



8 June 2016

Mr Andrew Vickers  
General Secretary  
Construction, Forestry, Mining and Energy Union, Mining and Energy Division  
Level 11/215-217 Clarence Street  
Sydney NSW 2000

By e-mail: [info@cfmeu.com.au](mailto:info@cfmeu.com.au)

Dear Mr Vickers

**Construction, Forestry, Mining and Energy Union, Mining and Energy Division  
Financial Report for the year ended 31 December 2015 - FR2015/374**

I acknowledge receipt of the financial report for the year ended 31 December 2015 for the Construction, Forestry, Mining and Energy Union, Mining and Energy Division. The financial report was lodged with the Fair Work Commission (FWC) on 3 June 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

Activity under Reporting Guidelines not disclosed

Item 21 of the Reporting Guidelines states:

If any of the activities identified in paragraph 20 have not occurred for the reporting period, a statement to this effect must be included in the GPFR.

No such disclosure was made for item 20(a):

payables to employers as consideration for the employers making payroll deductions of membership subscriptions.

It is noted that Note 5(b) to the GPFR provides a nil statement in relation to expenses for employers making payroll deductions. However, to address the Reporting Guidelines the disclosure detailed above is required.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch



3 June 2016

Stephen Kellett  
Fair Work Australia  
Terrace Towers  
80 William St,  
East Sydney NSW 2011

By Email: [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Stephen,

**Re: CFMEU Mining & Energy Division**

Please find enclosed the annual Secretary's statement & audited financial statements for our organisation for the year ended 31 December 2015.

Should you require any further information please do not hesitate to contact me.

Regards,

A handwritten signature in black ink, appearing to read "Mark Watson".

Mark Watson  
Finance Manager

**CFMEU Mining & Energy** | t: +61 2 9267 1035 | f: +61 2 9267 3198 | e: [info@cfmeu.com.au](mailto:info@cfmeu.com.au)

[www.cfmeu.com.au](http://www.cfmeu.com.au) | Level 11, 215-217 Clarence Street, Sydney NSW 2000 | PO Box Q1641, Sydney NSW 1230 Australia

**CONSTRUCTION, FORESTRY, MINING & ENERGY UNION  
MINING & ENERGY DIVISION**

**SECRETARY'S CERTIFICATE**

I, Andrew Vickers, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report referred to in the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members on 23<sup>rd</sup> March 2016, after adoption of the accounts by the Central Council
- That the full report was supplied to members through the union website, and circulation at work sites. A series of general meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Mining and Energy Union, the last meeting being on 27<sup>th</sup> May 2016; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



**Andrew Vickers  
General Secretary**

3 June 2016

**Construction Forestry Mining and Energy Union**  
**Mining and Energy Division**

**Financial Statements**

**For the Year Ended 31 December 2015**

# Construction Forestry Mining and Energy Union Mining and Energy Division

---

For the Year Ended 31 December 2015

## Financial Statements

<b>Contents</b>	<b>Page</b>
Operating Report	1
Committee of Management Statement	5
Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Consolidated Balance Sheet	7
Consolidated Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Recovery of Wages Activity	52
Independent Audit Report	53

# Construction Forestry Mining and Energy Union Mining and Energy Division

---

## Operating Report

31 December 2015

The committee of management present their report, together with the financial statements of the Group, being the Union and its controlled entities, for the financial year ended 31 December 2015.

## Information on directors

The names of each person who has been on the committee of management during the year and to the date of this report are:

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Mr T Maher	General President	1/1/15 - 31/12/15
Mr A Vickers	General Secretary	1/1/15 - 31/12/15
Mr W McAndrew	General Vice President	1/1/15 - 30/6/15
Ms L Usher	General Vice President	1/1/15 - 31/12/15
Mr C Hinds	Central Councillor	1/1/15 - 31/12/15
Mr L Van der Meulen	Central Councillor	1/1/15 - 31/12/15
Mr M Dobie	Central Councillor	1/1/15 - 31/12/15
Mr J Porter	Central Councillor	1/1/15 - 31/12/15
Mr A Honeysett	Central Councillor	1/1/15 - 31/12/15
Mr G Wood	Central Councillor	1/1/15 - 31/12/15
Mr F Baker	Central Councillor	1/1/15 - 31/12/15
Mr T Hardy	Central Councillor	1/1/15 - 1/12/15
Mr S Smyth	Central Councillor	1/1/15 - 31/12/15
Mr P Jordan	Central Councillor	1/1/15 - 31/12/15
Mr B Wise	Central Councillor	1/1/15 - 31/12/15
Mr F Hibble	Central Councillor	1/1/15 - 31/12/15
Mr D McLachlan	Central Councillor	1/1/15 - 31/12/15
Mr D Haile	Central Councillor	1/1/15 - 31/12/15
Mr S Leggett	Central Councillor	1/1/15 - 31/12/15
Mr W Small	Central Councillor	1/1/15 - 31/12/15
Mr K Wild	Central Councillor	1/1/15 - 31/12/15
Mr M Schofield	Central Councillor	1/12/15 - 31/12/15

# **Construction Forestry Mining and Energy Union Mining and Energy Division**

---

## **Operating Report**

**31 December 2015**

### **Principal activities**

The principal activities of the Group during the financial year were the:

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the Industrial relations legislation.
- Implementation of the decision of the Division Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, 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 communications to members and to the broader local communities of the Division on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change in the nature of these activities occurred during the year.

### **Operating results**

The consolidated deficit of the Group amounted to \$ 1,574,212 (2014: deficit of \$ 5,381,329).

### **Review of operations**

A review of the operations and results of the Group is performed in the meetings of the Executive Officers and by the Committee of Management. Additionally, such matters are considered periodically at a regular meeting of the General Officers of the Union.

### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of entities in the Group during the year.

### **Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### **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 Organisations) Act 2009], namely, by providing written notice addressed and delivered to either the District Secretary, a Lodge Secretary or authorised delegate.



## **Construction Forestry Mining and Energy Union Mining and Energy Division**

---

### **Operating Report**

**31 December 2015**

#### **Superannuation Trustees**

- Mark Watson (Finance Manager) is a Director of Auscoal Superannuation Pty Ltd, which acts as Trustee for the Mine Wealth & Wellbeing Superannuation Fund (formerly Auscoal Superannuation Fund).
- Anthony Maher was appointed an Alternate Director of Auscoal Superannuation Pty Ltd on 26 May 2015. Auscoal Superannuation Pty Ltd acts as Trustee for the Mine Wealth & Wellbeing Superannuation Fund (formerly Auscoal Superannuation Fund).

Both these positions are held because of a criterion which requires that the reporting unit nominate a director of this entity.

No other officer or employee of the Unions acts:

- i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

#### **Number of members**

There were 20,789 members of the Union as at 31 December 2015 (2014: 22,513).

#### **Number of employees**

As at 31 December 2015 the Union had 27 employees (2014: 29).

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Operating Report

31 December 2015

#### Officers and employees who are directors of a company or a member of a board

- Andrew Vickers, Anthony Maher, Wayne McAndrew (resigned 7 March 2016) are directors of Unite Organising Pty Ltd
- Andrew Vickers, Anthony Maher, Wayne McAndrew (resigned 7 March 2016) are directors of NMEAF Pty Ltd
- Andrew Vickers is a director of United Collieries Pty Ltd
- Andrew Vickers is a director of United Coal Sales Pty Ltd
- Andrew Vickers is a director of Coal Mining Industry (Long Service Leave Funding) Corporation
- Andrew Vickers is a director of Maritime, Mining & Power Credit Union Ltd
- Wayne McAndrew was a director of Coal Services Pty Ltd at the date of resigning from the Committee of Management
- Mark Watson is a director of Auscoal Superannuation Pty Ltd
- Mark Watson is a director of Maritime, Mining & Power Credit Union Ltd
- Mark Watson is a director of Mine Wealth & Wellbeing Services Pty Ltd

Signed in accordance with a resolution of the Committee of Management:



.....  
Tony Maher

General President

Dated 17 March 2016

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Committee of Management Statement

31 December 2015

On the 17 March 2016 the Committee of Management of the Construction Forestry Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2015:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the 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 RO Act; 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

  
Tony Maher  
General President

  
Andrew Vickers  
General Secretary

Dated: 17 March 2016

Sydney

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Revenue	4	10,811,890	10,393,229
Other income	4	90,852	18,898
Employee benefits expense	5	(5,627,612)	(5,790,205)
Depreciation and amortisation expense		(722,104)	(727,586)
Legal campaign fund expense	5	(1,192,042)	(3,348,038)
Advertising expenses		(169,991)	(182,148)
Donations	5	(93,184)	(133,822)
Travel expense		(795,238)	(870,173)
Conference and meeting expense		(361,466)	(254,204)
Affiliation fees	5	(437,163)	(449,904)
Campaign expenses		(1,052,301)	(1,065,242)
Share of net loss of equity-accounted joint venture	21	(367,978)	(265,507)
Professional fees		(173,225)	(160,198)
Property expenses		(453,605)	(481,884)
Common cause expenses		(239,092)	(286,233)
Royal Commission costs	5	(543,453)	(599,297)
Reversal of prior year provision		727,015	-
Impairment of investments		-	(119,493)
Operating expenditure		(975,515)	(1,059,522)
<b>Result for the year</b>		<b>(1,574,212)</b>	<b>(5,381,329)</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>			
Net fair value movements for available-for-sale financial assets		(161,883)	40,789
<b>Total comprehensive income for the year</b>		<b>(1,736,095)</b>	<b>(5,340,540)</b>

The accompanying notes form part of these financial statements.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Consolidated Balance Sheet

As at 31 December 2015

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	7,379,955	7,708,307
Trade and other receivables	7	2,809,841	2,074,313
Other financial assets	8	42,624,595	43,554,533
Other assets	9	373,517	171,001
<b>TOTAL CURRENT ASSETS</b>		<b>53,187,908</b>	<b>53,508,154</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	8	2,844,829	3,053,163
Property, plant and equipment	10	21,742,232	22,141,661
<b>TOTAL NON-CURRENT ASSETS</b>		<b>24,587,061</b>	<b>25,194,824</b>
<b>TOTAL ASSETS</b>		<b>77,774,969</b>	<b>78,702,978</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,434,743	1,029,625
Short-term provisions	12	-	2,677,015
Employee benefits	13	2,711,444	3,060,528
<b>TOTAL CURRENT LIABILITIES</b>		<b>4,146,187</b>	<b>6,767,168</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>4,146,187</b>	<b>6,767,168</b>
<b>NET ASSETS</b>		<b>73,628,782</b>	<b>71,935,810</b>
<b>EQUITY</b>			
Reserves	14	38,510,493	35,243,309
Retained earnings		35,118,289	36,692,501
<b>TOTAL EQUITY</b>		<b>73,628,782</b>	<b>71,935,810</b>

The accompanying notes form part of these financial statements.

---

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Consolidated Statement of Changes in Equity For the Year Ended 31 December 2015

	Retained Earnings	Capital Profits Reserve	Financial Assets Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2015</b>	<b>36,692,501</b>	<b>35,229,123</b>	<b>14,186</b>	<b>71,935,810</b>
Result for the year	(1,574,212)	-	-	(1,574,212)
Other comprehensive income for the year	-	-	(161,883)	(161,883)
Capital contributions to the fund	-	3,706,025	-	3,706,025
Capital distributions from the fund	-	(276,958)	-	(276,958)
<b>Balance at 31 December 2015</b>	<b>35,118,289</b>	<b>38,658,190</b>	<b>(147,697)</b>	<b>73,628,782</b>

	Retained Earnings	Capital Profits Reserve	Financial Assets Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2014</b>	<b>42,073,830</b>	<b>31,158,293</b>	<b>(26,603)</b>	<b>73,205,520</b>
Result for the year	(5,381,329)	-	-	(5,381,329)
Other comprehensive income for the year	-	-	40,789	40,789
Capital contributions to the fund	-	4,831,371	-	4,831,371
Capital distributions from the fund	-	(760,541)	-	(760,541)
<b>Balance at 31 December 2014</b>	<b>36,692,501</b>	<b>35,229,123</b>	<b>14,186</b>	<b>71,935,810</b>

The accompanying notes form part of these financial statements.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and contributions	10,216,184	10,390,395
Capital contributions from fund members	3,706,025	4,831,371
Payments to suppliers and employees	(16,665,438)	(14,930,500)
Dividends received	121,508	129,224
Interest received	1,703,200	1,335,969
Net cash used by operating activities	25 <u>(918,521)</u>	<u>1,756,459</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	45,000	-
Net proceeds from sale/(purchase of) held to maturity investments	652,438	(6,091,700)
Purchase of property, plant and equipment	(431,226)	(296,383)
Receipts from related party loan	277,500	385,000
Net proceeds/(purchase of) of available-for-sale investments	46,457	(32,274)
Net cash provided by investing activities	<u>590,169</u>	<u>(6,035,357)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents held	(328,352)	(4,278,898)
Cash and cash equivalents at beginning of year	7,708,307	11,987,205
Cash and cash equivalents at end of financial year	6 <u><u>7,379,955</u></u>	<u><u>7,708,307</u></u>

The accompanying notes form part of these financial statements.

---

# Construction Forestry Mining and Energy Union Mining and Energy Division

---

## Notes to the Financial Statements For the Year Ended 31 December 2015

The financial report covers Construction Forestry Mining and Energy Union Mining and Energy Division and its controlled entities ('the Group').

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Union is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

### 2 Summary of Significant Accounting Policies

#### (a) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 20 to the financial statements.



## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (a) Basis for consolidation (Continued)

##### *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

##### *Joint Arrangements*

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Construction Forestry Mining and Energy Union Mining and Energy Division has determined that it has only joint ventures.

##### Joint ventures:

Joint ventures are those joint arrangements which provide the venturer with right to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 *Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint ventures gains or losses arising from transactions between a venturer and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (a) Basis for consolidation (Continued)

##### *Associates*

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

#### (b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

#### (c) Income Tax

The Union (being a registered Industrial Trade Union) is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997*.

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 2 Summary of Significant Accounting Policies (Continued)

##### (d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

##### (e) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

##### Rendering of services

Revenue from subscriptions is accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

##### Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

##### (f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated balance sheet.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (f) Goods and services tax (GST) (Continued)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Under the cost model, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

#### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2 - 20%
Furniture, Fixtures and Fittings	5 - 40%
Motor Vehicles	22.5%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

##### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future or
- designated by the entity to be carried at fair value through profit or loss upon initial recognition

Assets included within this category are carried in the consolidated balance sheet at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Group's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (h) Financial instruments (Continued)

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (i) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

#### (j) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (k) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.



### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 2 Summary of Significant Accounting Policies (Continued)

##### (l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

##### (m) Foreign currency transactions and balances

###### Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income.

##### (n) Adoption of new and revised accounting standards

The Group has applied the following standard for the first time for their annual reporting period commencing 1 January 2015: AASB 10 Consolidated Financial Statements.

The adoption of AASB 10 resulting in changes in accounting policies and adjustments to the amounts recognised in the financial statements. These are explained and summarised in note 26.

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 2 Summary of Significant Accounting Policies (Continued)

#### (o) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Group where the standard is relevant:

##### (i) AASB 9 Financial Instruments

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model. The standard is not applicable until 1 January 2018 but is available for early adoption.

Following the changes approved by the AASB in December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

While the Group has yet to undertake a detailed assessment, it is expected that there will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The Group has not yet decided whether it should adopt AASB 9 before its mandatory date. Based on the transitional provisions in the completed AASB 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

##### (ii) AASB 15 Revenue from contracts with customers

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 2 Summary of Significant Accounting Policies (Continued)

##### (o) New Accounting Standards and Interpretations (Continued)

##### (ii) AASB 15 Revenue from contracts with customers (Continued)

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

#### 3 Critical Accounting Estimates and Judgments

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.

The significant estimates and judgements made have been described below.

##### Key estimates - impairment of property, plant and equipment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers.

##### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 3 Critical Accounting Estimates and Judgments (Continued)

##### Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

##### Control assessment

The Committee of Management have determined that they do not control a company called Auscoal Superannuation Pty Limited even though the Union holds 50% of the issued capital of this entity. Auscoal Superannuation Pty Limited is the trustee of Mine Wealth & Wellbeing Superannuation Fund. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$4 (2014: \$4) and is included in unlisted shares.

The Committee of Management have determined that they do not control a company called Coal Services Pty Limited even though the Union holds 50% of the issued capital of this entity. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$1 (2014: \$1) and is included in unlisted shares.

The Committee of Management have determined that they control a company called NMEAF Pty Limited even though the Union owns no shares in this company. As both the parent and subsidiary are not-for-profit entities, control has been determined in accordance with the implementation guidance for not-for-profit entities included in AASB 10 *Consolidated Financial Statements* (refer note 2(n)). NMEAF Pty Limited is the trustee of the National Assistance Fund, and therefore the Union is also deemed to control this trust. The Union is the income beneficiary of the trust and receives the net income of the trust on an annual basis. The Union will receive the repository assets of the fund at the vesting date of the trust. Refer to note 20 for further information regarding the restriction of the assets and capital profits reserve of the fund.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 4 Revenue and Other Income

##### Revenue from continuing operations

	2015	2014
	\$	\$
- Membership subscriptions	-	-
<b>Capitation fees by branch:</b>		
- Northern District	2,515,797	2,846,275
- Queensland District Office	1,923,346	2,359,645
- South Western District	1,049,197	1,186,748
- Tasmanian District	28,581	28,314
- Victorian District	273,234	305,593
- Western Australian District	352,388	346,183
	<hr/>	<hr/>
	6,142,543	7,072,758
- Rental income	1,142,756	1,229,394
- Interest income	1,351,822	1,741,092
- Other income	446,838	220,761
- Dividend received	121,508	129,224
- Compulsory campaign fund levy	1,606,423	-
- Grants	-	-
- Donations	-	-
	<hr/>	<hr/>
<b>Total Revenue</b>	<b>10,811,890</b>	<b>10,393,229</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Other Income</b>		
- Foreign exchange gain	-	15,904
- Gain on disposal assets	374	2,994
- Gain on revaluation of investment	90,478	-
	<hr/>	<hr/>
	<b>90,852</b>	<b>18,898</b>
	<hr/> <hr/>	<hr/> <hr/>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 5 Result for the Year

##### (a) Employee benefits expense comprises:

	2015	2014
	\$	\$
<b>Holders of office:</b>		
- Wages and salaries	1,310,278	1,569,116
- Superannuation	82,662	103,432
- Leave and other entitlements	(270,287)	(433,917)
- Separation and redundancies	(4,722)	20,832
- Other employee expenses	208,410	254,566
	<u>1,326,341</u>	<u>1,514,029</u>
<b>Employees other than office holders:</b>		
- Wages and salaries	3,334,270	3,398,200
- Superannuation	449,840	454,780
- Leave and other entitlements	124,516	203,247
- Separation and redundancies	191,393	5,631
- Other employee expenses	201,252	214,318
	<u>4,301,271</u>	<u>4,276,176</u>
<b>Total employee benefits expense</b>	<u><u>5,627,612</u></u>	<u><u>5,790,205</u></u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 5 Result for the Year (Continued)

##### (b) Other expense disclosures

	2015	2014
	\$	\$
<b>Capitation fees:</b>		
Capitation fees	-	-
<b>Affiliation fees:</b>		
Affiliation fees - CFMEU	302,727	325,230
Affiliation fees - IndustriALL Global Union	109,436	99,674
Affiliation fees - The McKell Institute	25,000	25,000
	<u>437,163</u>	<u>449,904</u>
<b>Administrative expenses:</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	361,466	254,204
Operating lease rentals - minimum lease payments	35,111	43,451
Grants - Total paid that were \$1,000 or less	-	-
Grants - Total paid that were \$1,000 or more	-	-
Donations - total paid that were \$1,000 or less	3,411	7,133
Donations - total paid there were \$1,000 or more	89,773	126,689
Penalties - via RO Act or RO Regulations	-	-
Legal costs - litigation	1,114,847	3,299,303
Legal costs - other legal matters	32,195	48,735
Legal costs - Royal Commission costs	543,453	599,297
Legal costs - Penalties	45,000	-
Legal costs - reversal of prior year provision	(727,015)	-

#### 6 Cash and Cash Equivalents

Cash on hand	464	449
Bank balances	7,379,491	7,707,858
	<u>7,379,955</u>	<u>7,708,307</u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 6 Cash and Cash Equivalents (Continued)

##### Restricted cash

The Group has a restricted cash balance of \$3,932,393 (2014: \$4,681,163) which is held for a specific purpose and cannot be used to settle the liabilities of the Group. Refer note 20 for further information.

#### 7 Trade and Other Receivables

Trade receivables		<b>1,390,319</b>	955,737
Provision for impairment	(a)	-	-
Other receivables		<b>1,419,522</b>	1,118,576
		<b>2,809,841</b>	<b>2,074,313</b>

##### (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	-	-
Additional impairment loss recognised	-	-
Reversal of impairment	-	-
Balance at end of the year	-	-

##### (b) Aged analysis

The ageing analysis of receivables is as follows:

0-30 days	<b>3,390,093</b>	2,466,097
31-60 days	<b>8,599</b>	631
61-90 days (past due not impaired)	-	-
61-90 days (considered impaired)	-	-
91+ days (past due not impaired)	<b>111,990</b>	16,066
91+ days (considered impaired)	-	-
	<b>3,510,682</b>	<b>2,482,794</b>



## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 7 Trade and Other Receivables (Continued)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### (c) Receivables from other reporting units

	2015	2014
	\$	\$
Northern District	371,966	259,975
Queensland District Office	862,233	220,000
South Western District	181,227	211,171
Tasmanian District	7,787	7,786
Victorian District	39,189	55,000
Western Australian District	110,436	121,000
CFMEU C&G National Office	11,928	1,614
CFMEU C&G NSW Branch	1,344	1,344
	<u>1,586,110</u>	<u>877,890</u>

#### 8 Other financial assets

##### CURRENT

Held-to-maturity financial assets	(b)	42,174,635	42,827,073
Loans and receivables		449,960	727,460
Total current assets		<u>42,624,595</u>	<u>43,554,533</u>

##### NON-CURRENT

Available for sale financial assets	(a)	<u>2,844,829</u>	<u>3,053,163</u>
-------------------------------------	-----	------------------	------------------

#### (a) Available-for-sale financial assets comprise:

##### NON-CURRENT

- shares in listed entities		2,833,800	2,790,247
- shares in unlisted entities		11,029	262,916
		<u>2,844,829</u>	<u>3,053,163</u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 8 Other financial assets (Continued)

(b) Held-to-maturity investments comprise:

	2015	2014
	\$	\$
Term deposits	<u>42,174,635</u>	<u>42,827,073</u>

#### 9 Other Assets

Prepayments	<u>373,517</u>	<u>171,001</u>
-------------	----------------	----------------

#### 10 Property, plant and equipment

Land and buildings		
At cost	28,207,477	28,169,577
Accumulated depreciation	<u>(7,275,872)</u>	<u>(6,748,361)</u>
Total land and buildings	<u>20,931,605</u>	<u>21,421,216</u>
Capital works in progress		
At cost	226,050	68,350
Furniture, fixtures and fittings		
At cost	747,846	727,436
Accumulated depreciation	<u>(595,339)</u>	<u>(499,199)</u>
Total furniture, fixtures and fittings	<u>152,507</u>	<u>228,237</u>
Motor vehicles		
At cost	770,261	773,277
Accumulated depreciation	<u>(338,191)</u>	<u>(349,419)</u>
Total motor vehicles	<u>432,070</u>	<u>423,858</u>
<b>Total property, plant and equipment</b>	<u><b>21,742,232</b></u>	<u><b>22,141,661</b></u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 10 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:

Consolidated	Capital Works in Progress	Land & Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$	\$
<b>Year ended 31 December 2015</b>					
Balance at the beginning of year	68,350	21,421,216	228,237	423,858	22,141,661
Additions	157,700	37,900	28,808	206,818	431,226
Disposals - written down value	-	-	(1,517)	(107,033)	(108,550)
Depreciation expense	-	(527,511)	(103,021)	(91,573)	(722,105)
<b>Balance at the end of the year</b>	<b>226,050</b>	<b>20,931,605</b>	<b>152,507</b>	<b>432,070</b>	<b>21,742,232</b>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 10 Property, plant and equipment (Continued)

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

Consolidated	Capital Works in Progress \$	Land & Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
<b>Year ended 31 December 2014</b>					
Balance at the beginning of year	-	21,831,169	293,448	555,706	22,680,323
Additions	68,350	115,254	38,787	73,992	296,383
Disposals - written down value	-	-	(445)	(107,014)	(107,459)
Depreciation expense	-	(525,207)	(103,553)	(98,826)	(727,586)
<b>Balance at the end of the year</b>	<b>68,350</b>	<b>21,421,216</b>	<b>228,237</b>	<b>423,858</b>	<b>22,141,661</b>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 11 Trade and Other Payables

	2015	2014
	\$	\$
Trade payables	905,637	665,454
Other payables	529,106	364,171
	<u>1,434,743</u>	<u>1,029,625</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

#### (a) Payables to other reporting entities:

Queensland District Office	66,102	51,004
Northern District	118,392	72,348
South Western District	137,841	71,500
CFMEU National Office	408,720	365,038
<b>Total</b>	<u>731,055</u>	<u>559,890</u>

#### (b) Amounts included in trade and other payables:

Legal fees payable - litigation	146,000	-
Legal fees payable - other legal matters	133,720	375,002
Legal fees payable - penalties	45,000	-
<b>Total</b>	<u>324,720</u>	<u>375,002</u>

#### 12 Provisions

Legal proceedings	<u>-</u>	<u>2,677,015</u>
-------------------	----------	------------------

## Construction Forestry Mining and Energy Union Mining and Energy Division

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 12 Provisions (Continued)

	Legal proceedings \$
Opening balance	2,677,015
Provisions used	(1,950,000)
Provisions reversed	(727,015)
<b>Balance at 31 December 2015</b>	<b>-</b>

#### 13 Employee Benefits

	2015 \$	2014 \$
Provision for employee benefits	<u>2,711,444</u>	<u>3,060,528</u>
<b>(a) Total employee benefits attributable to:</b>		
<b>Office holders:</b>		
Annual leave	454,818	553,807
Long service leave	551,661	756,498
Less: Right of indemnity (note (b))	(551,661)	(756,498)
Separations and redundancies	366,608	516,584
Personal leave	228,966	263,961
Other	-	-
	<u>1,050,392</u>	<u>1,334,352</u>
<b>Employees other than office holders:</b>		
Annual leave	551,392	605,093
Long service leave	744,427	733,310
Separation and redundancies	-	-
Personal leave	365,233	387,773
Other	-	-
	<u>1,661,052</u>	<u>1,726,176</u>
<b>Total</b>	<u><u>2,711,444</u></u>	<u><u>3,060,528</u></u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 13 Employee Benefits (Continued)

##### (b) Right of indemnity

All long service leave entitlements in relation to National Officers are the responsibility of "The CFMEU Mining & Energy Employees' Entitlement Trust" from which all relevant long service leave entitlements are settled from. Accordingly, the provision for long service leave is reduced by the fair value of trust assets available and set aside to settle those entitlements.

#### 14 Reserves

##### Capital profits reserve

The capital profits reserve are restricted funds. Refer note 20.

##### Financial asset reserve

Change in the fair value of available for sale investments are recognised in other comprehensive income - financial asset reserve. Amounts are reclassified to profit or loss on disposal of the investment or when an impairment arises.

#### 15 Capital and Leasing Commitments

##### (a) Contracted Commitments

	2015	2014
	\$	\$
Contracted commitments for:		
Membership software	47,350	205,050

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 16 Lessor Commitments

##### *Operating lease commitments receivable - Group as lessor*

The Group leases out its property under commercial leases. These non-cancellable leases have terms between 1 and 10 years. All leases include an option for the Group to increase rent to current market rental on an annual basis.

The future minimum lease payments under non-cancellable leases are:

	2015	2014
	\$	\$
- no later than 1 year	860,404	884,887
- between 1 year and 5 years	2,230,317	2,309,562
- greater than 5 years	1,090,782	1,472,802
Total minimum lease payments	<u>4,181,503</u>	<u>4,667,251</u>

#### 17 Financial Risk Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases.



## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 17 Financial Risk Management (Continued)

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2015 \$	2014 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	7,379,955	7,708,307
Contributions receivable	7	1,390,319	955,737
Other receivables	7	1,419,522	1,118,576
Held-to-maturity investments	8	42,174,635	42,827,073
Loans and receivables	8	449,960	727,460
Available-for-sale financial assets:			
- at fair value			
- listed investments	8	2,833,800	2,790,247
- unlisted investments	8	11,029	262,916
<b>Total financial assets</b>		<b>55,659,220</b>	<b>56,390,316</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables		1,434,743	1,029,625

#### Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 17 Financial Risk Management (Continued)

##### Liquidity risk (Continued)

The Group's liabilities have contractual maturities which are summarised below:

	Less than 1 year	
	2015	2014
	\$	\$
Trade and other payables (excluding estimated annual leave)	<u>1,434,743</u>	<u>1,029,625</u>

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### Market risk

The following table illustrates the sensitivity of the net result for the year and equity in regards to the Group's financial assets and the United States Dollar – Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

It assumes a +/- 10% change of the Australian Dollar / United States Dollar exchange rate for the year ended 31 December 2015 (31 December 2014: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 17 Financial Risk Management (Continued)

If the Australian Dollar had strengthened and weakened against the United States Dollar by 10% (31 December 2014: 10%) respectively then this would have had the following impact:

	2015		2014	
	+10%	-10%	+10%	-10%
<b>USD</b>				
Net results	-	-	-	-
Equity	120,690	(120,690)	856	(114)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

#### (i) Other price risk

The Group is exposed to equity securities price risk. This arises from listed investments held by the Group and classified as available-for-sale on the consolidated balance sheet.

Equity instruments are held for strategic rather than trading purposes and the Group does not actively trade these investments.

The Group is not exposed to commodity price risk.

At reporting date, if the Australian Securities Exchange and International Markets had increased / decreased by 5.00% with all other variables held constant and all of the Group's equity instruments moved according to the historical correlation with the index, the impact on profit and equity is shown in the table below:

	2015		2014	
	+5.00%	-5.00%	+5.00%	-5.00%
<b>ASX Index</b>				
Impact on equity	584,849	(584,849)	136,333	(136,333)
<b>International Markets</b>				
Impact on equity	270,734	(270,734)	-	-

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 17 Financial Risk Management (Continued)

There is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the financial asset reserve.

The price risk for the unlisted securities held by the Group is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

#### (b) Net income and expense from Financial Assets

	2015	2014
	\$	\$
<b>Held-to-maturity investments</b>		
Investment revenue	1,351,822	1,741,092
<b>Available for sale investments</b>		
(Loss)/gain recognised in equity	(161,883)	40,789

#### 18 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

Salary (including annual leave taken)	1,418,381	1,569,116
Leave accrued	149,977	174,973
	<u>1,568,358</u>	<u>1,744,089</u>
<b>Long-term benefits</b>		
Long service leave	257,038	30,464
<b>Post-employment benefits</b>		
Superannuation	71,794	104,432
Termination benefits	145,254	149,978
	<u>2,042,444</u>	<u>2,028,963</u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 19 Auditor's Remuneration

	2015	2014
	\$	\$
Remuneration of the auditor of the Union, Daley & Co Chartered Accountants, for:		
- auditing the financial report	43,671	45,566
- taxation services	4,090	5,339
	<u>47,761</u>	<u>50,905</u>

#### 20 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2015	Percentage Owned (%)* 2014
<b>Subsidiaries:</b>			
Unite Organising Pty Limited	Australia	100	100
NMEAF Pty Limited	Australia	-	-
National Assistance Fund	Australia	-	-

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries. Refer note 3 for further information regarding control assessment.

#### Significant restrictions relating to subsidiaries

The assets and capital profits reserve of the National Assistance Fund are restricted by the terms and provisions of its Trust Deed and cannot be used to settle the liabilities of the other entities within the Group. The total assets of the restricted assets as at balance date are \$39,685,561 (2014: \$36,350,275) and the restricted capital funds as at balance date are \$38,658,190 (2014: \$35,229,123).

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 20 Interests in Subsidiaries (Continued)

##### (a) Material subsidiaries

The amounts disclosed below are prior to any inter-entity eliminations.

	2015	2014
	\$	\$
<b>National Assistance Fund</b>		
<b>Summarised balance sheet</b>		
Current assets	39,685,561	36,350,275
Non-current assets	-	-
Current liabilities	1,129,491	1,138,517
Non-current liabilities	-	-
<b>Net assets</b>	<u>38,556,070</u>	<u>35,211,758</u>
<b>Summarised statement of profit or loss and other comprehensive income</b>		
Revenue	1,135,460	1,145,771
Profit / (loss)	-	-
<b>Total comprehensive income</b>	<u>-</u>	<u>-</u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 21 Interests in Joint Ventures

##### Material joint ventures

The following information is provided for joint ventures that are material to the Group and is the amount per the Joint Venture financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than the Group's share.

	<b>Ableshore Joint Venture</b>
<b>2015</b>	
<b>Summarised consolidated balance sheet</b>	
Cash and cash equivalents	133,642
Other current assets	3,525,094
Non-current assets	73,442,835
Other current liabilities	(6,365,986)
Other non-current liabilities	<u>(19,018,546)</u>
<b>Net assets</b>	<u><b>51,717,039</b></u>
<b>Summarised consolidated statement of profit or loss and other comprehensive income</b>	
Revenue	289,817
Interest income	7,781
Finance costs	(1,430,173)
Profit from continuing operations	<u>(7,359,557)</u>
<b>Total comprehensive income</b>	<u><b>(7,359,557)</b></u>
<b>2014</b>	
<b>Ableshore Joint Venture</b>	
<b>Summarised consolidated balance sheet</b>	
Cash and cash equivalents	174,899
Other current assets	1,493,015
Non-current assets	70,767,329
Other current liabilities	(1,320,274)
Other non-current liabilities	<u>(31,254,252)</u>
<b>Net assets</b>	<u><b>39,860,717</b></u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements

For the Year Ended 31 December 2015

#### 21 Interests in Joint Ventures (Continued)

##### Material joint ventures (Continued)

2014

##### Ableshore Joint Venture

##### Summarised consolidated statement of profit or loss and other comprehensive income

Revenue	203,931
Interest income	3,372
Finance costs	(1,352,793)
Profit from continuing operations	<u>(5,310,141)</u>
<b>Total comprehensive income</b>	<b><u><u>(5,310,141)</u></u></b>

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	2015	2014
	\$	\$
<b>Ableshore Joint Venture</b>		
Group's share of 5% of net assets	2,585,852	1,993,036
Provision for diminution	<u>(2,585,852)</u>	<u>(1,993,036)</u>
Carrying amount	<u><u>-</u></u>	<u><u>-</u></u>

#### 22 Fair Value Measurement

The Group measures the following assets and liabilities at fair value on a recurring basis: Listed and unlisted shares.

##### Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.



## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 22 Fair Value Measurement (Continued)

##### Fair value hierarchy (Continued)

The table below shows the assigned level for each asset and liability held at fair value by the Group:

	Level 1	Level 2	Level 3	Total
<b>31 December 2015</b>	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Listed and unlisted Shares	<u>2,789,151</u>	-	-	<u>2,789,151</u>
	Level 1	Level 2	Level 3	Total
<b>31 December 2014</b>	\$	\$	\$	\$
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Listed and unlisted Shares	<u>2,985,615</u>	-	-	<u>2,985,615</u>

#### 23 Contingencies

In the opinion of the Committee of Management, the Union did not have any contingencies at 31 December 2015 (31 December 2014:None).

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 24 Related Parties

**(a) The Group's main related parties are as follows:**

*(i) Entities exercising control over the Group:*

The ultimate parent entity, which exercises control over the Group, is Construction Forestry Mining and Energy Union - Mining and Energy Division.

*(ii) Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 18: Key Management Personnel Disclosures.

*(iii) Joint venture entities that are accounted for under the equity method:*

The Group has a 5% interest in the joint venture entity, Ableshore Joint Venture. The interest in joint venture is accounted for in these consolidated financial statements of the Group, using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 21: Interests in Joint Ventures.

**(b) Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 24 Related Parties (Continued)

##### (b) Transactions with related parties (Continued)

The following transactions occurred with related parties:

	2015	2014
	\$	\$
<b><i>(i) Purchase of goods and services</i></b>		
Affiliation fees paid to CFMEU	302,727	325,230
Campaign fees paid to CFMEU	1,000,000	1,000,000
	<b>1,302,727</b>	<b>1,325,230</b>
<b><i>(ii) Capitation fees</i></b>		
Northern District	2,515,797	2,846,275
Queensland District Office	1,923,346	2,359,645
South Western District	1,049,197	1,186,748
Tasmanian District	28,581	28,314
Victorian District	273,234	305,593
Western Australian District	352,388	346,183
	<b>6,142,543</b>	<b>7,072,758</b>
<b><i>(iii) Trade and other receivables</i></b>		
Northern District	371,966	259,975
Queensland District Office	862,233	220,000
South Western District	181,227	211,171
Tasmanian District	7,787	7,786
Victorian District	39,187	55,000
Western Australian District	110,436	121,000
CFMEU C&G National Office	11,928	1,614
CFMEU C&G NSW Branch	1,344	1,344
<b><i>Loans to other related parties:</i></b>		
Loan to Ableshore Pty Limited	449,960	727,460
<b><i>(iv) Trade and other payables:</i></b>		
Northern District	118,392	72,348
Queensland District Office	66,102	51,004
South Western District	137,841	71,500
CFMEU National Office	408,720	365,038

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 25 Cash Flow Information

##### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2015	2014
	\$	\$
Result for the year	(1,574,212)	(5,381,329)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	722,104	727,856
- net capital fund reserve movement	3,429,067	4,070,830
- net (gain)/loss on disposal of property, plant and equipment	63,544	107,190
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(434,582)	415,181
- (increase)/decrease in other assets	(300,946)	(974,863)
- (increase)/decrease in prepayments	(202,515)	9,020
- increase/(decrease) in trade and other payables	405,118	229,684
- increase/(decrease) in provisions	(2,677,015)	2,677,015
- increase/(decrease) in employee benefits	(349,084)	(124,125)
Cashflow from operations	<u>(918,521)</u>	<u>1,756,459</u>

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 25 Cash Flow Information (Continued)

(b) Cash flow information

	2015	2014
	\$	\$
<b>Cash inflows</b>		
Queensland District	1,587,465	2,675,361
Northern District	3,031,454	3,176,359
South Western District	1,305,094	1,405,793
Victorian District	364,464	326,293
Tasmanian District	54,905	55,242
Western Australian District	390,170	314,801
CFMEU National Office	-	340
CFMEU C&G National Office	4,091	3,552
	<b>6,737,643</b>	<b>7,957,741</b>
<b>Cash outflows</b>		
Queensland District	(253,522)	(282,510)
Northern District	(205,350)	(285,091)
South Western District	(89,866)	(430,676)
Victorian District	-	(17,417)
Tasmanian District	(77,707)	(50,881)
Western Australian District	(9,424)	(19,283)
CFMEU National Office	(2,335,080)	(2,265,296)
CFMEU C&G National Office	(4,946)	(2,707)
	<b>(2,975,895)</b>	<b>(3,353,861)</b>

## Construction Forestry Mining and Energy Union Mining and Energy Division

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 26 Change in Accounting Policy

As stated in note 2(n) the Group has applied AASB 10 for the first time for the period commencing 1 January 2015.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 31 December 2014 is as follows:

	Previously stated \$	2014 Adjustments \$	Restated \$
<b>Income Statement</b>			
Trust distribution received	1,135,517	(1,135,517)	-
Interest income	595,782	1,145,310	1,741,092
Other income	223,462	(2,701)	220,761
Dividend received	126,062	3,162	129,224
Operating expenditure	(1,049,268)	(10,254)	(1,059,522)
Result for the year	(5,381,329)	-	(5,381,329)
Other comprehensive income	51,401	(10,612)	40,789
Total comprehensive income for the year	(5,329,928)	(10,612)	(5,340,540)
<b>Balance Sheet</b>			
Cash and cash equivalents	3,027,144	4,681,163	7,708,307
Trade and other receivables	2,482,794	(408,481)	2,074,313
Other current financial assets	12,680,005	30,874,528	43,554,533
Current assets	18,360,944	35,147,210	53,508,154
Non-current financial assets	2,985,615	67,548	3,053,163
Non-current assets	25,127,276	67,548	25,194,824
Total assets	43,488,220	-	43,488,220
Trade and other payables	1,026,625	3,000	1,029,625
Total liabilities	6,764,168	3,000	6,767,168
Net assets	36,724,052	35,211,758	71,935,810

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 26 Change in Accounting Policy (Continued)

	Previously stated	2014 Adjustments	Restated
	\$	\$	\$
Financial assets reserve	31,551	(17,365)	14,186
Capital profits reserve	-	39,229,123	39,229,123
Total equity	<u>36,724,052</u>	<u>35,211,758</u>	<u>71,935,810</u>

#### 27 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### 28 Parent entity

The following information has been extracted from the books and records of the parent, Construction Forestry Mining and Energy Union Mining and Energy Division and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Construction Forestry Mining and Energy Union Mining and Energy Division has been prepared on the same basis as the consolidated financial statements except as disclosed below.

##### *Investments in subsidiaries, associates and joint ventures*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity.

## Construction Forestry Mining and Energy Union Mining and Energy Division

---

### Notes to the Financial Statements For the Year Ended 31 December 2015

#### 28 Parent entity (Continued)

	2015	2014
	\$	\$
<b>Balance Sheet</b>		
<b>Assets</b>		
Current assets	14,614,569	18,412,412
Non-current assets	24,507,860	25,087,579
<b>Total Assets</b>	<b>39,122,429</b>	<b>43,499,991</b>
<b>Liabilities</b>		
Current liabilities	4,019,106	6,760,867
<b>Total Liabilities</b>	<b>4,019,106</b>	<b>6,760,867</b>
<b>Equity</b>		
Retained earnings	35,157,513	36,687,833
Assets-available-for-sale reserve	(9,658)	51,291
<b>Total Equity</b>	<b>35,147,855</b>	<b>36,739,124</b>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit or loss for the year	(1,530,320)	(5,334,788)
Other comprehensive income	(60,949)	56,001
<b>Total comprehensive income</b>	<b>(1,591,269)</b>	<b>(5,278,787)</b>
<b>Contingent liabilities</b>		

The parent entity did not have any contingent liabilities as at 31 December 2015 or 31 December 2014.



### **Notes to the Financial Statements For the Year Ended 31 December 2015**

#### **29 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009**

As required under the reporting guidelines provided for under section 255 of the Fair Work (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.

The financial affairs of the Union are not administered by a third party.

#### **30 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

## **Construction Forestry Mining and Energy Union Mining and Energy Division**

---

### **Recovery of Wages Activity For the Year Ended 31 December 2015**

No recovery of wages activity was carried out by the Union for the year ended 31 December 2015 (2014: Nil).

## **Independent Audit Report to the members of Construction Forestry Mining and Energy Union Mining and Energy Division**

### **Report on the Financial Report**

We have audited the accompanying financial report of Construction Forestry Mining and Energy Union Mining and Energy Division, which comprises the consolidated balance sheet as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement of the Union and the consolidated entity comprising the Union and the entities it controlled at the year's end or from time to time during the financial year.

#### *Committee of Management's Responsibility for the Financial Report*

The Committee of Management of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

**Independent Audit Report to the members of Construction Forestry Mining and Energy Union  
Mining and Energy Division**

*Independence*

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

*Opinion*

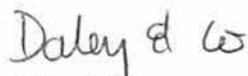
In our opinion, the financial report presents fairly, in all material respects, the financial position of the Construction Forestry Mining and Energy Union Mining and Energy Division and its subsidiaries, as at 31 December 2015, and of their performance and cashflows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The scope of our audit did extend to the recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

I declare that I am an approved auditor, a member of the Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that management's use of the going concern basis of accounting in preparation of the Union's financial statements is appropriate.



Daley & Co  
Chartered Accountants



Michael Mundt  
Partner

Wollongong

17 March 2016

Liability limited by a scheme approved under Professional Standards Legislation