

CFMMEU Mining & Energy Division of WA

ABN 26 591 880 340

Financial Statements
For the year ended 31 December 2021

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

Contents

Committee of Management Statement	1
Operating Report	2
Report required under subsection 255(2A)	4
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Equity	7
Detailed Profit and Loss Statement	8
Statement of Cash Flows	9
Notes to the Financial Statements	11
Independent Auditor's Report	32

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

On 8th April 2022 the Committee of Management of CFMMEU - Mining and Energy Division of WA passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2021.

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

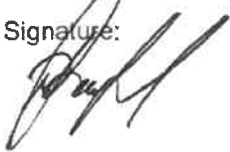
- a) the financial statements and notes comply with the Australian Accounting Standards.
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).
- c) the financial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

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

For Committee of Management: Robert Sanford

Title of Office held: President

Signature:



Date: 8th April 2022

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2021
OPERATING REPORT**

The Committee of Management present their report, together with the financial statements of the reporting entity for the financial year ended 31 December 2021

1. General Information

Information on Committee of Management

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

Name	Position	Period of Appointment
Greg Busson	District Secretary	1 January 2021 to 31 December 2021
Robert Sanford	District President	1 January 2021 to 31 December 2021
Kim Praetz	District Vice President	1 January 2021 to 31 December 2021
Justin Parry	District Vice President	17 September 2021 to 31 December 2021
Garry Howard	Board of Management	17 September 2021 to 31 December 2021
Darren Crowe	Board of Management	17 September 2021 to 31 December 2021
Greg Brandis	Board of Management	1 January 2021 to 31 December 2021
Shane Johnson	Board of Management	1 January 2021 to 31 December 2021

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 loss of \$247,415 (2020: Profit of \$210,347) for the year ended 31 December 2021. The loss for the year was adversely affected by affiliation fees and levies paid to the national office of \$109,046, which ordinarily would be covered by membership fees from The Coal Miners Industrial Union of Workers of Western Australia which were unable to be recovered this year. This is a one-off item not expected to recur in the future.

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2021
OPERATING REPORT**

2. Other Items

Significant Changes In Financial Affairs

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

Events after the Reporting Date

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

Right of Members to Resign

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

Superannuation Trustees

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

Number of Members

There were 1,001 members of the Union as at 31 December 2021 (2019: 1,025)

Number of Employees

As at 31 December 2021 the Union had 3 employees (2020: 2)

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



Robert Sanford

District President

Date: 8th April 2021

Perth, WA

**CFMMEU - MINING AND ENERGY DIVISION OF WA
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2021
OPERATING REPORT**

CFMMEU MINING AND ENERGY DIVISION WA

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 December 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2021.

Descriptive form

Categories of expenditures	2021	2020
	\$	\$
Remuneration and other employment-related costs and expenses - employees	335,480	234,327
Advertising	-	-
Other Operating costs	311,114	381,485
Donations to political parties	10,000	-
Legal costs	2,600	-

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash assets	4	742,789	824,830
Receivables	5	135,968	158,366
Total Current Assets		878,757	983,196
Non-Current Assets			
Property, plant and equipment	6	18,758	23,017
Total Non-Current Assets		18,758	23,017
TOTAL ASSETS		897,515	1,006,213
LIABILITIES			
Current Liabilities			
Payables	7	203,431	44,032
Current tax liabilities	8	(6,656)	7,081
Provisions	9	23,583	30,528
Total Current Liabilities		220,358	81,641
TOTAL LIABILITIES		220,358	81,641
NET ASSETS		677,157	924,572
Equity			
Balance at 1 January		924,572	714,225
(Loss)/Profit for the year		(247,415)	210,347
Total Members' Funds		677,157	924,572

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Revenue	2	724,599	953,620
Gross profit		724,599	953,620
Administration expenditure		(972,014)	(743,273)
(Loss)/Profit for the year		(247,415)	210,347
Other comprehensive income		-	-
Total comprehensive income for the year		(247,415)	210,347

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

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

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

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

	2021	2020
	\$	\$
Balance at 1 January	924,572	714,225
(Loss)/Profit for the year	(247,415)	210,347
Balance at 31 December	677,157	924,572

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 \$	2020 \$
Income			
Grant income		-	150,000
Members subscriptions Fees		668,631	760,755
Reimbursements		15,679	18,590
Interest received		1,013	2,525
Other Income		37,091	19,899
Profit/(loss) sales merchandise		2,185	1,851
Total income		724,599	953,620
Expenses			
Accountancy		7,694	4,550
Audit fees		14,289	8,450
Capitation fees - CFMMEU National	12	356,868	253,956
Affiliation fees – Other	12	19,227	11,139
Advertising and promotion		-	-
Bank fees and charges		3,515	3,190
Depreciation		5,668	7,147
Donations		26,675	10,113
Expenses executive		-	589
Expenses delegates		23,161	928
Fringe benefits tax		9,576	2,717
General expenses		2,318	27,419
Hire/rent of Plant & Equipment		3,167	3,960
Insurance		13,686	13,253
Meeting costs		13,310	5,880
Motor vehicle expenses		10,187	7,884
Postage, printing, & stationery		14,736	12,182
Rent on land & buildings		20,800	20,800
Salaries & wages - office holders	11	151,156	159,415
Salaries & wages - non- office holders	11	154,189	55,518
Superannuation - office holders	11	15,701	14,120
Subscriptions		-	-
Superannuation - non- office holders	11	14,434	5,274
Telephone		8,299	7,537
Travel and Accommodation		29,877	9,565
Other expenses		427	1,527
Grant funding expenses		50,454	96,160
Legal		2,600	-
Total expenses		972,014	743,273
(Loss)/Profit for the year		(247,415)	210,347

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Cash Flow from Operating Activities		
Receipts from Members	748,009	931,975
Payments to Suppliers and employees	(829,685)	(759,345)
Interest received	1,043	2,525
Net cash provided by (used in) operating activities (note ii)	(80,633)	175,155
Cash Flow from Investing Activities		
Proceeds from sale of property, plant and equipment	-	-
Purchase of property, plant & equipment	(1,408)	(907)
Net cash provided by (used in) operating activities (note ii)	(1,408)	(907)
Net Increase/(decrease) in cash held	(82,041)	174,248
Cash at the beginning of the year	824,830	650,582
Cash at the end of the year (note i)	742,789	824,830

The accompanying notes form part of these financial statements

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Note i. Reconciliation Of Cash		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.		
Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash at bank	742,789	824,830
Leave account	-	-
	742,789	824,830

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

Operating profit (loss) after tax	(247,415)	210,347
Non-Cash Flows in Profit from Ordinary Activities:		
Depreciation	5,668	7,147
Net loss on disposal of property, plant and equipment	-	-
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	22,398	(19,120)
Increase (decrease) in trade creditors and accruals	165,926	(31,578)
Increase (decrease) in employee entitlements	(6,945)	8,359
Increase (decrease) in Income Taxes Payable	(20,264)	-
Net cash provided by operating activities	(80,633)	175,155

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

Cash Inflows:		
CFMMEU Mining & Energy National Office	16,970	4,160
Cash Outflows:		
CFMMEU Mining & Energy National Office	213,584	253,956

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies

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

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

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

(a) Comparative amounts

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

(b) Property, Plant and Equipment (PPE)

Asset recognition threshold

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

Revaluations—Land and Buildings

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

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

Depreciation

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

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

	2021	2020
Motor Vehicles	4 years	4 years
Plant and equipment	2 to 20 years	2 to 20 years

Derecognition

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

(c) Impairment of non-financial Assets

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

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

(d) Employee Benefits

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

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

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

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

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

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

(e) Cash and Cash Equivalents

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

(f) Leases

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

CFMMEU – Mining and Energy Division of WA as a lessee

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

Right-of-use assets

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

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

Lease liabilities

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

Short-term leases and leases of low-value assets

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

(g) Revenue and Other Income

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

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

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

Revenue from contracts with customers

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

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

Membership subscription

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

For member subscriptions paid in advance, the CFMMEU – Mining and Energy Division of WA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

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

Capitation fees

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

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

Levies

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

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

- donations and
- government grants.

Income recognised from transfers

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

Gains from sale of assets

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

Interest income

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

(h) Goods and Services Tax (GST)

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

(i) Trade and Other Payables

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

(j) Income Tax

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

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

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

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

(k) Fair value measurement

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

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

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

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

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

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

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

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

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

(l) Financial Instruments

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

(m) Financial assets

Contract assets and receivables

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

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

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

Initial recognition and measurement

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

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

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

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

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

Subsequent measurement

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

Expected credit losses

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

(n) Trade receivables

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

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

Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

(o) Financial Liabilities

Initial recognition and measurement

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

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

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

Financial liabilities at amortised cost

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

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

¹ Note: Reporting unit to update as applicable.

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 1: Summary of Significant Accounting Policies (continued)

Derecognition

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

(p) Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

(q) Contingent liabilities and contingent assets

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

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

The accounting policies adopted are consistent with those of the previous financial year. No new, revised or amending Accounting Standards or interpretations have been adopted for the first time this financial year:

(s) New Accounting Standards for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(t) Going concern

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note 2: Revenue and Income

Disaggregation of revenue from contracts with customers

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

	2021	2020
	\$	\$
Type of customer		
Members	668,631	760,756
Other reporting units	-	-
Government	-	150,000
Other parties	55,968	42,864
Total revenue from contracts with customers	<u>724,599</u>	<u>953,620</u>

Disaggregation of income for furthering activities

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

Income funding sources		
Members	668,631	760,756
Other reporting units	-	-
Government	-	150,000
Other parties	55,968	42,864
Total income for furthering activities	<u>724,599</u>	<u>953,620</u>

Note 2A: Grants and/or donations*

Grants	-	150,000
Total grants and donations	<u>-</u>	<u>150,000</u>

Note 2B: Other income

Reimbursements	15,679	18,590
Interest revenue	1,013	2,525
Profit/loss on sale of Merchandise and Property, Plant and Equipment	2,185	1,850
Other income	37,091	19,899
Total revenue from other income	<u>55,968</u>	<u>42,864</u>

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 3: Expenses

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

	2021	2020
	\$	\$
Fees incurred as consideration for employers making payroll deductions of membership subscriptions	-	-
Compulsory Levies Imposed	-	-
Fees or allowances paid to person to attend conferences or meetings as a representative of the reporting unit	-	-
Expenses incurred with holding meeting of members or any conferences or meetings of Councils, committees, panels or other bodies.	-	100
Penalties imposed under the RO Act	-	-
Grants or Donations		
(No Grants were made during the period)		
Grants less than \$1,000	-	-
Grants exceeding \$1,000	50,454	96,160
Donations less than \$1,000	1,675	840
Donations exceeding \$1,000	25,000	9,272
Legal Costs		
Other legal matters	2,600	-
Litigation	-	-
(No legal costs were incurred for litigation during the period)		

CFMMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Note 4: Cash assets		
Bank accounts:		
Cash at bank	742,789	824,830
Leave account	-	-
	742,789	824,830

Note 5: Receivables

Current

Trade debtors	135,968	158,366
Other Debtors	-	-
	135,968	158,366

There were no receivables from other reporting units, included in trade debtors.

Note 6: Property, Plant and Equipment

Plant and equipment:

- At cost	54,890	53,482
- Less: Accumulated depreciation	(48,780)	(47,328)
Motor vehicles:		
- At cost	36,115	36,115
- Less: Accumulated depreciation	(23,467)	(19,252)
	18,758	23,017

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 6: Property, Plant and Equipment (continued)

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

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

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Year ended 31 December 2021			
Balance at the beginning of year	6,152	16,865	23,017
Additions	1,409	-	1,409
Disposals - written down value	-	-	-
Depreciation expense	(1,452)	(4,216)	(5,668)
Balance at the end of the year	6,109	12,649	18,758
Year ended 31 December 2020			
Balance at the beginning of year	6,771	22,486	29,257
Additions	907	-	907
Disposals - written down value	-	-	-
Depreciation expense	(1,526)	(5,621)	(7,147)
Balance at the end of the year	6,152	16,865	23,017

Note 7: Payables

	2021 \$	2020 \$
Unsecured:		
- Trade creditors	203,431	42,303
- Superannuation payable	-	1,638
- Payroll Liabilities	-	91
- Payable for employers making payroll deductions of membership subscriptions	-	-
Legal fees Payable - Litigation	-	-
Legal Fees Payable - Other legal matters	-	-
	203,431	44,032
Amounts owing to other reporting unit		
CMEU Mining & Energy National Office	201,997	39,486

CFMMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Note 8: Tax Liabilities		
Current		
Net GST	(25,160)	2,406
FBT Instalments	-	761
Amounts withheld from salary and wages	18,504	3,914
	(6,656)	7,081
Note 9: Employee Benefits		
Current		
Total employee benefits attributable to;		
Office Holder:		
- Annual Leave	17,874	27,605
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-
Employees other than Office Holders:		
- Annual Leave	5,709	2,923
- Long Service Leave	-	-
- Separation and Redundancies	-	-
- Other employee provisions	-	-
Aggregate employee entitlements liability	23,583	30,528

Provision for Employee Entitlements

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 \$	2020 \$
Note 10: Remuneration of Auditor		
Total amounts received and receivable by the auditors of the union for:		
Audit of the Union' s financial report	13,500	8,450
Other accounting and audit Services	4,000	4,550

Note 11: Key Management Personnel Disclosures

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

Office Holder:

Short term employee benefits

Salary (including annual leave paid and accrued)	151,156	159,415
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Long term employee benefits

Long Service Leave	-	-
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Post-employment benefits

Superannuation	15,701	14,120
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Termination benefits	-	-
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Other employment expenses	-	-
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Share based payments	-	-
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	166,857	173,535
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Employees other than Office Holders:

Short term employee benefits

Salaries (including annual leave paid and accrued)	154,189	55,518
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Long term employee benefits

Long Service leave	-	-
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Post-employment benefits

Superannuation	14,434	5,274
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Termination benefits	-	-
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Other employment expenses	-	-
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Share based payments	-	-
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	168,623	60,792
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Note 12: Related Parties

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

CFMEU M&E National	356,868	279,352
Unions WA Affiliation fees	5,127	3,103
ALP WA Branch	14,100	7,173

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 13: Events Subsequent to Reporting Date

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

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

Note 14: Critical Accounting Estimates and Judgements

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

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

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

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

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

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

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

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

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

Note 17: Recovery of Wages Activity

No recovery of Wages activity was carried out by the Union for the year ended 31 December 2021 (2020: Nil).

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 18: Capital Expenditure Commitments

There are no capital expenditure commitments for the 12 months ended 31 December 2021.

Note 19: Financial Risk Management

Financial risk management policies

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

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

	Note	2021 \$	2020 \$
Financial Assets			
Cash and cash equivalents	4	742,789	824,830
Trade debtors	5	135,968	158,366
		878,757	983,196
Financial Liabilities			
Trade & sundry payables	7	203,431	44,032
		203,431	44,032

Financial Risk Management Policies

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

Specific Financial Risk Exposure and Management

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

a. Interest rate risk

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

b. Liquidity risk

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

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

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

Financial liability and financial assets maturity analysis

	Within 1 year		1 to 5 years		Over 5 years		Total	
	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Financial liabilities								
Trade & sundry payables	203,431	44,032	-	-	-	-	203,431	44,032
Total financial liabilities	<u>203,431</u>	<u>44,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,431</u>	<u>44,032</u>
	=====	=====	=====	=====	=====	=====	=====	=====
Financial assets								
Cash & cash equivalents	742,789	824,830	-	-	-	-	742,789	824,830
Trade & other receivables	135,968	158,365	-	-	-	-	135,968	158,365
Total financial assets	<u>878,757</u>	<u>983,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,757</u>	<u>983,195</u>
	=====	=====	=====	=====	=====	=====	=====	=====

Financial assets pledged as collateral

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

c. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies

CFMMEU - MINING AND ENERGY DIVISION OF WA
ABN 26 591 880 340
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Note 19: Financial Risk Management (continued)

Specific Financial Risk Exposure and Management (Cont)

d. Credit risk

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

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

Credit risk exposure

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

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

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

e. Price risk

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

Net Fair Values

Fair value estimation

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

CFMMEU - MINING AND ENERGY DIVISION OF WA
 ABN 26 591 880 340
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2021

Note 19: Financial Risk Management (continued)

Net Fair Values (Cont)

	Footnote	2021		2020	
		Net Carrying Value \$	Net Fair Value \$	Net Carrying Value \$	Net Fair Value \$
Financial assets					
Cash & cash equivalents	(i)	742,789	742,789	824,830	824,830
Trade & other receivables	(i)	135,968	135,968	158,365	158,365
Total financial assets		<u>878,757</u> =====	<u>878,757</u> =====	<u>983,195</u> =====	<u>983,195</u> =====
Financial liabilities					
Trade & sundry payables	(i)	203,431	203,431	44,032	44,032
Total financial liabilities		<u>203,431</u> =====	<u>203,431</u> =====	<u>44,032</u> =====	<u>44,032</u> =====

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

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

**AUDITORS REPORT
TO THE MEMBERS OF CFMMEU MINING & ENERGY DIVISION OF WA****Audit Opinion**

In our opinion:

- i. there were kept by the reporting unit in respect of the period satisfactory accounting records detailing the sources and nature of the income of the organisation (including income from members) and the nature and purpose of expenditure;
- ii. the attached accounts, notes, and statements on pages 4 to 22 have been prepared in accordance with Australian Accounting Standards, and are properly drawn up in accordance with the rules of the reporting unit, and so as to give a true and fair view of,
 - a) the financial position of the reporting unit as at 31 December 2021, and its financial performance and its cashflows for the year ended on that date
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act); and
 - c) the income and expenditure and surplus of the reporting unit for the 12 months ended on that date.
- iii. Management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

Report on the Financial Report

We have audited the financial statements of the CFMMEU Mining & Energy Division for the 12 months ended 31 December 2021, comprising the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows, the detailed Profit and Loss Statement, the notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement and subsection 255(2A) report

Basis for Opinion

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

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

Information Other than the Financial Statements

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

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

Our responsibility is to read the other information and, in so doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We have nothing to report in this regard.



AUDITORS REPORT TO THE MEMBERS OF CFMMEU MINING & ENERGY DIVISION OF WA (CONTINUED)

Management Committees' Responsibility for the Financial Report

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

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

Auditors Responsibility

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

The audit opinion expressed in this report has been formed on the above basis.

I declare that I am an approved auditor required under the RO Act, a Fellow of CAANZ and hold a current public practice certificate.

Report on Other Legal and Regulatory Requirements

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

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

NEIL PACE
PARTNER

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

REGISTRATION NUMBER #AA2017/14
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this 8th day of April 2022