

MINING AND ENERGY UNION (MEU) (Union)

Union Expenditure Policy (incorporating Procurement and Delegations)

1. Background

The following policy framework has been developed in accordance with the obligation of MEU Rule 12(vi) which requires the Union to have internal control policies and procedures relating to the expenditure of the Union.

The policy has been approved by the Central Council of the MEU and is to be made available to Members of the Union by publication on the Union's website – www.meu.org.au.

The purpose of this policy is to:

- a) Promote the best and most efficient use of Union resources in the protection and advancement of Members' social and economic interests.
- b) Provide a clear set of policies and standards that are understood by and applied by all Officials and Employees of the Union.
- c) Adopt clear and transparent policies, practices, procedures, and decision-making structures regarding the finances of the Union.
- d) Provide for a hierarchy of authority regarding approvals for purchasing goods and services and expenditure of Union monies, including identifying levels of delegation.
- e) Adopt tendering and procurement guidelines that ensure probity and value for money when purchasing goods and services.
- f) Ensure clear guidelines exist and are applied in relation to all expenditure of funds, cash and asset management, use of any credit facilities including but not limited to credit cards and reimbursement of expenses.
- g) Engage Members in the governance of their Union and ensure that Members are aware of the policies of the Union relating to expenditure.

2. Applicability

This policy applies to all Officials and all Employees of the National Office of the MEU, including any MEU owned subsidiaries and any Employees associated with Joint Ventures and Alliances to which the MEU is a party.

3. Exclusions

Nil

4. Actions and Responsibilities

All payments made within the Union are expected to:

- Comply with the Rules of the Organisation.
- Comply with applicable policies of the Union.
- Be in pursuit of the Objects of the Union.
- Be in the best interests of the Members of the Union.
- Represent appropriate value for the goods and services provided or purchased.
- Have appropriate verbal or written authorisations.
- Maintain all required accounting records.
- Maintain all relevant supporting documentation.
- Maintain safe custody and care of Union owned property.

- Not bring the Union into disrepute.

5. Fraud and Corruption Controls

The Union has implemented and maintains a control framework to ensure the safeguarding of all Union assets and appropriate protection against any possible fraud and corruption. These controls include (but are not limited to):

- Separation of duties.
- Appropriately skilled and trained staff.
- Externally sourced, but appropriately skilled and trained financial professionals.
- Appropriate accounting and document storage systems.
- Proper authorisation processes and procedures.
- Clear permissions and delegation framework.
- Independent external oversight of processes and transactions (audit).
- Independent internal review (internal audit).
- Conflict of interest management and declarations required by Officials and Staff.
- Policy and procedure implementation and reviews.

6. Authorisation and Documentation

Authorisation for all Union expenditure and asset purchases is to be made in accordance with the Union's rules and register of Delegated Authorities. All payments incurred must be appropriately signed/authorised by at least two (2) of the General President, General Secretary, Operations Manager, Finance Manager or other Employees with delegated authority, appointed by the Central Executive to process and/or make payments on behalf of the Union and in accordance with this policy.

The National Office Finance Team (both internal and external) will keep storage by hard copy and/or electronic means of all completed transactions, reconciliations, receipts, or invoices for at least seven (7) years after the transaction takes place, or such other period as required under the *Fair Work (Registered Organisations) Act*.

7. Major Union Expenses

7.1. Payroll – Officials

Salaries and employment conditions for Officials are set by the Central Council of the Union. Approved rates, terms and conditions will be recorded in a written Statement of Remuneration and Other Conditions Document and be reviewed annually or as otherwise decided by Central Council.

7.2. Payroll – Employees

Salaries and employment conditions for Employees (other than Officials) will be negotiated by the General Secretary in consultation with the Central Executive. Approved rates, terms and conditions will be recorded in a written Employment Agreement and be reviewed in accordance with the Employment Agreement's terms.

The General Secretary and General President may jointly decide to approve a change in level and/or remuneration paid to an individual Employee, however, such approval must be reported at the next meeting of the Central Executive.

7.3. Payroll – General

Management of supporting payroll processes, forms and approvals will be undertaken by the Operations Manager and Finance Manager. Payments will be made to Employees in accordance with the specified terms contained in relevant Employment Agreements. Changes outside of

pre-approved Employment Agreements and termination pays will require authorisation from the General Secretary or General President.

7.4. Legal Expenses

Legal Expenses are incurred by the Union in conjunction with defending the rights of Members in the workplace and/or the Union.

7.4.1. Case Selection

All Members are equally important, but when deciding on which legal matters to pursue, a process of prioritising legal cases based on certain attributes will be undertaken. These will include but are not limited to;

- Number of Members affected.
- Likelihood of success.
- Financial outcomes expected for Members.
- Expected cost of running the case.
- Potential impact on industrial relations legislation and case law.
- Union capacity to perform the necessary work.
- External engagement of expertise (Barrister / Expert Witness)

7.4.2. Legal Fees

The Union will spend money on external legal advice to supplement the in-house resources employed by the Union. This may be where specific expertise is required or potential court appearances require specialist skills.

Where practical, legal fees payable to external law firms and other legal professionals will be agreed upon in advance of the case proceeding. At a minimum, a written agreement of the hourly rate payable will be provided in advance or as agreed in advance or annually with nominated firms or legal practitioners. Where the length and cost of the case is indeterminable, approval should be sought from the General President or General Secretary, subject to Delegations, in advance and reported to future Central Executive meetings.

7.4.3. Reporting and Review

Ongoing review of the outcomes, costs incurred, and the likelihood of success will be undertaken by the National Legal Director throughout the case with regular reporting updates provided to the General President, General Secretary and/or the Central Executive. Invoices received in relation to legal cases are to be reviewed by the National Legal Director before submission to the Finance Team for payment to ensure they are appropriate and consistent with the work being undertaken.

7.5. Union Events and Entertainment

In the ordinary course of business, the Union may hold events. These events may be, but are not limited to training and educating Members Officials and Staff, entertaining Members, entertaining guests, (including international guests, Officials, and Staff or other such reasons that is deemed appropriate. These events may be held within Union premises or at external venues. In line with the general expenditure principles, all events and entertainment expenditures must be for a valid reason and:

- In the interests of the Union.
- Provide the appropriate value for money for services provided.
- Be available to only guests who were appropriately invited.
- Meet all record keeping requirements for audit and tax purposes.

- Not bring the Union into disrepute.

7.5.1. Entertainment and Event Types

Acceptable types of entertainment include:

- Breakfast meetings.
- Union lunches and dinners.
- Union drinks events.
- Staff recognition/entertainment events.
- Event hospitality (international, sporting, cultural and political events).
- Other entertainment types as deemed appropriate and pre-approved by the General Secretary and/or General President.

Acceptable types of Events include:

- Conferences.
- Member engagement events.
- Training events.
- Working events (such as working meals).
- International events.
- Other event types as pre-approved by the General Secretary and/or General President.

7.5.2. Authorisation of Entertainment and Event Expenditure

All entertainment and event expenditures will be reviewed and authorised by the General Secretary, General President, or Operations Manager. Entertainment expenses may be incurred either by the issuance of invoices or incurred on Union issued credit cards in accordance with the MEU Credit Card Policy. Expenses that are made which are not in accordance with this policy will be deemed to be unauthorised and will be required to be repaid by the Employee in question. Where entertainment and event expenditures are expected to be greater than five thousand dollars (\$5,000), approval should be sought prior to arranging the event.

7.5.3. Major Events

All major MEU events, including the quadrennial National Convention of the Union and other large conferences, require a separate approval process which will include a detailed analysis of the associated costs and proposed benefits to the Union. Approval of major events will be made by the Central Executive and/or Central Council as required by the Union rules.

7.6. Building Expenses

The Union owns commercial and residential properties as part of our investment strategy. Ownership of such properties also allows the Union to minimise rental costs associated with operating the Organisation. The Union believes that proper management of real estate assets is important to ensure safety standards are met and maintained to ensure that the value of the building is not negatively impacted through neglect. To assist the Operations Manager in properly managing the operation of the building portfolio, the Union will engage a property manager. Appropriate contracts for ongoing maintenance of key building infrastructure will also be entered into. Key contracts will be reviewed periodically for ongoing appropriateness. The Operations Manager is authorised to fit out any new apartments and undertake the necessary repairs and upgrades as appropriate within delegation limits set by the policy or the General Secretary or General President.

The Union recognises that quality service and relationships are important in managing such significant assets, and whilst the cost and return on investments are important, they are not the only consideration.

The Union operates its activities from Nymboida House at 215-217 Clarence Street, Sydney and the key contracts associated with this building include:

- Cleaning.
- Lift maintenance.
- Air conditioning maintenance.
- Leasing agent (tenant management).
- Building management and maintenance.

7.7. Travel Expenses

Refer to Mining and Energy Union Travel Policy.

7.8. Motor Vehicle Expenses

Refer to Mining and Energy Union Motor Vehicle Policy.

7.9. Credit Card

Refer to Mining and Energy Union Credit Card Policy.

7.10. Loans, Grants and Donations

From time to time the Union may provide grants or donations to charitable and other worthy causes, as well as in support of political campaigns or agendas, consistent with the Objects of the Union. Grants and donations are provided on the basis that the Union receives no commercial benefit in return for making the payment.

The General President or General Secretary can approve a grant or donation of up to nine hundred and ninety-nine dollars (\$999). Beyond this amount requires approval by the Central Executive and/or the Central Council.

The Union may use “*gift cards*” where they are deemed as an appropriate method to provide a tangible “*gift*” (e.g. for a raffle prize at a school) in recognition of the grant or donation. Where gift cards are used, they are to be limited to below one thousand dollars (\$1,000) and additional reporting may be required to confirm receipt by the individual or organisation.

Loans will only be approved with the expressed permission of the Central Executive.

Reporting of all such payments will be undertaken in line with the Union Rules and any legislative requirements, for amounts above any threshold, as applicable.

7.11. Sponsorship and Fundraising Events

From time to time the Union may sponsor or attend fundraising events, activities, etc. Sponsorships are provided on the basis of a commercial benefit from the sponsorship payment, or the Union purchases an auction item or prize at a fundraising event. Sponsorships may also include supporting an event, activity, etc that has generally been sponsored by one of the Union’s Alliance partners, but for specific reasons that the Central Executive has approved, they cannot be taken up sponsorship, in which case the MEU can decide to take up in their name.

The General President or General Secretary are authorised to determine the value of any sponsorship arrangement or fundraising purchases of up to five thousand dollars (\$5,000)

individually or twenty thousand dollars (\$20,000) jointly. Sponsorships beyond this amount require approval by the Central Executive and/or the Central Council.

8. Union Assets

Union assets are to be acquired in line with the Union rules and for a purpose that is in the best interest of the Union, which provides appropriate value to the Union and meets the required needs of the intended user. A register of assets will be maintained outlining:

- Date of acquisition.
- Cost, including additional capital costs associated with the asset.
- Expected useful life.
- Custodian (as appropriate).
- Supporting documentation and authorisation.

Assets acquired are to be purchased in the name of the Union and are to remain the property of the Union until their useful life is complete, or they are disposed of in accordance with the policies of the Union. Custodians and users of Union assets are to take necessary precautions to ensure their protection and safety. Any damage is to be reported to the General Secretary, Operations Manager or Finance Manager immediately. Any wilful neglect of Union assets may lead to disciplinary action. Reasonable private use of Union assets is allowable unless expressly excluded. Any such exclusion will be provided in writing to the custodian/user.

Disposals of Union assets are to be made by an authorised person(s) only (General President, General Secretary, Operations Manager, or Finance Manager and/or refer to the Delegations section of this policy), be in the interest of the Union and provide reasonable value for the asset being disposed of (taking into consideration its age, condition, useful remaining life, and market available for sale).

Assets may be sold to Employees for reasonable consideration. Assets with little or no residual value may also be given to Employees at no cost with approval from the General President or General Secretary.

9. Procurement Requirements

The Union has implemented processes whereby suppliers can be compared to ensure the Union is getting value for money when making purchases. The records outlined below should be kept in accordance with relevant accounting practices and any requirements outlined in the *Fair Work (Registered Organisation) Act*. These requirements are outlined below.

Value of Goods/Services	Procurement Rules
Up to \$40,000	Oral quotations may be obtained for purchases up to \$5,000. It is not mandatory to obtain more than one (1) quotation for purchases up to \$40,000 however the purchase should still represent value for money. All such purchases must be authorised in line with the Union's Delegations practices.
Greater than \$40,000 but less than \$150,000	Written quotations for purchases must be obtained in writing. Although it is not mandatory to obtain two (2) quotations for purchases less than \$150,000, those authorised to approve expenditure must be satisfied, and be able to justify, that the recommended supplier is price competitive for the particular requirement and/or the specific purchase proposal is to the advantage of the Union, whilst having regard to such factors as:

Value of Goods/Services	Procurement Rules
	<ul style="list-style-type: none"> - standard of service; - quality of product; - proximity to requirement; - delivery times; - convenience; and - cost of acquisition. <p>Regardless of the number of quotations obtained, the quotations obtained must be in line with the market value of such goods or services.</p> <p>In the interests of good governance, multiple quotes should be obtained where possible.</p>
Greater than \$150,000	<p>For purchases greater than \$150,000, the Union will seek at least two (2) quotations, which should be invited in writing. This may be as part of a publicly advertised tender process, or through a closed tender process with the Union inviting formal quotations from the preferred supplier list.</p> <p>The following supporting documentation are to be maintained in respect to each transaction:</p> <ul style="list-style-type: none"> - delegated authority to submit the goods or services to tender and/or quotation; - details of for whom, where and why the goods or services are required, in line with the Union’s strategy, budget, operational plans and/or objectives; - a list of those asked to submit a quotation; - a copy of the written request for quotation; - copies of quotations obtained; - criteria used for selecting those asked to submit a quotation; - if fewer than two (2) quotations obtained, reasons why; - full explanation, justification, or recommendation for acceptance of the quotation. This recommendation should address all specified selection criteria.

10. Preferred Suppliers

Preferential consideration may be given to suppliers by the Union in circumstances whereby these suppliers have previously provided goods or services which may form part of a larger project or longer-term strategy. For example – building upgrades that are being undertaken progressively. In such circumstances, it may only be necessary to obtain one (1) quote provided that the costs are consistent with previous work and that they still represent good value to the Union.

11. Payment Methods

The Union will make payments in accordance with the Union rules through the use of commonly accepted payment methods. Including:

- EFT (including international transfers as required).
- Credit Card.
- BPay
- Petty Cash.

Where petty cash funds are used, the funds are to remain in a secure place, be properly reconciled regularly and be used only for legitimate Union purposes. Each expense will be accompanied by a completed summary slip with the appropriate receipt attached.

12. Register of Delegated Authorities

The delegated authorities noted below outline the types of transactions and the levels at which the General Secretary, General President, Finance Manager, and/or Operations Manager can act on behalf of the Union, either individually or jointly.

General President / General Secretary			
Transaction Type	Commentary	Limit / Conditions	Delegated From
Contracts	Execute contracts and agreements committing the Union to expenditure	Up to \$35,000 individually or \$100,000 jointly without prior approval of Central Executive	Central Council
Expenditure	Commit the Union to expenditure in line with endorsed decisions of the relevant bodies	In accordance with the relevant decision	Central Council Central Executive
Leasing and Service Provisions	Negotiate leasing terms for existing service providers. New Services, including residential property leasing	No limit applicable for existing service providers, however for new services above \$100,000 or for terms greater than three (3) years require Central Executive approval	Central Executive
Building Leases	Negotiate leasing terms with current and potential tenants	No limit is applicable however, endorsement of final terms for leases greater than three (3) years requires Central Executive approval	Central Executive
Accounting Services	Manage the relationship with external firm	Includes amending arrangements and engagement of additional resources as required	Central Executive
Auditors	Engagement Negotiate audit fees with auditor Other project work fees	Must be FWC registered and appointed as per the rules by Central Council. Audit fees disclosed in accounts and renewal fee arrangements to be agreed with the General Secretary Other projects fees up to \$35,000 individually or \$100,000 jointly without prior approval of the Central Executive	Central Council Central Executive
Bank Accounts	Open and close Union bank accounts	Funds to remain within Union name	Central Council

Credit Cards	Approval, issuance, set limits	In line with Credit Card policy	Central Council
Transactions	Capacity to undertake expense transactions on behalf of the Union, including by EFT, and other acceptable forms of payment	In accordance with this policy and for the purpose of fulfilling ordinary expenditure for the operation of the Union	Central Council
Legal costs	Approval to commence legal cases and the use of outside legal or expert assistance. Regular reports are provided to the Central Executive on legal cases	Estimated costs limits \$75,000 individually or \$200,000 jointly.	Central Executive
Banking	Choice of and liaison with banking institutions	Minimum of two (2) signatories on all accounts and in accordance with section 5 of this policy	Central Council
Insurance	Obtain relevant business insurance	For existing insurance products up to \$100,000 and for new products up to \$35,000 without prior Central Executive approval	Central Council
Donations	International and domestic donations	Approval up to \$999 individually. Up to \$50,000 requires Central Executive approval. Above \$50,000 requires Central Council approval	Central Council
Sponsorships	Are provided based on a commercial benefit for the sponsorship arrangement or fundraising purchases or consistent with clause 7.11.	Up to \$5,000 individually or \$20,000 jointly	Central Executive
Asset Purchases	Motor vehicles, electronic equipment, and other work-related office equipment (e.g. computers, screens, etc)	Motor vehicles in accordance with relevant policy budget limits and up to an additional \$40,000 for exclusion – “ <i>fit for purpose</i> ” enhancements, unless otherwise delegated in the Motor Vehicle Policy. Electronic or office equipment above \$5,000 and up to \$35,000 individually or jointly up to \$100,000 without prior authorisation from Central Executive or Central Council	Central Council

Asset Purchases	Buildings (commercial and residential), and significant upgrades to existing buildings	Prior authority from Central Council for any commercial building purchase and from Central Executive for any residential property purchases. Prior authority from Central Executive for any residential upgrades over \$20,000 or commercial property upgrades over \$100,000.	Central Council
Investments	Investment in cash assets (term deposits etc)	Up to \$5,000,000 per transaction without prior Central Executive or Central Council approval. Must be invested with approved Australian ADI and remain within Union name.	Central Executive
Investments	Investment in publicly listed shares (domestic and/or international)	Up to \$20,000 per company without prior Central Executive or Central Council approval.	Central Council
Investments	Investment in Managed Funds and/or other listed/private investments	Up to \$100,000 without prior approval of Central Executive. Greater than \$100,000 require Central Council approval, unless already approved through a broader Discretionary Management Service agreement	Central Council
Investments	Discretionary Manager Services	General Secretary can determine matters escalated from Finance Manager, including review and sign off on annual DMS reviews, costs and appropriateness of new products, if proposed.	Central Executive
Sign-off documents	Delegated to sign any documents for effective operation of Union and/or assets	General Secretary can determine matters escalated from the Finance Manager, Operations Manager, United Joint Venture representatives (including other shareholders) for matters such as but not limited to granting access to easements, supporting mining licences and consents, etc.	Central Executive

Unless otherwise stated in the table, the following delegations are for the Operations Manager and/or the Finance Manager. The nature of most matters relating to matters of finance are dealt with by the Finance Manager in the first instance and approved by the Operations Manager as sign off.

Operations Manager and/or Finance Manager			
Expenditure Type	Commentary	Limit	Delegated From
Contracts	Execute contracts and agreements committing the Union to expenditure **	Up to \$20,000 ** without prior approval of General Secretary	General Secretary
Expenditure	Commit the Union to expenditure in line with endorsed policy decisions of relevant bodies	In accordance with the relevant decision, and at the request of the General Secretary and/or General President	Central Council Central Executive General Secretary
Leasing and Service Provisions	Negotiate leasing terms for existing service providers New services, including residential property leasing	In consultation with the General Secretary, with no limit applicable for existing service providers, however, for new services above \$100,000 or for terms greater than three (3) years require Central Executive approval	Central Executive
Building Leases	Negotiate leasing terms with current and potential tenants	In consultation with the General Secretary, with no limit applicable, however endorsement of final terms for leases greater than three (3) years require Central Executive approval.	Central Executive
Auditors	Engagement Negotiate audit fees with auditor Other project work fees	Operations Manager Operations Manager Other project fees below \$35,000	General Secretary
Bank Accounts	Open and close Union bank accounts	At the request of the General Secretary, however funds must remain within Union name	General Secretary
Credit Cards	Issuance within set limits and oversight of usage	In line with Credit Card policy	General Secretary
Transactions	Capacity to undertake expense transactions on behalf of the Union, including by EFT, and other acceptable forms of payment	In accordance with this policy and for the purpose of fulfilling ordinary expenditure for the operation of the Union	General Secretary
Transactions	Authorise administration staff to conduct credit card transactions	In line with credit card and credit card delegations – for general office expenditure	General Secretary

Banking	Choice of and liaison with banking institutions	Minimum of two (2) signatories on all accounts and in accordance with section 5 of this policy	General Secretary
Insurance	Obtain relevant business insurance	In consultation with the General Secretary for existing insurance products up to \$100,000 and for new products up to \$35,000 without prior Central Executive approval	General Secretary
Donations	International and domestic Donations	Requires prior authorisation from General Secretary, General President, Central Executive or Central Council	General Secretary
Asset Purchases	Motor vehicles, electronic equipment and other work-related office equipment (e.g. computer, screens, mobile phones, etc)	Motor vehicles are in accordance with relevant policy budget limits. Electronic and office equipment up to \$5,000 per item without prior authorisation from the General Secretary. Above \$5,000 requires prior approval from General Secretary and/or General President	General Secretary
Asset Purchases	Buildings (commercial and residential), and significant upgrades to existing buildings	Prior authority from Central Council for any commercial building purchase, and from Central Executive for residential property purchases. Prior authority from General Secretary, General President, or Central Executive for any residential or commercial property upgrades over \$15,000 Fit out of new apartments within limits set by General Secretary or General President up to \$50,000	General Secretary Limits set by Central Executive above \$50,000
Investments	Investment in cash assets (term deposits etc)	Up to \$5,000,000 per transaction without prior General Secretary, General President, Central Executive or Central Council approval. Must be invested with approved Australian ADI and remain within Union name.	General Secretary

Investments	Investment in publicly listed shares (domestic and international)	Up to \$10,000 per company without prior General Secretary, General President, Central Executive or Central Council approval.	General Secretary
Investments	Investment in Managed Funds and/or other listed/private investments	Up to \$10,000 without prior approval of General Secretary, General President, or Central Executive.	General Secretary
Investments	Discretionary Manager Services	All relevant and necessary administrative functions including determining whether a matter raised by the DMS Manager should be escalated to the General Secretary. Such as reviews and sign off on annual DMS reviews, changes to costs and the appropriateness of new products, if proposed.	General Secretary
Tax Payments	Make tax payments in accordance with legal requirements	Amounts as required to comply with the law	General Secretary
Inter group bank account transfers	Make payments within the Union and its Divisions or with other M&E owned subsidiaries and associated Joint Ventures and Alliances to which the M&E is a party	Amounts in fulfilment of arrangements in place	General Secretary

** Limit excludes intergroup bank account transfers, cash investments, wages, superannuation, and tax payments

13. Next Review Date: September 2026

Record of Policy Review and Amendments			
Date	Reference	Nature of Review/Amendment	Approved By
17 November 2020	Approval	Updated Policy in new format	Central Council
4 February 2022	Approval	Updated MEU and Logo	Central Executive
11 March 2022	Approval	Clarification on leasing property	Central Council
30 June 2022	Approval	Updated Authorised Users Clause and removed CFO	Central Executive
23 September 2022	Approval	Updated to reflect changes in role and other approved delegations, grammar, and review	Central Council
14 March 2024	Approval	Update to reflect Withdrawal from CFMMEU, increase limits due to economy cost increases, minor grammar, add delegation to sign any documents for effective operation of Union and/or assets, and bi-annual review.	Central Executive and Central Council