 days	-	-
	<u>54</u>	<u>100</u>

2008/09		
Days	No. of Benefits	%
1 - 5 days	71	88
6 - 14 days	10	12
15 - 28 days	-	-
over 28 days	-	-
	<u>81</u>	<u>100</u>

2007/08		
Days	No. of Benefits	%
1 - 5 days	55	87
6 - 14 days	8	13
15 - 28 days	-	-
over 28 days	-	-
	<u>63</u>	<u>100</u>

(ii) THE EXTENT TO WHICH THE COST OF ADMINISTERING THE FUND IS MINIMISED.

	2011/12	2010/11
Administration expenses	\$643,492	\$547,832
Percentage of Contributions received	5.27%	4.81%
Percentage of Total assets	0.40%	0.35%

	2010/11	2009/10
Administration expenses	\$547,832	\$505,804
Percentage of Contributions received	4.81%	5.24%
Percentage of Total assets	0.35%	0.35%

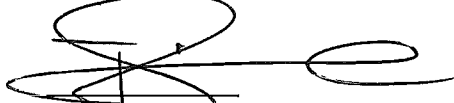
	2009/10	2008/09
Administration expenses	\$505,804	\$457,284
Percentage of Contributions received	5.24%	4.56%
Percentage of Total assets	0.35%	0.37%


	2008/09	2007/08
Administration expenses	\$457,284	\$400,321
Percentage of Contributions received	4.56%	3.83%
Percentage of Total assets	0.37%	0.28%

	2007/08	2006/07
Administration expenses	\$400,321	\$347,212
Percentage of Contributions received	3.83%	2.98%
Percentage of Total assets	0.28%	0.23%

CERTIFICATION OF PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Coal Industry Superannuation Board's performance, and fairly represent the performance of the Coal Industry Superannuation Board for the financial year ended 30 June 2012.


 CHAIRMAN 11/9/2012
DATE


 MEMBER 11/9/2012
DATE



ANNUAL ESTIMATES 2011/12

(NOT SUBJECT TO AUDIT)

	Estimate 2012/13	Actual 2011/12
Investment Revenue		
Interest	400,000	374,593
Dividends	50,000	73,881
Trust Distributions	720,000	694,009
Rent Received	18,000	16,996
Changes in Net MV	2,000,000	(1,430,422)
Direct Invest Expenses	(50,000)	(44,405)
	3,138,000	(315,348)
Contribution Revenue		
Employer Contributions	6,100,000	5,899,943
Salary Sacrifice Conts	2,000,000	2,775,842
Member Contributions	1,250,000	1,196,908
Transfers In	1,400,000	2,346,726
	10,750,000	12,209,419
Other Revenue		
Insurance Proceeds	50,000	25,684
Changes NMV Other Assets	(15,000)	(14,660)
	35,000	11,024
TOTAL REVENUE	13,923,000	11,905,095
EXPENSES		
Administration Expenses	575,000	643,492
Group Life Premiums	200,000	198,006
Benefits Paid	6,000,000	7,270,235
Merger Expenses	400,000	-
	7,300,000	8,111,733
CHANGES IN NET ASSETS BEFORE TAX		
	6,623,000	3,793,362
Income Tax Expense	1,000,000	910,793
CHANGES IN NET ASSETS AFTER TAX		
	5,623,000	2,882,569
Net Assets Available to Pay Benefits (Beg. of Period)	159,445,562	156,562,993
	165,068,562	159,445,562
	=====	=====

OUTCOME MEASURES

(NOT SUBJECT TO AUDIT)

Outcome:

To provide superannuation and related benefits to members of the Fund in accordance with legislative requirements.

Output:

Provision of Superannuation service to members.

Description:

This output involves the induction of new members, receipt of contributions, investment of funds, reporting to members and payment of benefits.

Output Measures:

Quantity

Number of members serviced

2011/12 Actual	2012/13 Target
1230	1300

Assets under management

2011/12 Actual	2012/13 Target
\$159M	\$165M

Quality

Number of Audit Exceptions

2011/12 Actual	2012/13 Target
Nil	Nil

Investment return compared to median fund manager

2011/12 Actual	2012/13 Target
0.04%	4%

Timeliness

Average time to satisfy member queries

2011/12 Actual	2012/13 Target
24hrs	24hrs

Cost

Management Expense Ratio (MER)

2011/12 Actual	2012/13 Target
0.61	0.61