



12 August 2021

Gregory Busson
District Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western
Australia District Branch
Sent via email: cfmeumwa@highway1.com.au
CC: neil.pace@moore-australia.com.au

Dear Gregory Busson,

**Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division
Western Australia District Branch
Financial Report for the year ended 31 December 2020 – (FR2020/266)**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Construction, Forestry, Maritime, Mining and Energy Union-Mining and Energy Division Western Australia District Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 15 June 2021.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Statement of cash flow

The financial statement included on page 9 in the lodged financial report appears to be the statement of cash flows, however the heading states that this is the *Detailed Profit and Loss Statement*.

Please ensure in future year that all the financial statements included in the financial report are correctly identified.

AASB 15 – Disclosure requirements

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless

already disclosed separately in the statement of comprehensive income. It appears that no such disclosure has been made in the statement of profit and loss and other comprehensive income or the detailed profit and loss statement.

AASB 15 paragraph 114 also requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. Note 2 *Revenue and Income* discloses disaggregation of revenue from contracts with customers by type of customers as following:

- members,
- other reporting units,
- Government, and
- other parties.

Note 1(g) *Revenue and Other Income* sets out the accounting policy for revenue from contracts with customers and states that only membership subscriptions, capitation fees or levies meet the criteria to be revenue from contracts with customer. It appears that note 2 includes all revenue and income and is not limited revenue from contracts with customers.

Please note that in future years the reporting unit's general purpose financial report must include all relevant and required financial disclosures in accordance with AASB 15.

Disclosure and presentation of special funds

The reporting unit's detailed profit and loss statement discloses a grant income of \$150,000 and grant funding expenses of \$96,160. Note 3 *Expenses*, however, discloses grant expenses exceeding \$1,000 of \$150,000, a difference of \$53,840 with the figure reported in the detailed profit and loss statement.

As the financial report did not include any detail about nature of this grant, I contacted the reporting unit on 23 June 2021 seeking further information. I was advised by the reporting unit's administrator on 27 July 2021 that these grant income and expenses related to the Collie Futures Small Grants Program. The grant was provided to the Collie Retired Mineworkers Association and the reporting unit as auspice, received the government funds and subsequently processed the relevant payments on their behalf. The reporting unit's auditor further advised the ROC on 2 August 2021 that the grant expenditure amount in note 3 should be \$96,160 instead of \$150,000. He also advised that the unspent balance of the grant funds should have been disclosed in the statement of financial position.

Please note that where an entity is acting as an agent on behalf of another entity, the entity may disclose the net amount of the grant income received and relating expenses in their financial statements. Please ensure in future year that the financial transactions relating to these types of arrangements are presented appropriately in the financial report.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact Kylie Ngo on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

CFMMEU Mining & Energy Division of WA

ABN 26 591 880 340

Financial Statements
For the year ended 31 December 2020

CFMMEU Mining & Energy Division of WA
ABN 26 591 880 340

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**CFMMEU - MINING AND ENERGY DIVISION OF WA
COMMITTEE OF MANAGEMENT STATEMENT**

On 27th April 2021 the Committee of Management of CFMMEU - Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2020.

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

- a) the financial statements and notes comply with the Australian Accounting Standards.
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate.
- d) There are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable.
- e) During the financial year to which GPFR relates and since the end of that year;
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or a Commissioner duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* has been furnished to the member or Commissioner; and
 - vi. there has been compliance with any order for inspection of financial records made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.

This declaration is made in accordance with a resolution of the Committee of Management.



Date: 27th April 2021

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2020
OPERATING REPORT**

The Committee of Management present their report, together with the financial statement of the reporting entity for the financial year ended 31 December 2020

1. General Information

Information on Committee of Management

information on each person who has been on the Committee of Management during the year and to the date of this report are:

Name	Position	Period of Appointment
Greg Busson	District Secretary	1 January 2020 to 31 December 2020
Robert Sanford	District President	1 January 2020 to 31 December 2020
Kim Praetz	District Vice President	1 January 2020 to 31 December 2020
Brenton Wood	Board of Management	1 January 2020 to 31 December 2020
Paul Bloxsom	Board of Management	1 January 2020 to 31 December 2020
Greg Brandis	Board of Management	1 January 2020 to 31 December 2020
Shane Johnson	Board of Management	1 January 2020 to 31 December 2020

Principal Activities

The principal activities of the Union during the financial year were;

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

No significant change occurred in these activities during the year.

The Committee of Management are pleased to report that generally they have been successful in achieving the objectives of the entity.

Operating Results

The entity made a profit of \$210,347 (2019: Profit of \$130,190) for the year ended 31 December 2020.

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2020
OPERATING REPORT**

2. Other Items

Significant Changes In Financial Affairs

There have been no significant changes in the state of financial affairs of the entity during the year.

Events after the Reporting Date

Management have considered to make an application to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. At the date of this report an application for a ballot of members to endorse withdrawal has not yet been approved by the Fair Work Commission. If the withdrawal ballot application is approved by the Fair Work Commission, all members of the Division will be entitled to vote on whether to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. If a majority of members who vote approve the withdrawal, there will be further proceedings in the Federal Court which will set the date of registration of the new Union and will deal with the apportionment of assets and liabilities. The Committee of Management do not believe that this matter will have any impact on the Union's ability to continue as a going concern.

Other than the above, no other matters or events have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in subsequent financial periods.

Right of Members to Resign

All members of the Union have the right to resign in accordance with Rule 5 (iv) (a) of the Union Rules [and section 174 of the *Fair Work (Registered Organisation) Act 2009*], namely, by providing written notice addressed and delivered to a Lodge Secretary or authorised delegate.

Superannuation Trustees

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public-sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of Members

There were 1,025 members of the Union as at 31 December 2020 (2019: 1,091)

Number of Employees

As at 31 December 2020 the Union had 2 employees (2019: 2)



Robert Sanford

District President

Date 27th April 2021

Perth, WA

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2020
OPERATING REPORT**

**CFMMEU MINING AND ENERGY DIVISION WA
REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2020**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.

Descriptive form

Categories of expenditures	2020	2019
	\$	\$
Remuneration and other employment-related costs and expenses - employees	234,327	220,052
Advertising	-	3,165
Other Operating costs	381,485	469,167
Donations to political parties	-	-
Legal costs	-	-

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash assets	4	824,830	650,583
Receivables	5	158,366	139,246
Total Current Assets		983,196	789,829
Non-Current Assets			
Property, plant and equipment	6	23,017	29,257
Total Non-Current Assets		23,017	29,257
TOTAL ASSETS		1,006,213	819,086
LIABILITIES			
Current Liabilities			
Payables	7	44,032	65,393
Current tax liabilities	8	7,081	17,299
Provisions	9	30,528	22,169
Total Current Liabilities		81,641	104,861
TOTAL LIABILITIES		81,641	104,861
NET ASSETS		924,572	714,225
Equity			
Balance at 1 January		714,225	584,035
(Loss)/Profit for the year		210,347	130,190
Total Members' Funds		924,572	714,225

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Revenue	2	953,620	822,574
Gross profit		953,620	822,574
Administration expenditure		(743,273)	(692,384)
(Loss)/Profit for the year		210,347	130,190
Other comprehensive income		-	-
Total comprehensive income for the year		210,347	130,190

During the reporting period no capitation fees were received from another reporting unit, and no revenue was received from another reporting unit.

During the reporting period there were no transfers to or withdrawing from a fund (other than the general fund), account, asset or controlled entity.

During the reporting period there were no payments to a former related party of the Union.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CHANGES IN EQUITY

	2020	2019
	\$	\$
Balance at 1 January	714,255	584,035
(Loss)/Profit for the year	210,347	130,190
Balance at 31 December	924,602	714,225

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Income			
Grant income		150,000	-
Members subscriptions Fees		760,755	814,906
Reimbursements		18,590	6,017
Interest received		2,525	43
Other Income		19,899	-
Profit/(loss) sales merchandise		1,851	1,608
Total income		953,620	822,574
Expenses			
Accountancy		4,550	4,872
Audit fees		8,450	9,000
Capitation fees - CFMMEU National	12	253,956	257,906
Affiliation fees – Other	12	11,139	9,583
Advertising and promotion		-	3,165
Bank fees and charges		3,190	3,924
Depreciation		7,147	9,356
Donations		10,113	11,440
Expenses executive		589	1,258
Expenses delegates		928	732
Fringe benefits tax		2,717	1,522
General expenses		27,419	70,021
Hire/rent of Plant & Equipment		3,960	6,243
Insurance		13,253	13,293
Meeting costs		5,880	6,552
Motor vehicle expenses		7,884	11,282
Postage, printing, & stationery		12,182	3,383
Rent on land & buildings		20,800	20,800
Salaries & wages - office holders	11	159,415	142,247
Salaries & wages - non- office holders	11	55,518	58,336
Superannuation - office holders	11	14,120	13,927
Subscriptions		-	1,683
Superannuation - non- office holders	11	5,274	5,542
Telephone		7,537	6,863
Travel and accommodation		9,565	19,454
Grant funding expenses		96,160	-
Other expenses		1,527	-
Total expenses		743,273	692,384
(Loss)/Profit for the year		210,347	130,190

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Cash Flow from Operating Activities		
Receipts from Members	931,974	960,585
Payments to Suppliers and employees	(759,344)	(798,177)
Interest received	2,525	43
Net cash provided by (used in) operating activities (note ii)	175,155	162,451
Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant & equipment	(907)	-
Net cash provided by (used in) operating activities (note ii)	(907)	-
Net Increase/(decrease) in cash held	174,248	162,451
Cash at the beginning of the year	650,582	488,132
Cash at the end of the year (note i)	824,830	650,583

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Note i. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	824,830	650,583
Leave account	-	-
	824,830	650,583

Note ii. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	210,347	130,190
Non-Cash Flows in Profit from Ordinary Activities:		
Depreciation	7,147	9,356
Net loss on disposal of property, plant and equipment	-	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(19,120)	6,841
Increase (decrease) in trade creditors and accruals	(31,578)	7,874
Increase (decrease) in employee entitlements	8,359	8,190
Net cash provided by operating activities	175,155	162,451

Note iii. Cashflow information to and from the other reporting unit

Cash Inflows:		
CFMMEU Mining & Energy National Office	4,160	7,093
Cash Outflows:		
CFMMEU Mining & Energy National Office	253,956	426,720

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. The committee has determined that the reporting unit is a not for profit reporting entity.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Comparative amounts

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

(b) Property, Plant and Equipment (PPE)

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2020	2019
Motor Vehicles	4 years	4 years
Plant and equipment	2 to 20 years	2 to 20 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

(c) Impairment of non-financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the CFMMEU – Mining and Energy Division of WA were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(d) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the CFMMEU – Mining and Energy Division of WA in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The CFMMEU – Mining and Energy Division of WA recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

(e) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Leases

The CFMMEU – Mining and Energy Division of WA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

CFMMEU – Mining and Energy Division of WA as a lessee

The CFMMEU – Mining and Energy Division of WA applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The CFMMEU – Mining and Energy Division of WA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

Right-of-use assets

The CFMMEU – Mining and Energy Division of WA recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the CFMMEU – Mining and Energy Division of WA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the CFMMEU – Mining and Energy Division of WA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the CFMMEU – Mining and Energy Division of WA and payments of penalties for terminating the lease, if the lease term reflects the CFMMEU – Mining and Energy Division of WA exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Short-term leases and leases of low-value assets

The CFMMEU – Mining and Energy Division of WA's short-term leases are those that have a lease term of 12 months or less from the commencement. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(g) Revenue and Other Income

The union receives payments from members on behalf of the national office, these payments are for the national assistance fund. As these funds are income for the national office they are not recorded as income for the reporting entity.

The CFMMEU – Mining and Energy Division of WA enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the CFMMEU – Mining and Energy Division of WA has a contract with a customer, the CFMMEU – Mining and Energy Division of WA recognises revenue when or as it transfers control of goods or services to the customer. The CFMMEU – Mining and Energy Division of WA accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

Membership subscription

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the CFMMEU – Mining and Energy Division of WA. If there is only one distinct membership service promised in the arrangement, the CFMMEU – Mining and Energy Division of WA recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the CFMMEU – Mining and Energy Division of WA's promise to stand ready to provide assistance and support to the member as required. If there is more than one distinct good or service promised in the membership subscription, the CFMMEU – Mining and Energy Division of WA allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the CFMMEU – Mining and Energy Division of WA charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the CFMMEU – Mining and Energy Division of WA recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

When a member subsequently purchases additional goods or services from the CFMMEU – Mining and Energy Division of WA at their standalone selling price, the CFMMEU – Mining and Energy Division of WA accounts for those sales as a separate contract with a customer.

Capitation fees

Where the CFMMEU – Mining and Energy Division of WA arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the CFMMEU – Mining and Energy Division of WA recognises the capitation fees promised under that arrangement when or as it transfers the part of membership fee to CFMMEU National Office.

In circumstances where the criteria for a contract with a customer are not met, the CFMMEU – Mining and Energy Division of WA will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the CFMMEU – Mining and Energy Division of WA transfers the levies as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the CFMMEU – Mining and Energy Division of WA will recognise levies as income upon receipt (as specified in the income recognition policy below).

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

Income of the CFMMEU – Mining and Energy Division of WA as a Not-for-Profit Entity

Consideration is received by the CFMMEU – Mining and Energy Division of WA to enable the entity to further its objectives. The CFMMEU – Mining and Energy Division of WA recognises each of these amounts of consideration as income when the consideration is received (which is when the CFMMEU – Mining and Energy Division of WA obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the CFMMEU – Mining and Energy Division of WA's recognition of the cash contribution does not give to any related liabilities.

During the year, the CFMMEU – Mining and Energy Division of WA received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and
- government grants.

Income recognised from transfers

Where, as part of an enforceable agreement, the CFMMEU – Mining and Energy Division of WA receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the CFMMEU – Mining and Energy Division of WA's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(j) Income Tax

The CFMMEU – Mining and Energy Division of WA is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1: Summary of Significant Accounting Policies (continued)

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(k) Fair value measurement

The CFMMEU – Mining and Energy Division of WA measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the CFMMEU – Mining and Energy Division of WA. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The CFMMEU – Mining and Energy Division of WA uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the CFMMEU – Mining and Energy Division of WA determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the CFMMEU – Mining and Energy Division of WA has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(l) Financial Instruments

Financial assets and financial liabilities are recognised when a CFMMEU – Mining and Energy Division of WA entity becomes a party to the contractual provisions of the instrument.

(m) Financial assets

Contract assets and receivables

A contract asset is recognised when the CFMMEU – Mining and Energy Division of WA's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the CFMMEU – Mining and Energy Division of WA's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the CFMMEU – Mining and Energy Division of WA's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the CFMMEU – Mining and Energy Division of WA initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The CFMMEU – Mining and Energy Division of WA's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the CFMMEU – Mining and Energy Division of WA commits to purchase or sell the asset.

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The CFMMEU – Mining and Energy Division of WA has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the CFMMEU – Mining and Energy Division of WA has transferred substantially all the risks and rewards of the asset, or
 - b) the CFMMEU – Mining and Energy Division of WA has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the CFMMEU – Mining and Energy Division of WA has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the CFMMEU – Mining and Energy Division of WA continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 1: Summary of Significant Accounting Policies (continued)

(n) Trade receivables

For trade receivables that do not have a significant financing component, the CFMMEU – Mining and Energy Division of WA applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the CFMMEU – Mining and Energy Division of WA does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The CFMMEU – Mining and Energy Division of WA has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the CFMMEU – Mining and Energy Division of WA recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the CFMMEU – Mining and Energy Division of WA expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The CFMMEU – Mining and Energy Division of WA] considers a financial asset in default when contractual payments are 90¹ days past due. However, in certain cases, the CFMMEU – Mining and Energy Division of WA may also consider a financial asset to be in default when internal or external information indicates that the CFMMEU – Mining and Energy Division of WA is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(o) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The CFMMEU – Mining and Energy Division of WA's financial liabilities include trade and other payables.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

¹ Note: Reporting unit to update as applicable.

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(p) Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the CFMMEU – Mining and Energy Division of WA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the CFMMEU – Mining and Energy Division of WA performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The CFMMEU – Mining and Energy Division of WA's refund liabilities arise from customers' right of return. The liability is measured at the amount the CFMMEU – Mining and Energy Division of WA ultimately expects it will have to return to the customer. The CFMMEU – Mining and Energy Division of WA updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

(q) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(r) New, revised or amending Accounting Standards and Interpretations adopted

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

No accounting standard has been adopted earlier than the application date stated in the standard.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 1: Summary of Significant Accounting Policies (continued)

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the CFMMEU – Mining and Energy Division of WA. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the CFMMEU – Mining and Energy Division of WA's financial statements.

Impact on adoption of AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the CFMMEU – Mining and Energy Division of WA is the lessor.

(s) New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(t) Going concern

CFMMEU – Mining and Energy Division of WA is not reliant on the agreed financial support of another CFMMEU – Mining and Energy Division of WA to continue on a going concern basis.

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 2: Revenue and Income

Disaggregation of revenue from contracts with customers

A disaggregation of the CFMMEU – Mining and Energy Division of WA's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020	2019
	\$	\$
Type of customer		
Members	760,756	814,906
Other reporting units	-	-
Government	150,000	
Other parties	42,864	7,668
Total revenue from contracts with customers	953,620	822,574

Disaggregation of income for furthering activities

A disaggregation of the CFMMEU – Mining and Energy Division of WA's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources

Members	760,756	814,906
Other reporting units	-	-
Government	150,000	-
Other parties	42,864	7,668
Total income for furthering activities	953,620	822,574

Note 2A: Grants and/or donations*

Grants	150,000	-
Total grants and donations	150,000	-

Note 2B: Other income

Reimbursements	18,590	6,017
Interest revenue	2,525	43
Profit/loss on sale of Merchandise and Property, Plant and Equipment	1,850	1,608
Other income	19,899	-
Total revenue from other income	42,864	7,668

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NOTES TO THE FINANCIAL STATEMENTS
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Note 3: Expenses

Profit (loss) from ordinary activities before income tax has been determined including the following expenses:

	2020	2019
	\$	\$
Fees incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.	100	19,454
Penalties imposed under the RO Act	-	-
Grants or Donations		
Grants less than \$1,000	-	-
Grants exceeding \$1,000	150,000	
Donations less than \$1,000	840	1,440
Donations exceeding \$1,000	9,272	10,000
Legal Costs		
Other legal matters	-	-
Litigation	-	-
(No legal costs were incurred for litigation during the period)	-	-

CFMMEU - MINING AND ENERGY DIVISION OF WA
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 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Note 4: Cash assets		
Bank accounts:		
Cash at bank	824,830	650,583
Leave account	-	-
	824,830	650,583
Note 5: Receivables		
Current		
Trade debtors	158,366	139,246
Other Debtors	-	-
	158,366	139,246
There were no receivables from other reporting units, included in trade debtors.		
Note 6: Property, Plant and Equipment		
Plant and equipment:		
- At cost	53,481	52,574
- Less: Accumulated depreciation	(47,329)	(45,803)
Motor vehicles:		
- At cost	36,116	36,116
- Less: Accumulated depreciation	(19,251)	(13,630)
	23,017	29,257

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
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Note 6: Property, Plant and Equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

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

	Plant & Equipment	Motor Vehicles	Total
	\$	\$	\$
Year ended 31 December 2020			
Balance at the beginning of year	6,771	22,486	29,257
Additions	907	-	907
Disposals - written down value	-	-	-
Depreciation expense	(1,526)	(5,621)	(7,147)
Balance at the end of the year	6,152	16,865	23,017
Year ended 31 December 2019			
Balance at the beginning of year	8,632	29,981	38,613
Additions	-	-	-
Disposals - written down value	-	-	-
Depreciation expense	(1,861)	(7,495)	(9,356)
Balance at the end of the year	6,771	22,486	29,257

Note 7: Payables

	2020	2019
	\$	\$
Unsecured:		
- Trade creditors	42,303	65,393
- Superannuation payable	1,638	-
- Payroll Liabilities	91	-
- Payable for employers making payroll deductions of membership subscriptions	-	-
Legal fees Payable - Litigation	-	-
Legal Fees Payable - Other legal matters	-	-
	44,032	65,393
Amounts owing to other reporting unit		
CMEU Mining & Energy National Office	39,486	63,752

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NOTES TO THE FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
Note 8: Tax Liabilities		
Current		
Net GST	2,406	12,356
FBT Instalments	761	761
Amounts withheld from salary and wages	3,914	4,182
	7,081	17,299
Note 9: Employee Benefits		
Current		
Total employee benefits attributable to;		
Office Holder:		
- Annual Leave	27,605	20,071
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-
Employees other than Office Holders:		
- Annual Leave	2,923	2,098
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-
Aggregate employee entitlements liability	30,528	22,169

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual leave for employees.

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
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	2020	2019
	\$	\$
Note 10: Remuneration of Auditor		
Total amounts received and receivable by the auditors of the union for:		
Audit of the Union' s financial report	8,450	9,000
Other Accounting Services	4,550	4,872

Note 11: Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below, the only office holder receiving remuneration from the Union is the District Secretary:

Office Holder:

Short term employee benefits

Salary (including annual leave paid and accrued)	159,415	142,247
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Long term employee benefits

Long Service Leave	-	-
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Post-employment benefits

Superannuation	14,120	13,927
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Termination benefits	-	-
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Other employment expenses	-	-
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Share based payments	-	-
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	173,535	156,174
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Employees other than Office Holders:

Short term employee benefits

Salaries (including annual leave paid and accrued)	55,518	58,336
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Long term employee benefits

Long Service leave	-	-
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Post-employment benefits

Superannuation	5,274	5,542
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Termination benefits	-	-
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Other employment expenses	-	-
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Share based payments	-	-
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	60,792	63,878
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Note 12: Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated, refer to the below for transactions made:

CFMEU M&E National	279,352	257,906
Unions WA Affiliation fees	3,103	2,754
ALP WA Branch	7,173	6,829

CFMMEU - MINING AND ENERGY DIVISION OF WA
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Note 13: Events Subsequent to Reporting Date

Management have considered to make an application to withdraw from the Construction, Forestry Maritime, Mining and Energy Union. At the date of this report an application for a ballot of members to endorse withdrawal has not yet been approved by the Fair Work Commission. If the withdrawal ballot application is approved by the Fair Work Commission, all members of the Division will be entitled to vote on whether to withdraw from the Construction, Forestry, Maritime, Mining and Energy Union. If a majority of members who vote approve the withdrawal, there will be further proceedings in the Federal Court which will set the date of registration of the new Union and will deal with the apportionment of assets and liabilities. The Committee of Management do not believe that this matter will have any impact on the Union's ability to continue as a going concern.

Other than the above, no other matters or events have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in subsequent financial periods.

Note 14: Critical Accounting Estimates and Judgements

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

Note 15: Additional disclosures required under the *Fair Work (Registered Organisations) Act 2009* Events Subsequent to Reporting Date

As required under the reporting guidelines provided for under section 255 of the *Fair Work Act (Registered Organisations) Act 2009*, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit;
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.
4. The financial affairs of the Union are not administered by a third party.

Note 16: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of Sub sections (1) to (3) of Section 272, which reads as follows:

Information to be provided to members or the General Manager of the Fair Work Commission:

1. A member of a reporting unit, or the Commissioner of the Registered Organisations Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period, which and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

Note 17: Recovery of Wages Activity

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2020 (2019: Nil).

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NOTES TO THE FINANCIAL STATEMENTS
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Note 18: Capital Expenditure Commitments

There are no capital expenditure commitments for the 12 months ended 31 December 2020.

Note 19: Financial Risk Management

Financial risk management policies

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

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2020	2019
		\$	\$
Financial Assets			
Cash and cash equivalents	4	824,830	650,583
Trade debtors	5	158,366	139,246
		<u>983,196</u>	<u>789,829</u>
Financial Liabilities			
Trade & sundry payables	7	44,032	65,393
		<u>44,032</u>	<u>65,393</u>

Financial Risk Management Policies

The Union's management is responsible for, among other issues, monitoring and managing financial risk exposures. The Union's management monitors the transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The overall risk management strategy seeks to ensure that the Union meets its financial targets, whilst minimising potential cash flow shortfalls.

Specific Financial Risk Exposure and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and equity price risk.

a. Interest rate risk

The Union is not exposed to any significant interest rate risk since cash balances are maintained at variable rates and there are currently no borrowings.

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Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Union manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

The table below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from that disclosed.

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Financial liabilities								
Trade & sundry payables	44,032	65,393	-	-	-	-	44,032	65,393
Total financial liabilities	44,032	65,393	-	-	-	-	44,032	65,393
Financial assets								
Cash & cash equivalents	824,830	650,583	-	-	-	-	824,830	650,583
Trade & other receivables	158,366	139,246	-	-	-	-	158,366	139,246
Total financial assets	983,196	789,829	-	-	-	-	983,196	789,829

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

c. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies

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Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness. Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

There is no collateral held by the Union securing trade or other receivables.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

e. Price risk

The Union is not exposed to any material commodity price risk.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

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Note 19: Financial Risk Management (continued)

Net Fair Values (Cont)

		2020		2019	
	Footnote	Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	824,830	824,830	650,583	650,583
Trade & other receivables	(i)	158,366	158,366	139,246	139,246
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total financial assets		983,196 =====	983,196 =====	789,829 =====	789,829 =====
Financial liabilities					
Trade & sundry payables	(i)	44,032	44,032	65,393	65,393
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total financial liabilities		44,032 =====	44,032 =====	65,393 =====	65,393 =====

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables, other current assets and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value.

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CFMMEU
MINING & ENERGY DIVISION OF WA****Report on the Audit of the Financial Report****Audit Opinion**

In our opinion:

- i. there were kept by the reporting unit in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- ii. the attached accounts, notes, and statements on pages 1 to 32 have been prepared in accordance with Australian Accounting Standards, and are properly drawn up in accordance with the rules of the reporting unit, and so as to give a true and fair view of,
 - a) the financial position of the reporting unit as at 31 December 2020, and its financial performance and its cashflows for the year ended on that date
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act); and
 - c) the income and expenditure and surplus of the reporting unit for the 12 months ended on that date.
- iii. Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the Financial Report

We have audited the financial statements of the CFMMEU Mining & Energy Division of WA for the 12 months ended 31 December 2020, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows, the detailed Profit and Loss Statement, the notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement and subsection 255(2A) report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

AUDIT REPORT {CONTINUED}

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial statements.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the reporting unit is responsible for the preparation and presentation of the financial statements and the information contained therein. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, the Committee of Management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing as applicable matters related to going concern and using the going concern basis of accounting, unless the Committee of Management either intend to liquidate the reporting unit, or to cease operations, or to have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

We have conducted an independent audit of these financial statements in order to express an opinion on them to the Members of the reporting unit.

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during my audit.

I declare that I am an approved auditor, a registered company auditor, a fellow of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act we are required to describe any deficiencies, failure or shortcomings in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of these matters.



Neil Pace
Partner



Moore Australia Audit (WA)
Chartered Accountants

Perth
28 April 2021

**Registration number (as registered
by the RO Commissioner under the
RO Act): AA2017/14**

CFMMEU Mining & Energy Division of WA
S,268 Fair Work (Registered Organisations) Act 2009

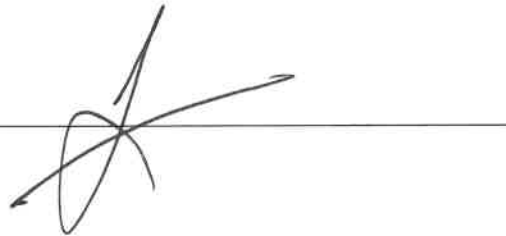
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2020

I Greg Busson , being the Secretary of the CFMMEU Mining & Energy Division of WA certify;

- That the documents lodged herewith are copies of the full report for the CFMMEU Mining & Energy Division of WA for the period ended referred to in S.268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members of the reporting unit on 28th April 2021; and
- That the full report was presented to a general meeting of members on 4th June 2021 in accordance with S.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer _____

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right, positioned over a horizontal line.

Name of prescribed officer: Gregory Busson

Title of prescribed officer: Secretary

Dated: 15.06.2021