



**Australian Government**  
**Registered Organisations Commission**

19 February 2018

Mr Gregory Busson  
District President  
Construction, Forestry, Mining and Energy Union  
Mining and Energy Division, Western Australia District Branch

By e-mail: [cfmeumwa@highway1.com.au](mailto:cfmeumwa@highway1.com.au)

Dear Mr Busson

**Construction, Forestry, Mining and Energy Union**  
**Mining and Energy Division, Western Australia District Branch**  
**Financial Report for the year ended 31 December 2016 - FR2016/342**

I acknowledge receipt of the amended financial report for the year ended 31 December 2016 for the CFMEU, Mining and Energy Division, Western Australia District Branch (CFMEU-WA). The financial report was lodged with the Registered Organisations Commission (ROC) on 16 February 2018.

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

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report**

Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

Activities under Reporting Guidelines (RG) not disclosed

Items 15 and 19 of the RG state that if the activities identified in items 14 and 18 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure has been made:

- Item 14(b) - capitation fees received
- Item 18(a) - receivable with another reporting unit

## **2. Auditor's Statement**

### New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the CFMEU-WA was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

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) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

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

**KEN MORGAN**  
**Financial Reporting Advisor**  
**Registered Organisations Commission**

**CFMEU – MINING & ENERGY DIVISION OF WA  
FINANCIAL REPORTS FOR YEAR ENDED 31 DECEMBER 2016**

**Certificate of Secretary or other Authorised Officer**

I, Gary Norman Wood being the Secretary of the CFMEU – Mining & Energy Division of WA certify:

- that the documents lodged herewith are copies of the full report, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 13 April 2017; and
- that the full report was presented for the purposes of section 266 of the *Fair Work (Registered Organisations) Act 2009*, to meetings of the members of Lodges, the last meeting being on 15 June 2017; and
- that the full report was also subsequently presented to the Committee of Management on 19 June 2017

Signature:



Date: 22 June 2016



15<sup>th</sup> February 2018

Mr Ken Morgan  
Financial Reporting Adviser  
Registered Organisations Commission  
GPO Box 2983  
MELBOURNE VIC 3001

Dear Mr Morgan

**RE: Construction, Forestry, Mining & Energy Union  
Mining & Energy Division, Western Australia District Branch  
Financial Report for the year ended 31 December 2016 – FR2016/342**

Further to your letter of 19 July 2017 in regard to the above previously submitted Financial Return and the requested changes, please find attached the amended copy of the Financial Return for the year ended 31 December 2016.

We sincerely apologise for the delay in this matter, unfortunately our Auditor had some serious health issues which required his hospitalisation, treatment and extended time off work which resulted in us not receiving the required amendments to be completed and returned any sooner. We have since put appropriate measures in place to ensure this does not occur moving forward.

Thank you for your patience with this matter.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Gary Wood'.

Gary Wood  
Secretary

**CFMEU Mining & Energy Division of WA**

ABN 26 591 880 340

Financial Statements  
For the year ended 31 December 2016

**OFFICIAL COPY**

**Hodgins Associates**

Chartered Accountants

Unit 6b / 29 Bonnefoi Boulevard

BUNBURY 6230

Phone: 97213188 Fax: 97217051

Email: [hodginsassociates@inet.net.au](mailto:hodginsassociates@inet.net.au)

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**

**Contents**

Independent Auditor's Report

Committee of Management Statement

Operating Report

Balance Sheet

Statement of Profit or Loss and Other Comprehensive Income

Statement of Changes in Equity

Detailed Profit and Loss Statement

Statement of Cash Flows

Notes to the Financial Statements

Depreciation Schedule

Compilation Report

## **CFMEU Mining & Energy Division of WA Independent Auditor's Report to the Members**

---

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

We have audited the accompanying financial report of CFMEU Mining & Energy Division of WA (the Union) a general purpose financial report prepared under Section 253 of the Fair Work (Registered Organisation) Act 2009, which comprises the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the committee of management statement.

### **Board of Management and Accounting Officer's Responsibility for the Financial Report**

The Board of Management and Accounting Officer of the union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, and for such internal control as management determines is necessary to enable the preparation 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 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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.

**Peter R. Hodgins A.C.A.**

Unit 6b/29 Bonnefoi Boulevard  
P.O. Box 1934 Bunbury W.A. 6231  
Ph. 9721 3188 Fax. 9721 7051  
hodginsassociates@inet.net.au

**CFMEU Mining & Energy Division of WA**  
**Independent Auditor's Report to the Members**

---

## **Independence**

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

## **Auditor's Opinion**

In our opinion the financial report of CFMEU Mining & Energy Division of WA as at 31 December 2016, and of the financial performance and cash flows for the year ended in accordance with:

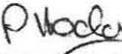
- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The scope of our audit did not extend to recovery of wages activity, however as noted in the Board of Management Statement, no such activity was undertaken during the reporting period.

I declare that I am an approved auditor, a member of the Institute of 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.

Signed on: 2<sup>nd</sup> April 2017

  
\_\_\_\_\_  
Peter Hodgins  
Chartered Accountant  
**HODGINS ASSOCIATES**  
6B / 29 Bonnefoi Boulevard  
Bunbury WA 6230

**CFMEU – MINING AND ENERGY DIVISION OF WA  
COMMITTEE OF MANAGEMENT STATEMENT**

---

On 2 April 2017 the Committee of Management of CFMEU –Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended December 31 2016.

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

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with 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;
- e) During the financial year to which GPFR relates and since the end of that year;
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. the information sought in any request of a member of the reporting unit or a General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
  - vi. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

For Committee of Management: Greg Busson

Title of Office held/President

Signature:

Date: 2 April 2017

**CFMEU – MINING AND ENERGY DIVISION OF WA**  
**FINANCIAL REPORTS FOR YEAR ENDED 31 DECEMBER 2016**  
**OPERATING REPORT**

---

The Committee of Management present their report, together with the financial statement of the reporting entity for the financial year ended 31 December 2016

**1. General Information**

Information on Committee of Management

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

<b>Name</b>	<b>Position</b>	<b>Period of Appointment</b>
Gary Wood	District Secretary	1 January 2016 to 31 December 2016
Greg Busson	District President	1 January 2016 to 31 December 2016
Vic Arriagada	District Vice President	1 January 2016 to 31 December 2016
Dennis Jones	District Vice President	1 January 2016 to 30 June 2016
Paul Steele	District Vice President	1 July 2016 to 31 December 2016
Steven Harms	Board of Management	1 January 2016 to 30 June 2016
Robert Sanford	Board of Management	1 July 2016 to 31 December 2016
Chris Davidson	Board of Management	1 January 2016 to 31 December 2016
Paul Bloxsom	Board of Management	1 July 2016 to 31 December 2016
Dennis Jones	Board of Management	1 July 2016 to 31 December 2016

Principal Activities

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

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

No significant change occurred in these activities during the year.

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

### Operating Results

The entity made a profit of \$83,459 (2015 \$109,157) for the financial year.

## **2. Other Items**

### Significant Changes In Financial Affairs

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

### Events after the Reporting Date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the entity, the results of those operation or the state of affairs of the entity 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 Organisation) Act 2009], namely, by providing written notice addressed and delivered to a Lodge Secretary or authorised delegate.

### Superannuation Trustees

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

### Number of Members

There were 1386 members of the Union as at 31 December 2016 (2015:1380)

### Number of Employees

As at 31 December 2016 the Union had 2 employees (2015:2)

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

  
**Greg Busson**  
**District President**  
Date: 2 April 2017  
Collie WA

**CFMEU Mining & Energy Division of WA**

ABN 26 591 880 340

**Balance Sheet as at 31 December 2016**

	Note	2016 \$	2015 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash assets	4	564,467	429,796
Receivables	5	247,679	291,372
Other	6	1,203	1,504
<b>Total Current Assets</b>		<b>813,349</b>	<b>722,672</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	14,904	18,693
<b>Total Non-Current Assets</b>		<b>14,904</b>	<b>18,693</b>
<b>Total Assets</b>		<b>828,253</b>	<b>741,365</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	8	92,123	73,278
Current tax liabilities	9	10,672	42,316
Provisions	10	113,134	96,906
<b>Total Current Liabilities</b>		<b>215,929</b>	<b>212,500</b>
<b>Total Liabilities</b>		<b>215,929</b>	<b>212,500</b>
<b>Net Assets</b>		<b>612,324</b>	<b>528,865</b>
<b>Equity</b>			
Balance at 1 January		528,865	419,708
Surplus for the year		83,459	109,157
<b>Total Members' Funds</b>		<b>612,324</b>	<b>528,865</b>

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2016**

	Note	2016 \$	2015 \$
Revenue	2	861,765	876,253
<b>Gross profit</b>		<b>861,765</b>	<b>876,253</b>
Marketing		(1,470)	(776)
Administration expenses		(776,836)	(766,320)
<b>Net surplus for the year</b>		<b>83,459</b>	<b>109,157</b>
<b>Total comprehensive income for the year</b>		<b>83,459</b>	<b>109,157</b>

---

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Statement of Changes in Equity**

	2016 \$	2015 \$
<b>Balance at 1 January</b>	528,865	419,708
Surplus for the year	83,459	109,157
<b>Balance at 31 December</b>	<u>612,324</u>	<u>528,865</u>

---

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**

ABN 26 591 880 340

**Detailed Profit and Loss Statement  
For the year ended 31 December 2016**

	2016	2015
	\$	\$
<hr/>		
<b>Income</b>		
Fees members	831,585	859,257
Reimbursements	30,235	18,349
Interest received	237	121
Profit/ (loss) sales merchandise	(292)	(1,474)
	<hr/>	<hr/>
Total income	861,765	876,253
	<hr/>	<hr/>
<b>Expenses</b>		
Accountancy	3,610	5,240
Audit fees	2,780	2,010
Affiliation fees - CFMEU National	357,449	359,168
Affiliation fees - Other	14,440	4,299
Advertising and promotion	1,470	775
Bank fees and charges	5,568	6,022
Computer costs	2,528	3,345
Depreciation	3,789	4,986
Donations	3 10,706	14,425
Expenses executive	5,130	6,059
Expenses delegates	12,075	-
Fines	-	2,040
Fringe benefits tax	-	17,072
General expenses	914	5,600
Hire/rent of Plant & Equipment	7,733	11,187
Holiday pay provision	15,035	(42,231)
Insurance	12,505	12,116
Legal fees	3 59,233	20,750
Long service leave provision	1,192	(13,833)
Meeting costs	348	736

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Detailed Profit and Loss Statement**  
**For the year ended 31 December 2016**

	2016 \$	2015 \$
Motor vehicle expenses	6,874	11,922
Postage, printing, & stationery	5,941	5,222
Rent on land & buildings	15,600	15,600
Repairs & maintenance	229	349
Salaries & wages - office holders	131,124	122,008
Salaries & wages - non office holders	54,766	148,654
Superannuation - office holders	12,457	12,104
Subscriptions	1,658	2,391
Superannuation - non office holders	5,751	6,881
Telephone	4,610	5,578
Travel and Accommodation	22,791	16,620
Total expenses	<u>778,306</u>	<u>767,095</u>
Surplus for the year	<u><u>83,459</u></u>	<u><u>109,157</u></u>

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**

**ABN 26 591 880 340**

**Statement of Cash Flows**

**For the year ended 31 December 2016**

	2016	2015
	\$	\$
<b>Cash Flow From Operating Activities</b>		
Receipts from customers	887,095	818,262
Payments to Suppliers and employees	(752,661)	(829,679)
Interest received	237	121
Net cash provided by (used in) operating activities (note 2)	<u>134,671</u>	<u>(11,296)</u>
Net increase (decrease) in cash held	134,671	(11,296)
Cash at the beginning of the year	<u>429,796</u>	<u>441,092</u>
Cash at the end of the year (note 1)	<u><u>564,467</u></u>	<u><u>429,796</u></u>

---

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**

ABN 26 591 880 340

**Statement of Cash Flows**

For the year ended 31 December 2016

2016

2015

**Note 1. Reconciliation Of Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	408,890	274,079
Leave account	151,298	151,438
Cash on hand	279	279
Commonwealth Bank Mastercard	4,000	4,000
	<u>564,467</u>	<u>429,796</u>

**Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit**

Operating profit (loss) after tax	83,459	109,157
Depreciation	3,789	4,986
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	25,567	(57,870)
Increase (decrease) in trade creditors and accruals	(8,913)	(32,085)
Increase (decrease) in other creditors	46,183	1,803
Increase (decrease) in employee entitlements	16,228	(56,064)
Increase (decrease) in sundry provisions	(31,642)	18,777
<b>Net cash provided by operating activities</b>	<u><b>134,671</b></u>	<u><b>(11,296)</b></u>

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**

**ABN 26 591 880 340**

**Statement of Cash Flows**

**For the year ended 31 December 2016**

	2016	2015
	\$	\$
<b>Cashflow information to/from other reporting unit</b>		
Cash Inflows:		
CFMEU Mining & Energy National Office	41,869	9,424
Cash Outflows:		
CFMEU Mining & Energy National Office	479,091	390,170

---

The accompanying notes form part of these financial statements.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**Note 1: Summary of Significant Accounting Policies**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporations Act . The committee has determined that the association is not a reporting entity.

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

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

**(a) Property, Plant and Equipment (PPE)**

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Plant & Office equipment is depreciated at rates between 5% - 40% and Motor Vehicles are depreciated at the rate of 25%.

**(b) Impairment of Assets**

At the end of each reporting period, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**(c) Employee Benefits**

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

**(d) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

**(e) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

**(f) Goods and Services Tax (GST)**

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

**(g) Trade and Other Payables**

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

**(h) Income Tax**

The Union is exempt from income tax under the provisions of Section 50-5 of the Income Tax Assessment Act 1997.

**(i) Adoption of new and revised accounting standards**

During the current year, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

**(j) 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 table summarises those future requirements and their impact on the Group where the standard is relevant.

**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 instrument standard.

While the Union has yet to undertake a detailed assessment, it is expected that there will be no impact on the Union'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 Union does not have any such liabilities.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

The Union 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.

**AASB 15 Revenue from contract with customers**

The AASB has issued a new standard for recognition of revenue. This will replace AASB 118, which covers contracts for goods and services and AASB 119, 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.

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

**AASB 16 Leases**

The standard will affect primarily the accounting for the Union's operating lease. However, the Union has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Union's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short term and low value leases and some commitments may relate to arrangements that will not qualify as lease under AASB 16.

The standard is not mandatory for annual reporting periods beginning on or after 1 January 2019. At this stage, the Union does not intend to adopt the standard before its effective date.

**(k) Financial Instruments**

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Union 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).

*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.

## CFMEU Mining & Energy Division of WA

ABN 26 591 880 340

### Notes to the Financial Statements

For the year ended 31 December 2016

---

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 no 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 Union's trade and most 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.

#### *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.

#### *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 Union'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 Union does not hold any available for sale financial assets.

#### *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.

The Union's financial liabilities include trade and other payable, which are measured at amortised cost using the effective interest rate method.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

*Impairment of financial assets*

At the end of the reporting period the Union 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 measure 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 receivable 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.

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**Note 2: Income**

**Revenue:**

Membership Subscriptions	831,585	859,257
Reimbursements	30,235	18,349
Interest revenue	237	121
Levies - There were no compulsory or voluntary levies during the period.	-	-
Grants or Donation – There were no grants or donations received during the period	-	-
	<b>862,057</b>	<b>877,727</b>

**Note 3: Expenses**

Profit (loss) from ordinary activities before income tax has been determined after:

**Charging as Expense:**

**Depreciation of non-current assets:**

- Plant and equipment	3,789	4,986
<b>Total depreciation expenses</b>	<b>3,789</b>	<b>4,986</b>

**Employee expenses attributable to:**

**Holders of Office**

Wages	124,350	120,367
Superannuation	12,457	12,104
Other employee expenses	-	-
Separation and redundancies	-	-
Leave and other entitlements	6,774	1,641

**Employees other than Office Holders**

Wages	54,059	84,816
Superannuation	5,751	6,881
Other employee expenses	-	-
Leave and other entitlements	707	63,838
Separation and redundancies	-	-
<b>Total Employee Expenses</b>	<b>204,098</b>	<b>289,647</b>

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

Fees incurred as consideration for employers		
Making payroll deductions of membership subscriptions.	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit		
	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.		
	22,791	6,059
Penalties imposed under the RO Act		
	-	-
<b>Capitation Fees</b>		
Capitation Fees – CFMEU National	357,449	359,168
<b>Affiliation Fees</b>		
Affiliation fees other	14,440	4,299
<b>Grants or Donations</b>		
(No Grants were made during the period)		
Grants less than \$1,000	-	-
Grants exceeding \$1,000	-	-
Donations less than \$1,000	1,706	425
Donations exceeding \$1,000	9,000	14,000
Hire of Equipment	7,733	11,187
Insurance	12,505	12,116
<b>Legal Costs</b>		
Other legal matters	59,233	20,750
Litigation	-	-
(No legal costs were incurred for litigation during the period)		
<b>Administrative Expenses</b>		
Motor Vehicle Expenses	6,874	11,922
Postage Printing & Stationery	5,940	5,222

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

Rent property	15,600	15,600
Conference expenses	22,791	6,059
Travel & Accommodation	17,205	16,620

**Note 4: Cash assets**

Bank accounts:

Cash at bank	408,890	274,079
Leave account	151,298	151,438

Other cash items:

Cash on hand	279	279
Commonwealth Bank Mastercard	4,000	4,000

	564,467	429,796
--	---------	---------

**Note 5: Receivables**

**Current**

Trade debtors	247,679	273,246
Other Debtors	-	18,126

	247,679	291,372
--	---------	---------

**Note 6: Other Assets**

**Current**

Stock on hand – at cost	1,203	1,504
-------------------------	-------	-------

	1,203	1,504
--	-------	-------

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**Note 7: Property, Plant and Equipment**

Plant and equipment:

- At cost	48,885	48,885
- Less: Accumulated depreciation	(41,277)	(39,920)
	7,608	8,965
Motor vehicles:		
- At cost	35,488	35,488
- Less: Accumulated depreciation	(28,191)	(25,759)
	7,297	9,729
	14,904	18,693

**(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.

	<b>Plant &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	\$	\$	\$
<b>Year ended 31 December 2016</b>			
Balance at the beginning of year	8,965	9,728	18,693
Additions	-	-	-
Disposals – written down value	-	-	-
Depreciation expense	(1,357)	(2,432)	(3,789)
	7,608	7,296	14,904

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

	<b>Plant &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
	\$	\$	\$
<b>Year ended 31 December 2015</b>			
Balance at the beginning of year	10,708	12,971	23,679
Additions	-	-	-
Disposals – written down value	-	-	-
Depreciation expense	(1,743)	(3,243)	(4,986)
<b>Balance at the end of the year</b>	<b>8,965</b>	<b>9,728</b>	<b>18,693</b>

**Note 8: Payables**

Unsecured:

- Trade creditors	62,562	71,475
- Superannuation payable	3,798	1,803
- Other Creditors	25,763	-
- Payable for employers making payroll deductions of membership subscriptions	-	-
- Legal fees Payable – Litigation	-	-
- Legal Fees Payable – Other legal matters	-	-
	<b>92,123</b>	<b>73,278</b>

**Amounts owing to other reporting unit**

CMEU Mining & Energy National Office	59,150	68,500
--------------------------------------	--------	--------

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

**Note 9: Tax Liabilities**

**Current**

GST payable control account	43,522	60,217
GST payable adjustment control account	(8,648)	-
Input tax credit control account	(27,486)	(28,396)
ATO Integrated Account Balance	(323)	7,059
FBT Instalments	(3,172)	-
Amounts withheld from salary and wages	6,779	3,436
	<u>10,672</u>	<u>42,316</u>

**Note 10: Employee Benefits**

**Current**

Total employee benefits attributable to;

Office Holder:

- Annual Leave	105,243	93,053
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employees other than Office Holders:

- Annual Leave	4,772	2,426
- Long Service Leave	3,119	1,427
- Separation and Redundancies	-	-
- Other employee provisions	-	-

Employee entitlements*	113,134	96,906
	<u>113,134</u>	<u>96,906</u>
* Aggregate employee entitlements liability	<u>113,134</u>	<u>96,906</u>

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**Provision for Employee Entitlements**

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value and future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits has been included in Note: Statement of significant account policies.

**Note 11: Remuneration of Auditor**

**Total amounts received and receivable by the auditors of the union for:**

Audit of the Union's financial report	3,610	5,240
Other Accounting Services	2,780	2,010

**Note 12: Key Management Personnel Disclosures**

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

**Short term employee benefits**

Salary (including annual leave taken)	131,124	122,008
Leave Accrued	-	633

**Long-term benefits**

Long Service Leave	-	-
--------------------	---	---

**Post employment benefits**

Superannuation	12,457	12,103
----------------	--------	--------

**Termination benefits**

	-	-
	<b>143,581</b>	<b>134,744</b>

**Other Employees**

Salaries (including annual leave)	54,766	148,654
Superannuation	5,751	6,881
Other Benefits	-	-
Separations and redundancies	-	-

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**Note 13: 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.

Affiliation Fees Paid

CFMEU Nations	357,449	359,168
Unions WA	2,701	3,920
ALP WA Branch	11,739	379

**Note 14: Events Subsequent to Reporting Date**

Since the end of the financial year there have been no material subsequent events.

**Note 15: Critical Accounting Estimates and Judgements**

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

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

Any significant estimates and judgements made have been described below.

**Note 16: Additional disclosures required under the Fair Work (Registered Organisations) Act 2009 Events Subsequent to Reporting Date**

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

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

**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2016**

---

**Note 17: Section 272 Fair Work (Registered Organisations) Act 2009**

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

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

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

**Note 18: Recovery of Wages Activity**

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2016 (2015:Nil).

# CFMEU Mining & Energy Division of WA

ABN 26 591 880 340

## Depreciation Schedule for the year ended 31 December, 2016

	Total	Priv	OWDV	DISPOSAL		ADDITION		DEPRECIATION		Priv	CWDV	PROFIT		LOSS		
				Date	Consid	Date	Cost	Value	T			Rate	Deprec	Upto +	Above	Total -
<b>Plant &amp; Equipment</b>																
Laser Printer 915.00	915	0.00	1		0		0	1 D	40.00	0	0	1	0	0	0	0
Mobile Telephone 731.00	731	0.00	1		0		0	1 D	30.00	0	0	1	0	0	0	0
Computer System 8,579.00	8,579	0.00	1		0		0	1 D	40.00	0	0	1	0	0	0	0
Mobile Telephone 695.00	695	0.00	1		0		0	1 D	30.00	0	0	1	0	0	0	0
Mobile Telephone (0418699227) 0	268.00	268	0.00		1		0	0 1	D	30.00	0	0	1	0	0	0
Facsimile Machine 649.00	649	0.00	1		0		0	1 D	30.00	0	0	1	0	0	0	0
IBM 3197/DIY Computer Terminal 0	550.00	550	0.00		1		0	0 1	D	40.00	0	0	1	0	0	0
Computer System 5,411.00	5,411	0.00	1		0		0	1 D	40.00	0	0	1	0	0	0	0
Refridgerator 549.00	549	0.00	4		0		0	4 D	25.00	1	0	3	0	0	0	0
Fax Machine 599.00	599	0.00	1		0		0	1 D	30.00	0	0	1	0	0	0	0
Laminator 315.00	315	0.00	1		0		0	1 D	30.00	0	0	1	0	0	0	0
Printer 681.00 10/05/01	681	0.00	4		0		0	4 D	30.00	1	0	3	0	0	0	0
Laptop Computer 3,300.00 04/02/02	3,300	0.00	24		0		0	24 D	30.00	7	0	17	0	0	0	0
Fax Machine 959.00 08/07/02	959	0.00	8		0		0	8 D	30.00	2	0	6	0	0	0	0
Computer 2,599.00 23/12/02	2,599	0.00	25		0		0	25 D	30.00	8	0	17	0	0	0	0
Telephone System 0.00	2,390	0.00	63		0		0	63 D	25.00	16	0	47	0	0	0	0
Color Printer 0.00	254	0.00	1		0		0	1 D	40.00	0	0	1	0	0	0	0
Computer 1,503.44 18/04/08	1,503	0.00	41		0		0	41 D	37.50	15	0	26	0	0	0	0
Macron Notebook 1,508.73 11/06/08	1,509	0.00	33		0		0	33 D	40.00	13	0	20	0	0	0	0
Sonic Wireless Firewall 1,086.40 30/09/08	1,086	0.00	28		28		0	0 28	D	40.00	11	0	17	0	0	0





**CFMEU Mining & Energy Division of WA**  
**ABN 26 591 880 340**  
**Compilation Report to CFMEU Mining & Energy Division of WA**

We have compiled the accompanying general purpose financial statements of CFMEU Mining & Energy Division of WA, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Position as at 31 December 2016, a summary of significant accounting policies and other explanatory notes. These have been prepared in accordance with the financial reporting framework described in Note 1 to the financial statements.

*The Responsibility of the Committee of Management*

The committee of management is solely responsible for the information contained in the general purpose financial statements and the reliability, accuracy and completeness of the information.

*Our Responsibility*

On the basis of information provided by the committee of management, we have compiled the accompanying general purpose financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements and APES 315 Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with Australian Accounting Standards. We have complied with the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants.

*Assurance Disclaimer*

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The general purpose financial statements were compiled for the benefit of the committee of management who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the general purpose financial statements.

---

Hodgins Associates

Unit 6b / 29 Bonnefoi Boulevard

BUNBURY

2 April, 2017