



4 August 2016

Mr Grahame Kelly
Secretary
Construction, Forestry, Mining and Energy Union, Mining and Energy Division
Northern Mining and NSW Energy District Branch
67A Aberdare Road
Cessnock NSW 2325

By e-mail: gkelly@cfmeunsw.org.au

Dear Mr Kelly

**Construction, Forestry, Mining and Energy Union, Mining and Energy Division
Northern Mining and NSW Energy District Branch
Financial Report for the year ended 31 December 2015 - FR2015/429**

I acknowledge receipt of the amended financial report for the year ended 31 December 2015 for the Construction, Forestry, Mining and Energy Union, Mining and Energy Division Northern Mining and NSW Energy District Branch (CFMEU-NDST). The financial report was lodged with the Fair Work Commission (FWC) on 3 August 2016.

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

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

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

OPERATING REPORT

for the period ended 31 December 2015

The Board of Management presents its report on the Union for the financial year ended 31 December 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the Union during the past year fell into the following categories:

- Implementation of the decisions of the Central Executive, Central Council and Northern Mining & NSW Energy District Executive and Board of Management.
- Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and Delegates, and planning, resourcing and implementing campaigns with the assistance of Lodges.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the rules of the Union, and campaigning for matters of importance to the membership.
- The negotiation, variation and replacement of industrial instruments (Enterprise Agreements and Federal Awards) for and in association with Lodges and members generally.
- To improve the conditions and protect the interests and rights of the members and workers
- Manage and control the occupational health and safety issues of the Northern Mining & NSW Energy District which include, but are not limited to:
 - workers compensation
 - rehabilitation
 - workplace safety and health
 - statutory inspections
 - involvement in Mining legislative review process
 - participation at Mine Safety Advisory Council

The activities listed have achieved their objectives.

The net loss for the year after income tax was \$ 302,245 (2014 Profit \$ 19,237).

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

Significant changes in financial affairs

Significant changes in the financial affairs of the Union include a decrease in the income from member contributions during the year of 7% and a decrease of 23% in interest income. The reduction in membership is due to a rationalisation in the Coal and Power industries.

Right of members to resign

All Members of the Union have the right to resign from the Union in accordance with Rule 5 of the Union Rules, (and Section 174 of Fair Work (Registered Organisations) Act 2009); namely, by providing written notice addressed and delivered to the Secretary of the relevant Lodge or the District Office.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

Grahame Kelly is an Officer of the Union and is a Trustee and Member of the Board of Directors of AUSCOAL Superannuation Fund Pty Ltd, trustee for Mine Wealth and Wellbeing Superannuation Fund.

Number of members

There were 8,059 members of the Union as at 31 December 2015.

Number of employees

As at 31 December 2015, the Union employed 24 full time and 0.6 full time equivalent part time employees (2014 22 full time and 0.6 full time equivalent part time employees)

Names of Committee of Management members and period positions held during the financial year

Grahame Kelly	01.01.15 - 31.12.15
Peter Jordan	01.01.15 - 31.12.15
Jeffrey Drayton	01.01.15 - 31.12.15
Mark McGrath	01.01.15 - 31.12.15
Jeremy McWilliams	01.01.15 - 31.12.15
David Simm	01.01.15 - 31.12.15
Keith Shaw	01.01.15 - 31.12.15
Shane Thompson	01.01.15 - 31.12.15
Robin Williams	01.01.15 - 31.12.15
Robert Bennett	01.01.15 - 31.12.15
Saul Bourke	01.01.15 - 31.12.15
Peter Compton	01.01.15 - 31.12.15
Adam Dever	01.01.15 - 31.12.15
Michael Dobie	01.01.15 - 31.12.15
Anthony Fardell	01.01.15 - 31.12.15
Peter Goodwin	01.12.15 - 31.12.15
Daryl Haile	01.01.15 - 31.12.15
Todd Hardy	01.01.15 - 01.12.15
Richard Lloyd	01.01.15 - 31.12.15
Stephen Mephram	01.01.15 - 31.12.15
Brent Nolan	01.01.15 - 31.12.15
Jason Porter	01.01.15 - 31.12.15
Nichole Samuelson	01.01.15 - 09.03.15
Michael Schofield	01.01.15 - 31.12.15
Nicole Swales	27.03.15 - 31.12.15
Kerry Wild	01.01.15 - 31.12.15

Officers & employees who are directors of a company or a member of a board

Officer	Company	Principal Activity	Reason appointed
Peter Jordan	Coal Services Pty Ltd	Provide services to the NSW coal mining industry	Nominated by a peak council
	Mines Rescue Pty Ltd	Provide underground incident response	Nominated by a peak council
	Coal Mines Insurance Pty Ltd	Provide specialised workers compensation insurance scheme	Nominated by a peak council

Officers & employees who are directors of a company or a member of a board (continued)

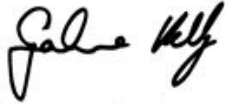
Grahame Kelly

AUSCOAL Superannuation Pty Ltd Superannuation fund trustee

Nominated by a peak council

Directorships' quoted above are current directorships for which the Officer (or Union) receives remuneration only and excludes directorships in a voluntary capacity.

Signature of designated officer:



Name and title of designated officer: Grahame Kelly, Secretary

Dated: 26 February 2016

BOARD OF MANAGEMENT STATEMENT

for the period ended 31 December 2015

On 26 February 2016 the Board of Management of the CFMEU Northern Mining & NSW Energy District Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2015:

The Board 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 Board of Management.

Signature of designated officer:



Name and title of designated officer: Grahame Kelly, Secretary

Dated: 26 February 2016

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2015

	Notes	2015 \$	2014 \$
Revenue			
Membership subscription		9,694,324	10,501,878
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	599,324	778,445
Rental revenue	3D	141,592	138,987
Other revenue		1,199,301	1,165,657
Total revenue		11,634,541	12,584,967
Other Income			
Grants and/or donations	3E	50,000	50,000
Net gains from sale of assets	3F	3,441	-
Total other income		53,441	50,000
Total income		11,687,982	12,634,967
Expenses			
Employee expenses	4A	3,371,644	3,262,114
Capitation fees	4B	2,554,017	2,846,275
Affiliation fees	4C	85,991	86,723
Administration expenses	4D	5,425,202	5,863,867
Grants or donations	4E	162,585	144,161
Depreciation and amortisation	4F	183,172	201,476
Legal costs	4G	158,233	77,810
Audit fees	13	68,350	71,250
Net losses from sale of assets	4H	27,150	62,054
Other expenses	4I	-	-
Total expenses		12,036,344	12,615,730
Profit (loss) for the year		(348,362)	19,237
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Changes in fair value of available-for-sale financial assets		46,117	-
Total comprehensive income for the year		(302,245)	19,237

The above statement should be read in conjunction with the notes.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2015

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,298,588	3,130,250
Trade and other receivables	5B	964,313	608,858
Other current assets	5C	168,942	165,719
Total current assets		3,431,843	3,904,827
Non-Current Assets			
Land and buildings	6A	1,139,217	1,181,194
Plant and equipment	6B	594,254	616,044
Investment property	6D	1,890,000	1,790,000
Intangibles	6C	7,638	18,310
Other investments	6E	18,371,771	18,013,040
Total non-current assets		22,002,880	21,618,588
Total assets		25,434,723	25,523,415
LIABILITIES			
Current Liabilities			
Trade payables	7A	788,919	694,127
Other payables	7B	474,182	449,728
Employee provisions	8A	1,424,048	1,357,685
Total current liabilities		2,687,149	2,501,540
Non-Current Liabilities			
Employee provisions	8A	341,206	313,262
Total non-current liabilities		341,206	313,262
Total liabilities		3,028,355	2,814,802
Net assets		22,406,368	22,708,613
EQUITY			
Reserves	9A	46,117	-
Retained earnings (accumulated deficit)		22,360,251	22,708,613
Total equity		22,406,368	22,708,613

The above statement should be read in conjunction with the notes.

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2015

	Retained earnings	Financial Assets reserve	Total equity
Notes	\$	\$	\$
Balance as at 1 January 2014	22,689,376	-	22,689,376
Profit for the year	19,237	-	19,237
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2014	<u>22,708,613</u>	<u>-</u>	<u>22,708,613</u>
Profit for the year	(348,362)	-	(348,362)
Other comprehensive income for the year	-	46,117	46,117
Closing balance as at 31 December 2015	<u>22,360,251</u>	<u>46,117</u>	<u>22,406,368</u>

The above statement should be read in conjunction with the notes.

CASH FLOW STATEMENT

for the period ended 31 December 2015

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	249,075	259,886
Interest		776,095	733,743
Distributions		4,556	-
Dividends		10,559	-
Other		11,466,940	12,580,137
Cash used			
Employees		(3,363,792)	(3,158,166)
Suppliers		(6,711,515)	(7,237,036)
Payment to other reporting units/controlled entity(s)	10B	(2,818,524)	(2,882,525)
Net cash from (used by) operating activities	10A	<u>(386,606)</u>	<u>296,039</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		72,727	125,272
Proceeds from sale of investments		175,451	-
Cash used			
Purchase of plant and equipment		(208,610)	(332,816)
Purchase of investments		(484,624)	(556,496)
Net cash from (used by) investing activities		<u>(445,056)</u>	<u>(764,040)</u>
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		<u>(831,662)</u>	<u>(468,001)</u>
Cash & cash equivalents at the beginning of the reporting period		3,130,250	3,598,251
Cash & cash equivalents at the end of the reporting period	5A	<u>2,298,588</u>	<u>3,130,250</u>

The above statement should be read in conjunction with the notes.

RECOVERY OF WAGES ACTIVITY

for the period ended 31 December 2015

	2015 \$	2014 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

Index to the Notes of the Financial Statements

- Note 1 Summary of Significant Accounting Policies
- Note 2 Events after the Reporting Period
- Note 3 Income
- Note 4 Expenses
- Note 5 Current Assets
- Note 6 Non-current Assets
- Note 7 Current Liabilities
- Note 8 Provisions
- Note 9 Equity
- Note 10 Cash Flow
- Note 11 Contingent Liabilities, Assets and Commitments
- Note 12 Related Party Disclosures
- Note 13 Remuneration of Auditors
- Note 14 Financial Instruments
- Note 15 Section 272 *Fair Work (Registered Organisations) Act 2009*

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

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 (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the CFMEU Northern Mining & NSW Energy District Branch 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. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant Accounting Judgements and Estimates

No key judgements have been used in the preparation of this financial report that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

Title	Description
AASB 2012-6	Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures
AASB 2014-8	Amendments to Australian Accounting Standards arising from AASB 9

Adoption of the new and amended accounting standards had no material financial impact on the Union

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on CFMEU Northern Mining & NSW Energy District Branch include:

Title	Description	Operative Date
AASB 9	Financial Instruments	1 January 2018
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2013-9	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments: Part C	1 January 2018
AASB 15	Revenue from contracts with customers	1 January 2018
AASB 2014-1	Amendments to Australian Accounting Standards: Part E	1 January 2018

1.4 New Australian Accounting Standards (continued)

Title	Description	Operative Date
AASB 2014-4	Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9	1 January 2018
AASB 2015-1	Amendments to Australian Accounting Standards - Annual improvement to Australian Accounting standards 2012-2014 Cycle	1 January 2016
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015

First time adoption of these standards may have a financial impact, but the potential effects are currently being assessed.

1.5 Business combinations

CFMEU Northern Mining & NSW Energy District Branch has not acquired any assets and liabilities during the financial year as part of a business combination.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the Union retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the Union.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Dividend income is recognised when it is received.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.8 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.9 Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

1.10 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, sick 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 due 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 are measured as the present value of the estimated future cash outflows to be made by the Union 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 Union recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.13 Cash

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 consolidated statement of financial position.

1.14 Financial instruments

Financial assets and financial liabilities are recognised when the CFMEU Northern Mining & NSW Energy District Branch becomes a party to the contractual provisions of the instrument.

1.14 Financial instruments (continued)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.15 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

1.15 Financial assets (continued)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

1.15 Financial assets (continued)

For financial assets carried at cost, the amount of the impairment 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 current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.16 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

1.16 Financial Liabilities (continued)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.17 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.

1.18 Land, Buildings, Plant and Equipment

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.

1.18 Land, Buildings, Plant and Equipment (continued)

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:

	2015	2014
Land & buildings	40 years	40 years
Plant and equipment	3 to 13 years	3 to 13 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.

1.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.21 Impairment for 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 to sell 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 CFMEU Northern Mining & NSW Energy District Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.22 Taxation

CFMEU Northern Mining & NSW Energy District Branch 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).

1.22 Taxation (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 cash flow statement 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.

1.27 Fair value measurement

The CFMEU Northern Mining & NSW Energy District Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, 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 14A.

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 CFMEU Northern Mining & NSW Energy District Branch. 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 CFMEU Northern Mining & NSW Energy District Branch 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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the CFMEU Northern Mining & NSW Energy District Branch 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 CFMEU Northern Mining & NSW Energy District Branch 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.

1.23 Going concern

CFMEU Northern Mining & NSW Energy District Branch is not reliant on the financial support of another reporting unit.

CFMEU Northern Mining & NSW Energy District Branch has not agreed to provide financial support to another reporting unit.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2015, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the CFMEU Northern Mining & NSW Energy District Branch.

Note 3 Income

2015	2014
\$	\$

Note 3A: Capitation fees

Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 3 Income (continued)

2015	2014
\$	\$

Note 3B: Levies

Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Interest

Deposits	582,772	778,445
Loans	-	-
Other financial assets	16,552	-
Total interest	<u>599,324</u>	<u>778,445</u>

Note 3D: Rental revenue

Properties	141,592	138,987
Other	-	-
Total rental revenue	<u>141,592</u>	<u>138,987</u>

Note 3E: Grants or donations

Grants	-	-
Donations	50,000	50,000
Total grants or donations	<u>50,000</u>	<u>50,000</u>

Note 3F: Net gains from sale of assets

Other financial assets	3,441	-
Total net gains from sale of assets	<u>3,441</u>	<u>-</u>

Note 4 Expenses	2015	2014
	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	1,503,461	1,586,895
Superannuation	276,716	161,583
Leave and other entitlements	307,345	322,185
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>2,087,522</u>	<u>2,070,663</u>
Employees other than office holders:		
Wages and salaries	846,182	821,119
Superannuation	171,998	108,293
Leave and other entitlements	211,810	216,514
Separation and redundancies	-	-
Other employee expenses	54,132	45,525
Subtotal employee expenses employees other than office holders	<u>1,284,122</u>	<u>1,191,451</u>
Total employee expenses	<u>3,371,644</u>	<u>3,262,114</u>
Note 4B: Capitation fees		
CFMEU Mining & Energy Division National Office	2,554,017	2,846,275
Total capitation fees	<u>2,554,017</u>	<u>2,846,275</u>
Note 4C: Affiliation fees		
Australian Labour Party	41,435	45,166
Newcastle Trades Hall Council	14,059	9,132
Unions NSW	30,497	32,425
Total affiliation fees/subscriptions	<u>85,991</u>	<u>86,723</u>
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	300,162	308,743
Conference and meeting expenses	137,640	125,172
Contractors/consultants	2,750	18,016
Property expenses	120,206	87,095
Office expenses	123,534	173,746
Information communications technology	171,132	168,620
Delegates expenses	846,788	928,023
Election expenses	185,438	25,455
Fringe benefits tax	118,990	135,068
Funeral & medical expenses	471,735	408,660
Motor vehicle & travel expenses	233,575	251,436
National assistance fund contributions	2,128,393	2,366,968
Payroll tax	234,848	207,676
Other expenses	309,188	616,858
Subtotal administration expense	<u>5,384,379</u>	<u>5,821,536</u>
Note 4D: Administration expenses		
Operating lease rentals:		
Minimum lease payments	40,823	42,331
Total administration expenses	<u>5,425,202</u>	<u>5,863,867</u>

Note 4 Expenses (continued)	2015	2014
	\$	\$
Note 4E: Grants or donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	29,737	19,927
Donations		
Total paid that were \$1,000 or less	7,548	5,241
Total paid that exceeded \$1,000	125,300	118,993
Total grants or donations	<u>162,585</u>	<u>144,161</u>
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	41,977	41,977
Property, plant and equipment	130,523	138,553
Total depreciation	<u>172,500</u>	<u>180,530</u>
Amortisation		
Intangibles	10,672	20,946
Total amortisation	<u>10,672</u>	<u>20,946</u>
Total depreciation and amortisation	<u>183,172</u>	<u>201,476</u>
Note 4H: Legal costs		
Litigation	133,762	23,205
Other legal matters	24,471	54,605
Total legal costs	<u>158,233</u>	<u>77,810</u>
Note 4J: Net losses from sale of assets		
Plant and equipment	27,150	62,054
Total net losses from asset sales	<u>27,150</u>	<u>62,054</u>
Note 4K: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	2,291,578	3,123,240
Cash on hand	7,010	7,010
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>2,298,588</u>	<u>3,130,250</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]		
CFMEU Mining & Energy Division National office	109,860	69,848
Total receivables from other reporting unit[s]	<u>109,860</u>	<u>69,848</u>
Less provision for doubtful debts	<u>-</u>	<u>-</u>
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting unit[s] (net)	<u>109,860</u>	<u>69,848</u>

Note 5 Current Assets (continued)	2015	2014
	\$	\$
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Other trade receivables	854,453	539,010
Total other receivables	<u>854,453</u>	<u>539,010</u>
Total trade and other receivables (net)	<u><u>964,313</u></u>	<u><u>608,858</u></u>

Note 5C: Other Current Assets

Prepayments	168,270	165,047
Other	672	672
Total other current assets	<u><u>168,942</u></u>	<u><u>165,719</u></u>

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	1,932,336	1,932,336
accumulated depreciation	793,119	751,142
Total land and buildings	<u><u>1,139,217</u></u>	<u><u>1,181,194</u></u>

Reconciliation of the Opening and Closing Balances of Land and Buildings

As at 1 January

Gross book value	1,932,336	1,932,336
Accumulated depreciation and impairment	751,142	709,165
Net book value 1 January	<u><u>1,181,194</u></u>	<u><u>1,223,171</u></u>

Additions:

By purchase	-	-
Revaluations	-	-
Depreciation expense	41,977	41,977
Net book value 31 December	<u><u>1,139,217</u></u>	<u><u>1,181,194</u></u>

Net book value as of 31 December represented by:

Gross book value	1,932,336	1,932,336
Accumulated depreciation and impairment	793,119	751,142
Net book value 31 December	<u><u>1,139,217</u></u>	<u><u>1,181,194</u></u>

Note 6B: Plant and equipment

Plant and equipment:		
at cost	1,355,990	1,312,162
accumulated depreciation	761,736	696,118
Total plant and equipment	<u><u>594,254</u></u>	<u><u>616,044</u></u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 January

Gross book value	1,312,162	1,274,991
Accumulated depreciation and impairment	696,118	650,088
Net book value 1 January	<u><u>616,044</u></u>	<u><u>624,903</u></u>

Additions:

By purchase	208,611	317,021
Depreciation expense	130,523	138,553

Disposals:

Other	99,878	187,327
Net book value 31 December	<u><u>594,254</u></u>	<u><u>616,044</u></u>

Note 6 Non-current Assets (continued)	2015	2014
	\$	\$
Net book value as of 31 December represented by:		
Gross book value	1,355,990	1,312,162
Accumulated depreciation and impairment	761,736	696,118
Net book value 31 December	594,254	616,044

Note 6C: Intangibles

Computer software at cost:		
internally developed	-	-
purchased	230,172	230,172
accumulated amortisation	222,534	211,862
Total intangibles	7,638	18,310

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 January

Gross book value	230,172	214,377
Accumulated amortisation and impairment	211,862	190,917
Net book value 1 January	18,310	23,460
Additions:		
By purchase	-	15,796
Amortisation	10,672	20,946
Disposals:		
Other	-	-
Net book value 31 December	7,638	18,310

Net book value as of 31 December represented by:

Gross book value	230,172	230,172
Accumulated amortisation and impairment	222,534	211,862
Net book value 31 December	7,638	18,310

Note 6D: Investment Property

Investment property		
fair value	1,890,000	1,790,000
Total intangibles	1,890,000	1,790,000

Reconciliation of the Opening and Closing Balances of Investment Property

As at 1 January

Gross book value	1,790,000	1,620,000
Net book value 1 January	1,790,000	1,620,000
Additions:		
By purchase	-	-
Revaluations	100,000	170,000
Disposals:		
Reclassification to land & buildings	-	-
Net book value 31 December	1,890,000	1,790,000

Net book value as of 31 December represented by:

Gross book value	1,890,000	1,790,000
Net book value 31 December	1,890,000	1,790,000

Investment property consists of one commercial property and a number of residential properties that are leased to third parties. The properties were revalued with reference to independent valuations as at 31 December 2015.

Note 6 Non-current Assets (continued)	2015	2014
	\$	\$
Note 6E: Other Investments		
Deposits	13,852,032	18,013,030
Other financial assets - listed	3,842,384	-
Other financial assets - unlisted	677,355	10
Total other investments	<u>18,371,771</u>	<u>18,013,040</u>
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	538,048	434,151
Operating lease rentals	-	-
Subtotal trade creditors	<u>538,048</u>	<u>434,151</u>
Payables to other reporting unit[s]		
CFMEU Mining & Energy Division National Office	250,871	259,976
Subtotal payables to other reporting unit[s]	<u>250,871</u>	<u>259,976</u>
Total trade payables	<u>788,919</u>	<u>694,127</u>
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Wages and salaries	109,551	99,055
Superannuation	-	-
Consideration to employers for payroll deductions	-	-
Legal costs - litigation	-	-
Legal costs - other legal matters	13,521	6,877
Prepayments received/unearned revenue	-	-
GST payable	21,308	25,277
Other	329,802	318,519
Total other payables	<u>474,182</u>	<u>449,728</u>
Total other payables are expected to be settled in:		
No more than 12 months	474,182	449,728
More than 12 months	-	-
Total other payables	<u>474,182</u>	<u>449,728</u>
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	441,090	443,021
Long service leave	-	-
Separations and redundancies	-	-
Other	608,848	558,954
Subtotal employee provisions—office holders	<u>1,049,938</u>	<u>1,001,975</u>
Employees other than office holders:		
Annual leave	184,117	190,144
Long service leave	341,206	313,262
Separations and redundancies	-	-
Other	189,993	165,566
Subtotal employee provisions—employees other than office holders	<u>715,316</u>	<u>668,972</u>
Total employee provisions	<u>1,765,254</u>	<u>1,670,947</u>

Note 8 Provisions (continued)	2015	2014
	\$	\$
Represented by:		
Current	1,424,048	1,357,685
Non Current	341,206	313,262
Total employee provisions	<u>1,765,254</u>	<u>1,670,947</u>

Note 9 Equity

Note 9A: Funds

Financial Asset Reserve

Balance as at start of year	-	-
Transferred to reserve	46,117	-
Transferred out of reserve	-	-
Balance as at end of year	<u>46,117</u>	-
Total Reserves	<u>46,117</u>	-

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	2,298,588	3,130,250
Balance sheet	<u>2,298,588</u>	<u>3,130,250</u>
Difference	<u>-</u>	<u>-</u>

Reconciliation of profit/(deficit) to net cash from operating activities:

Profit/(deficit) for the year	(348,362)	19,237
Adjustments for non-cash items		
Depreciation/amortisation	183,172	201,476
Fair value (gains)/losses	(100,000)	(170,000)
(Gain)/loss on disposal of assets	23,709	62,054
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(355,455)	25,906
(Increase)/decrease in prepayments	(3,223)	(73,405)
Increase/(decrease) in supplier payables	94,792	102,670
Increase/(decrease) in other payables	24,454	(148,324)
Increase/(decrease) in employee provisions	94,307	276,425
Net cash from (used by) operating activities	<u>(386,606)</u>	<u>296,039</u>

Note 10B: Cash flow information

Cash inflows		
CFMEU Mining & Energy Union - Mining & Energy Division	249,075	259,886
Total cash inflows	<u>249,075</u>	<u>259,886</u>

Cash outflows		
CFMEU Mining & Energy Union - Mining & Energy Division	2,818,524	2,882,525
Total cash outflows	<u>2,818,524</u>	<u>2,882,525</u>

Note 11 Contingent Liabilities, Assets and Commitments	2015	2014
	\$	\$
Note 11A: Commitments and Contingencies		
Operating lease commitments—as lessee		
Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:		
Within one year	-	17,744
After one year but not more than five years	-	-
More than five years	-	-
	<u>-</u>	<u>17,744</u>

Capital commitments

At 31 December 2015 capital commitments contracted by the Union are Nil. (2014: Nil.)

Other contingent assets or liabilities (i.e. legal claims)

At 31 December 2015 other contingent assets or liabilities of the Union are Nil. (2014: Nil.)

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Apart from the details disclosed in this note, the Union did not enter into any related party transactions since the end of the previous financial year.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual & sick leave taken)	1,781,718	1,721,785
Annual leave accrued	202,440	212,215
Performance bonus	-	-
Sick leave accrued	104,906	109,970
Total short-term employee benefits	<u>2,089,064</u>	<u>2,043,970</u>

Post-employment benefits:

Superannuation	276,716	161,583
Total post-employment benefits	<u>276,716</u>	<u>161,583</u>

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>

Termination benefits

Total	<u>-</u>	<u>-</u>
	<u>2,365,780</u>	<u>2,205,553</u>

All long service leave entitlements in relation to Elected Officials are the responsibility of 'The CFMEU Mining & Energy Employees' Entitlement Trust' from which all relevant long service leave entitlements and obligations are settled from. Accordingly, no provision for long service leave is disclosed.

Note 12C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

No loans were provided to or from Officials during the financial year.

Other transactions with key management personnel

From time to time, Officials may purchase goods from the Union. These purchases are on the same terms and conditions as those entered into by other Union employees or customers and are trivial or domestic in nature.

Note 13 Auditors Remuneration	2015	2014
	\$	\$
Value of the services provided		
Audit and review services		
Auditors of the Union		
Financial statement audit services	27,000	27,000
Other regulatory audit services	2,500	2,500
Other services		
Auditors of the Union		
In relation to assurance, taxation and due diligence services	35,500	38,050
Other auditors		
In relation to other assurance services	3,350	3,700
Total remuneration of auditors	<u>68,350</u>	<u>71,250</u>

Note 14 Financial Instruments

Financial Risk Management Policies

The Board of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk Management policies are approved and reviewed by the Board of Management. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for entity operations. The Union does not have any derivative instruments at 31 December 2015.

Specific Financial Risk Exposure and Management

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

There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Board of Management's objectives, policies and processes for managing or measuring the risks from the previous period.

Note 14A: Categories of Financial Instruments

Financial Assets

Held-to-maturity investments:		
Term deposits	13,852,032	18,013,030
Total	<u>13,852,032</u>	<u>18,013,030</u>
Available-for-sale assets:		
Shares & units in listed entities	3,842,384	-
Shares & units in unlisted entities	677,355	10
Total	<u>4,519,739</u>	<u>10</u>
Loans and receivables:		
Trade & other receivables	964,313	608,858
Total	<u>964,313</u>	<u>608,858</u>
Carrying amount of financial assets	<u>19,336,084</u>	<u>18,621,898</u>

Note 14 Financial Instruments (continued)	2015	2014
	\$	\$
Financial Liabilities		
Other financial liabilities:		
Trade & other payables	1,263,101	1,143,855
Total	<u>1,263,101</u>	<u>1,143,855</u>
Carrying amount of financial liabilities	<u><u>1,263,101</u></u>	<u><u>1,143,855</u></u>

Note 14B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	582,772	778,445
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	<u>582,772</u>	<u>778,445</u>
Loans and receivables		
Interest revenue	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	<u>-</u>	<u>-</u>
Available-for-sale		
Interest revenue	16,552	-
Dividend revenue	10,559	-
Trust distribution	9,411	-
Exchange gains/(loss)	-	-
Gain/(loss) recognised in equity	46,117	-
Amounts reversed from equity:		
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gain/(loss) on disposal	3,441	-
Net gain/(loss) from available-for-sale	<u>86,080</u>	<u>-</u>
Net gain/(loss) from financial assets	<u><u>582,772</u></u>	<u><u>778,445</u></u>

Note 14C: Fair Value of Financial Instruments

	Carrying amount 2015 \$	Fair value 2015 \$	Carrying amount 2014 \$	Fair value 2014 \$
Financial Assets				
Held to maturity investments	13,852,032	13,852,032	18,013,030	18,013,030
Available for sale	4,519,739	4,519,739	10	10
Trade & other receivables	964,313	964,313	608,858	608,858
Total	<u>19,336,084</u>	<u>19,336,084</u>	<u>18,621,898</u>	<u>18,621,898</u>
Financial Liabilities				
Trade & other payables	1,263,101	1,263,101	1,143,855	1,143,855
Total	<u>1,263,101</u>	<u>1,263,101</u>	<u>1,143,855</u>	<u>1,143,855</u>

Note 14D: 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 such as utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Note 14D: Credit Risk (continued)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board of Management has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

The following table illustrates the Union's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2015	2014
	\$	\$
Financial assets		
Held to maturity investments	13,852,032	18,013,030
Available for sale investments	4,519,739	10
Trade & other receivables	964,313	608,858
Total	<u>19,336,084</u>	<u>18,621,898</u>

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$	Not Past Due Nor Impaired 2014 \$	Past due or impaired 2014 \$
Held to maturity investments	13,852,032	-	18,013,030	-
Available for sale investments	4,519,739	-	10	-
Trade & other receivables	964,313	-	608,858	-
Total	<u>19,336,084</u>	<u>-</u>	<u>18,621,898</u>	<u>-</u>

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

Trade & other receivables that are neither past due nor impaired are considered to be of high credit quality.

Note 14E: 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:

- (i) only investing surplus cash with approved deposit taking institutions; and
- (ii) proactively monitoring the recovery of unpaid subscriptions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Note 14E: Liquidity Risk (continued)

Contractual maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	1,263,101	-	-	-	1,263,101
Total	-	1,263,101	-	-	-	1,263,101

Maturities for financial liabilities 2014

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	1,143,855	-	-	-	1,143,855
Total	-	1,143,855	-	-	-	1,143,855

Financial assets pledged as collateral

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

Note 14F: Market Risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union is also exposed to earnings volatility on floating rate instruments. The financial instruments that expose the Union to interest risk are limited to cash and cash equivalents.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates. The table indicates the impact on how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

Sensitivity analysis of the risk that the Union is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	Increase	1%	15,628	-
Interest rate risk	Decrease	1%	(15,628)	-

Sensitivity analysis of the risk that the Union is exposed to for 2014

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	Increase	1%	20,323	-
Interest rate risk	Decrease	1%	(20,323)	-

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

Other price risk

The Union exposed to equity securities price risk. This arises from listed and unlisted investments held by the Union and classified as available-for-sale on the balance sheet. Equity instruments are held for strategic rather than trading purposes and the Union does not actively trade these investments. The Union is not exposed to commodity price risk.

Note 14F: Market Risk (continued)

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in equity prices. The table indicates the impact on how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

Sensitivity analysis of the risk that the Union is exposed to for 2015

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Effect on Equity \$
Equity price risk	Increase	5%	-	225,986
Equity price risk	Decrease	5%	-	(225,986)

Sensitivity analysis of the risk that the Union is exposed to for 2014

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Effect on Equity \$
Equity price risk	Increase	5%	-	-
Equity price risk	Decrease	5%	-	-

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

Note 15 Fair Value Measurement

The Union measures the following assets at fair value on a recurring basis:

- Listed and unlisted shares
- Investment property

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—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

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2015				
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	4,519,739	-	-	4,519,739
Non Financial assets				
Investment property	-	1,890,000	-	1,890,000
	<u>4,519,739</u>	<u>1,890,000</u>	<u>-</u>	<u>6,409,739</u>

Note 15 Fair Value Measurement (continued)

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2014				
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	10	-	-	10
Non Financial assets				
Investment property	-	1,790,000	-	1,790,000
	10	1,790,000	-	1,790,010

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 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 the 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).

INDEPENDENT AUDIT REPORT

To the Members of the CFMEU Northern Mining & NSW Energy District Branch

Report on the Financial Report

We have audited the accompanying financial report of the CFMEU Northern Mining & NSW Energy District Branch, which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, 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 Board of Management's declaration of the entity during the financial year.

Board of Management's Responsibility for the Financial Report

The Union's Board of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Board of Management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial 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 and fair presentation of the financial report 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 Board of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

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

INDEPENDENT AUDIT REPORT

To the Members of the CFMEU Northern Mining & NSW Energy District Branch

Opinion

In our opinion:

- (a) the financial report of the Union is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
 - (i) presenting fairly the financial position of the CFMEU Northern Mining & NSW Energy District Branch as at 31 December 2015 and of its performance and cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations)
- (b) the Board of Management's use of the going concern basis of accounting in the preparation of the CFMEU Northern Mining & NSW Energy District Branch financial statements is appropriate.
- (c) that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:
 - (i) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money

Auditor Declaration

In accordance with the requirements of section 257(5) of the Fair Work (Registered Organisations) Act 2009, we provide the following declarations:

- (i) the auditor is an approved auditor
- (ii) the auditor is a member of The Institute of Chartered Accountants in Australia
- (iii) the auditor holds a current Public Practice Certificate

Lindbeck Partners

LINDBECK PARTNERS
Chartered Accountants

B N Lindbeck

B N LINDBECK
Partner

Cardiff: 26 February 2016.

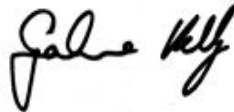
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 31 December 2015

I Grahame Kelly being the Secretary of the CFMEU Northern Mining & NSW Energy District Branch certify:

- that the documents lodged herewith are copies of the full report for the CFMEU Northern Mining & NSW Energy District Branch for the period ended 31 December 2015 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 11 March 2016; and
- that the full report was presented to a meeting of the last of a series of general meetings of members of the reporting unit on 18 May 2016 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Grahame Kelly

Title of prescribed designated officer: Secretary

Dated: 10 June 2016
