

# **Mining and Energy Union - South Western District Branch**

ABN: 49 954 293 181

## **Financial Statements**

For the Year Ended 31 December 2023

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Financial Statements

31 December 2023

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# Mining and Energy Union - South Western District Branch

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## Operating Report

31 December 2023

The Board of Management present their report on Mining and Energy Union - South Western District Branch ("the Union") for the financial year ended 31 December 2023.

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

The names of each person who has been on the Board of Management from the commencement of the year and to the date of this report are:

Name	Position	Period of Appointment
Mr G Osborne	District President	1/1/2023 - 31/12/2023
Mr A Davey	District Secretary	1/1/2023 - 31/12/2023
Mr G Braes	District Vice President - Metalliferous	1/1/2023 - 31/12/2023
Mr R Timbs	District Vice President - South	1/1/2023 - 31/12/2023
Mr C Carberry	District Vice President - West	1/1/2023 - 31/12/2023
Mr D Hopkins	Central Councillor - South	1/1/2023 - 31/12/2023
Mr M Dakers	BOM Member	1/1/2023 - 31/12/2023
Mr M Jenkins	BOM Member	1/1/2023 - 31/12/2023
Mr S Ockers	BOM Member	1/1/2023 - 31/12/2023
Mr J Sleiman	BOM Member	1/1/2023 - 31/12/2023
Mr M Gosek	BOM Member	1/1/2023 - 31/12/2023
Mr J Barber	BOM Member	1/1/2023 - 23/11/2023
Mr P Fyfe	BOM Member	1/1/2023 - 30/4/2023
Mr C Windle	BOM Member	14/2/2023 - 31/12/2023
Mr M Purtle	BOM Member	4/12/2023 - 31/12/2023

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

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

- Implementation of Divisional Executive Decisions;
- Maintenance of Union Rules, registrations and affiliations;
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings;
- Conducting Activities for Parliamentary, Divisional and Divisional Branch elections, including assisting with statutory requirements;
- Co-ordinating seminars/education courses for Lodge Officers to inform them of current developments or to seek collective input in the development of national policies;
- Representing the Division's interest on various national committees and organisations;
- Co-ordinating the involvement of the Union in relevant international trade union bodies and conferences;
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Lodges on industrial matters;
- Provision to Lodges with economic and industrial research;
- Provision to Lodges of assistance with administration and financial management;

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## Operating Report

31 December 2023

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

- Co-ordinating Occupational Health & Safety nationally and maintaining a national policy database and information service;
- Leading the conduct of legal action launched in defence of the Division's constitutional work; and
- Provision of a National Training Agenda by representing the Union on various Boards and Committees.

No significant changes in the nature of the Union's activity occurred during the current financial year.

The surplus of the Union amounted to \$152,792 (2022: \$204,899).

A review of the operations and results of the Union is performed in the meetings of the Executive Officers and also at each meeting of the Divisional Executive. Additionally, such matters are considered at the regular meeting of the General Officers of the Union.

### Significant changes to financial affairs

By way of order dated 20 November 2023, Justice Shariff of the Federal Court of Australia in the matter of *Grahame Patrick Kelly v Construction, Forestry, Maritime, Mining and Energy Union [NSD1120/2023]* made an order pursuant to s.109(1)(a) of the *Fair Work (Registered Organisations) Act 2009* ("RO Act") that the withdrawal of the Mining and Energy Division from the Construction, Forestry, Maritime, Mining and Energy Union was to take effect on 1 December 2023.

On 1 December 2023, the Mining and Energy Union was registered as an organisation under subsection 26(1) of the RO Act. Up to the withdrawal date of 1 December 2023, the Mining and Energy Union was a division of the then Construction, Forestry, Maritime, Mining and Energy Union ("CFMMEU") and known as the CFMMEU Mining and Energy Division.

The Mining and Energy Union is a newly formed legal entity and a separate registered organisation under the RO Act from the CFMMEU Mining and Energy Division, which has ceased to exist. The Mining and Energy Union carries on the same business as the CFMMEU Mining and Energy Division.

Similarly, up to the withdrawal date of 1 December 2023, the Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division, South Western District Branch (the "Former Union") was a District Branch of the CFMMEU Mining and Energy Division and from that date is now known as the Mining and Energy Union South Western District Branch ("the Union"), being a District branch of the Mining and Energy Union.

Accordingly, there have been no changes in the rights or obligations attached to any assets, liabilities or capital of the Union, with all being transferred (or in the process of being transferred) from the formal title of the Former Union to the Union, at their carrying amounts as at 1 December 2023, and under the same accounting policies referred to in the notes to these financial statements. Similarly, all membership, workplace and District structures have also remained unchanged and have been transferred over to the Union.

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## Operating Report

31 December 2023

### Significant changes to financial affairs

Accordingly, for financial reporting purposes, the Fair Work Commission have agreed that it is appropriate that the Union report to members with one financial report as at and for the year ending 31 December 2023, as if it were the same reporting unit for the entirety of that period.

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

### Right of members to resign

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

### Number of members

There were 3,564 members of the Union as at 31 December 2023 (2022: 3,469).

### Number of employees

As at 31 December 2023 the Union had 9 full time equivalent employees (2022: 10).

**Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

No officer or member of the Union acts:

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

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



Andrew Davey  
District Secretary

Dated 25 March 2024

# Mining and Energy Union - South Western District Branch

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## Board of Management Statement

31 December 2023

On 25 March 2024 the Board of Management of the Mining and Energy Union - South Western District Branch ("the Union") passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2023:

The Board of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* ("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 Union for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the general purpose financial report relates and since the end of that year:
  - i. meetings of the Board 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 Union 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 Union have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the Union, have been kept, as far as practicable, in a manner consistent 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 Union or General Manager duly made under section 272 of the RO Act; that information has been provided to the member or General Manager; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Bob Timbs  
District Vice President - South



Mark Jenkins  
Board of Management



Dan Hopkins  
Board of Management

Dated: 25 March 2024

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## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2023

	Note	2023 \$	2022 \$
Revenue	4	4,596,419	4,550,581
Other income	4	393,176	201,752
		<u>4,989,595</u>	<u>4,752,333</u>
Employee benefits expense	5	(2,278,231)	(2,048,946)
Capitation fees	5	(1,093,513)	(1,039,727)
Lodge expenses		(344,041)	(319,991)
Depreciation and amortisation expense	9,10	(254,486)	(226,611)
Administration expenses		(242,470)	(220,048)
Professional fees		(115,036)	(93,588)
Donations	5	(95,272)	(41,095)
Rent and lease expenses		(5,442)	(12,025)
Finance costs	9	(24,821)	(24,258)
National campaign levies	5	-	(165,513)
Other expenses		(383,491)	(355,632)
		<u>(4,836,803)</u>	<u>(4,547,434)</u>
<b>Result for the year</b>		<u>152,792</u>	<u>204,899</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>152,792</u>	<u>204,899</u>

The accompanying notes form part of these financial statements.

# Mining and Energy Union - South Western District Branch

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## Statement of Financial Position

As at 31 December 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	2,194,224	2,068,757
Trade and other receivables	7	335,402	257,319
Financial assets	8	4,857,915	4,632,234
Other assets		53,146	29,111
<b>TOTAL CURRENT ASSETS</b>		<b>7,440,687</b>	<b>6,987,421</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	7	300	300
Financial assets	8	662,253	609,491
Right-of-use assets	9	539,299	530,684
Property, plant and equipment	10	2,033,038	1,765,404
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,234,890</b>	<b>2,905,879</b>
<b>TOTAL ASSETS</b>		<b>10,675,577</b>	<b>9,893,300</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,090,231	685,962
Lease liabilities	9	90,363	75,288
Other liabilities	12	235,042	221,298
Employee benefits	13	1,655,322	1,463,493
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,070,958</b>	<b>2,446,041</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9	499,117	494,549
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>499,117</b>	<b>494,549</b>
<b>TOTAL LIABILITIES</b>		<b>3,570,075</b>	<b>2,940,590</b>
<b>NET ASSETS</b>		<b>7,105,502</b>	<b>6,952,710</b>
<b>EQUITY</b>			
Retained earnings		7,105,502	6,952,710
<b>TOTAL EQUITY</b>		<b>7,105,502</b>	<b>6,952,710</b>

The accompanying notes form part of these financial statements.



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## Statement of Changes in Equity

For the Year Ended 31 December 2023

	Retained Earnings \$
<b>Balance at 1 January 2023</b>	<b>6,952,710</b>
Result for the year	<u>152,792</u>
<b>Balance at 31 December 2023</b>	<u><u>7,105,502</u></u>
<b>Balance at 1 January 2022</b>	6,747,811
Results for the year	<u>204,899</u>
<b>Balance at 31 December 2022</b>	<u><u>6,952,710</u></u>

The accompanying notes form part of these financial statements.

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# Mining and Energy Union - South Western District Branch

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## Statement of Cash Flows

For the Year Ended 31 December 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and members	5,123,399	5,179,646
Payments to suppliers and employees	(4,429,158)	(4,681,610)
Interest received	164,830	30,896
Finance costs	(24,821)	(24,258)
Net cash provided by operating activities	20(a) <u>834,250</u>	<u>504,674</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(501,665)	(440,118)
Proceeds from sale of plant and equipment	117,273	206,363
Net payments for financial assets	(244,199)	(609,412)
Net cash used in investing activities	<u>(628,591)</u>	<u>(843,167)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal repayments of lease liabilities	(80,192)	(67,313)
Net cash used in financing activities	<u>(80,192)</u>	<u>(67,313)</u>
Net increase/(decrease) in cash and cash equivalents held	125,467	(405,806)
Cash and cash equivalents at beginning of year	<u>2,068,757</u>	<u>2,474,563</u>
Cash and cash equivalents at end of financial year	6 <u><u>2,194,224</u></u>	<u><u>2,068,757</u></u>

The accompanying notes form part of these financial statements.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

### For the Year Ended 31 December 2023

The financial report covers Mining and Energy Union - South Western District Branch ("the Union") as an individual entity.

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

Material accounting policy information relating to the preparation of these financial statements is presented below and are consistent with prior reporting periods unless otherwise stated.

### Comparative Amounts

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

#### 1. Basis of Preparation

By way of order dated 20 November 2023, Justice Shariff of the Federal Court of Australia in the matter of *Grahame Patrick Kelly v Construction, Forestry, Maritime, Mining and Energy Union* [NSD1120/2023] made an order pursuant to s.109(1)(a) of the *Fair Work (Registered Organisations) Act 2009* ("RO Act") that the withdrawal of the Mining and Energy Division from the Construction, Forestry, Maritime, Mining and Energy Union was to take effect on 1 December 2023.

On 1 December 2023, the Mining and Energy Union was registered as an organisation under subsection 26(1) of the RO Act. Up to the withdrawal date of 1 December 2023, the Mining and Energy Union was a division of the then Construction, Forestry, Maritime, Mining and Energy Union ("CFMMEU") and known as the CFMMEU Mining and Energy Division.

The Mining and Energy Union is a newly formed legal entity and a separate registered organisation under the RO Act from the CFMMEU Mining and Energy Division, which has ceased to exist. The Mining and Energy Union carries on the same business as the CFMMEU Mining and Energy Division.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 1. Basis of Preparation

Similarly, up to the withdrawal date of 1 December 2023, the Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division, South Western District Branch (the "Former Union") was a District Branch of the CFMMEU Mining and Energy Division and from that date is now known as the Mining and Energy Union South Western District Branch ("the Union"), being a District branch of the Mining and Energy Union.

Accordingly, there have been no changes in the rights or obligations attached to any assets, liabilities or capital of the Union, with all being transferred (or in the process of being transferred) from the formal title of the Former Union to the Union, at their carrying amounts as at 1 December 2023, and under the same accounting policies referred to in the notes to these financial statements. Similarly, all membership, workplace and District structures have also remained unchanged and have been transferred over to the Union.

Accordingly, for financial reporting purposes, with the agreement of the Fair Work Commission, it is appropriate that, having regard to sections 35 and 93 of the Act, that in practical terms the reporting requirements are continuous for the financial year for the various units, as if the Former Union and the Union were the same reporting entity.

That is, the Union shall report to members with one financial report as at and for the year ending 31 December 2023, as if it were the same reporting unit for the entirety of that period.

Refer to note 23 for further information.

### 2. Material Accounting Policy Information

#### (a) Revenue and other income

##### *Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Union expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (a) Revenue and other income

##### *Revenue from contracts with customers*

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Union have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Union are:

##### *Membership subscriptions and levies*

Membership subscriptions and levies contain promises to provide various services over a specified period of time. Revenue is recognised over time during the period of membership.

For membership subscription and levies 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 Union.

There is only one distinct membership service promised in the arrangement. Accordingly, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, the Union 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 Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

##### *Lodge contributions*

Lodge contributions are recognised when the Union's right to receive payment is established and the amount of the revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Union.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (a) Revenue and other income

##### *Interest revenue*

Interest revenue is recognised using the effective interest rate method.

##### *Rental income*

Rental revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### *Grants received*

Grants received are not recognised until there is reasonable assurance that the Union will comply with the conditions attaching to them and it is probable the grants will be received.

Grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Union should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

#### (b) Leases

At inception of a contract, the Union assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Union has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Union has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (b) Leases

##### *Lessee accounting*

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Union recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Union believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Union's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Union's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### (c) Capitation fees and levies expense

Capitation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which it relates.

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

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

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

Receivables and payables are stated inclusive of GST.

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

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

#### (e) Income tax

The Union is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

#### (f) 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.

#### (g) Financial instruments

Financial instruments are recognised initially on the date that the 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).



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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (g) Financial instruments

##### (i) *Financial assets*

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

The Union classifies its financial assets in the following measurement categories:

- financial assets at fair value through profit or loss ('FVTPL'); and
- financial assets at amortised cost.

The classification depends on the Union's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets are not reclassified subsequent to their initial recognition unless the Union changes its business model for managing financial assets.

##### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Union's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (g) Financial instruments

##### (i) *Financial assets*

###### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Union considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Union's historical experience and informed credit assessment including forward looking information.

The Union uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

Credit losses are measured as the present value of the difference between the cash flows due to the Union in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

###### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Union has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in bad debt expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Union renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (g) Financial instruments

##### (i) *Financial assets*

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

##### (ii) *Financial liabilities*

The Union measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Union comprises of trade and other payables and lease liabilities.

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

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

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

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

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

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

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

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

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

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

#### *Depreciation*

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

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Buildings	2.5 - 10%
Office Equipment	15 - 50%
Motor Vehicles	25%
Caravan Park Equipment	2.5 - 10%

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

#### (j) Employee benefits

#### *Defined benefit contributions*

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 2. Material Accounting Policy Information

#### (j) Employee benefits

##### *Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### *Other long-term employee benefit obligations*

The liabilities for long service leave and employee redundancy are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet of the Union does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (k) Adoption of new Australian Accounting Standards and amendments

The Union has adopted all standards which became effective for the first time during the year, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Union.

#### (l) Future Australian Accounting Standards

Certain new accounting standards have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Union. These standards are not expected to have a material impact on the Union in the current or future reporting periods and on foreseeable future transactions.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 3. Critical Accounting Estimates and Judgements

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

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

The significant estimates and judgements made have been described below:

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

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

#### ***Key estimates - useful lives of depreciable assets***

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

#### ***Key estimates - receivables***

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

#### ***Key estimates - employee entitlements***

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

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 4. Revenue and other income

	2023	2022
	\$	\$
<b>Revenue from contracts with customers</b>		
District membership dues	3,330,128	3,156,417
Lodge membership dues	523,809	476,732
Special administration fund contributions	-	258,180
Site rental income	435,465	417,041
Board sitting fees	110,751	126,548
National campaign levies received	-	3,434
Grants received	74,258	69,989
Union Development Fund	122,008	42,240
	<u>4,596,419</u>	<u>4,550,581</u>
<b>Other revenue</b>		
Rental income	37,026	43,627
Interest received	209,053	45,320
Profit from sale of non-current assets	27,354	53,405
Other income	119,743	59,400
	<u>393,176</u>	<u>201,752</u>

### Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated, the following table shows this breakdown:

#### Timing of revenue recognition

- Over time	4,596,419	4,550,581
- At a point in time	-	-
<b>Revenue from contracts with customers</b>	<u>4,596,419</u>	<u>4,550,581</u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 5. Result for the year

The result for the year includes the following specific expenses:

	2023	2022
	\$	\$
<b>Employee benefits expense comprises:</b>		
<b>Holders of office:</b>		
- Wages and salaries	1,009,367	1,056,726
- Superannuation	121,406	107,182
- Leave and other entitlements	185,017	26,799
- Other employee expenses	63,502	42,434
	<u>1,379,292</u>	<u>1,233,141</u>
<b>Employees other than office holders</b>		
- Wages and salaries	770,986	718,858
- Superannuation	77,290	67,241
- Leave and other entitlements	6,812	27
- Other employee expenses	43,851	29,679
	<u>898,939</u>	<u>815,805</u>
<b>Total employee benefits expenses</b>	<u>2,278,231</u>	<u>2,048,946</u>
<b>Capitation fees</b>		
- Mining & Energy Union - National Office	<u>1,093,513</u>	<u>1,039,727</u>
<b>Affiliation fees</b>		
- ALP NSW	17,040	16,698
- Unions NSW	8,186	10,304
- Unity Bank	-	100
	<u>25,226</u>	<u>27,102</u>
<b>Administration expenses</b>		
- Conference and meeting expenses	<u>30,711</u>	<u>38,597</u>
<b>Campaign levies</b>		
- National and special administration levies	<u>-</u>	<u>165,513</u>
<b>Other expenses</b>		
- Bad debts written off	<u>8,022</u>	<u>-</u>



# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 5. Result for the year

	2023	2022
Note	\$	\$
<b>Donations:</b>		
- Donations - total paid that were \$1,000 or less	10,323	7,271
- Donations - total paid that were more than \$1,000	84,949	33,824
	<u>95,272</u>	<u>41,095</u>
<b>Legal costs</b>		
- Other legal matters	89,168	70,072

### 6. Cash and cash equivalents

Cash on hand	800	800
Cash at bank	2,193,424	2,067,957
	<u>2,194,224</u>	<u>2,068,757</u>

### 7. Trade and other receivables

#### CURRENT

Trade receivables from contracts with customers	7(a) 270,295	236,311
Provision for impairment	7(b) -	-
Other receivables	65,107	21,008
	<u>335,402</u>	<u>257,319</u>

#### NON-CURRENT

Deposits	300	300
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# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 7. Trade and other receivables

#### (a) Ageing of receivables

	2023	2022
	\$	\$
0-30 days	240,872	228,463
30-60 days	3,500	-
60-90 days	17,616	-
>90 days	8,307	7,848
<b>Total</b>	<b>270,295</b>	<b>236,311</b>

#### (b) Impairment of receivables

The Union applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses incorporate forward looking information.

	Current	30-60 days overdue	60-90 days overdue	> 90 days overdue	Total
<b>31 December 2023</b>					
Expected loss rate (%)	-	-	-	-	-
Gross carrying amount (\$)	240,872	3,500	17,616	8,307	270,295
ECL provision (\$)	-	-	-	-	-
<b>31 December 2022</b>					
Expected loss rate (%)	-	-	-	-	-
Gross carrying amount (\$)	228,463	-	-	7,848	236,311
ECL provision (\$)	-	-	-	-	-

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 7. Trade and other receivables

(c) Receivables from other reporting units

	2023	2022
	\$	\$
Mining and Energy Union - National Office	40,152	63,078

The above receivable is not deemed impaired (2022: no impairment).

### 8. Financial assets

CURRENT

*Financial assets - at amortised cost*

Term deposits	4,857,915	4,632,234
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NON-CURRENT

*Financial assets - Fair value through profit and loss*

Listed shares	943	913
Managed Funds	661,310	608,578
	<u>662,253</u>	<u>609,491</u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 9. Leases

#### Union as a lessee

The Union has leases over land and office premises. Information relating to the leases in place and associated balances and transactions are provided below.

#### *Lease for regional office premises*

The Union leases buildings for their corporate offices. The lease is for 4 years with an option for a further 3 years.

#### *Lease for land*

The Union leases land for site rentals. The lease is for 20 years.

#### Right-of-use assets

	Land and buildings \$
<b>Year ended 31 December 2023</b>	
Balance at 1 January 2023	530,684
Remeasurement	99,835
Depreciation charge	<u>(91,220)</u>
<b>Balance at end of year</b>	<u><u>539,299</u></u>
<b>Year ended 31 December 2022</b>	
Balance at 1 January 2022	439,576
Remeasurement	169,153
Depreciation charge	<u>(78,045)</u>
<b>Balance at end of year</b>	<u><u>530,684</u></u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 9. Leases

#### Lease liabilities

	2023	2022
	\$	\$
Current lease liability	90,363	75,288
Non-current lease liability	499,117	494,549
	<u>589,480</u>	<u>569,837</u>

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in the Balance Sheet
	\$	\$	\$	\$	\$
<b>2023</b>					
Lease liabilities	112,203	374,000	187,000	673,203	589,480
<b>2022</b>					
Lease liabilities	85,408	373,529	212,619	671,556	569,837

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 9. Leases

#### Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Union is a lessee are shown below:

	2023	2022
	\$	\$
Interest expense on lease liabilities	24,821	24,258
Depreciation of right-of-use assets	91,220	78,045
	<u>116,041</u>	<u>102,303</u>

#### Statement of Cash Flows

Total cash outflow for leases	<u>105,013</u>	<u>115,829</u>
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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 10. Property, plant and equipment

	2023	2022
	\$	\$
Land and buildings		
At cost	2,014,668	1,991,593
Accumulated depreciation	<u>(874,512)</u>	<u>(838,456)</u>
	<u>1,140,156</u>	<u>1,153,137</u>
Motor vehicles		
At cost	273,273	346,671
Accumulated depreciation	<u>(38,704)</u>	<u>(83,774)</u>
	<u>234,569</u>	<u>262,897</u>
Office equipment		
At cost	237,720	176,756
Accumulated depreciation	<u>(137,716)</u>	<u>(114,384)</u>
	<u>100,004</u>	<u>62,372</u>
Caravan park equipment		
At cost	782,979	492,429
Accumulated depreciation	<u>(224,670)</u>	<u>(205,431)</u>
	<u>558,309</u>	<u>286,998</u>
	<u><u>2,033,038</u></u>	<u><u>1,765,404</u></u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 10. Property, plant and equipment

#### (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 financial year:

	Land and Buildings \$	Motor Vehicles \$	Office Furniture & Equipment \$	Caravan Park Equipment \$	Total \$
<b>Balance at 1 January 2023</b>	<b>1,153,137</b>	<b>262,897</b>	<b>62,372</b>	<b>286,998</b>	<b>1,765,404</b>
Additions	23,075	146,230	60,964	290,550	520,819
Disposals	-	(89,919)	-	-	(89,919)
Depreciation expense	(36,056)	(84,639)	(23,332)	(19,239)	(163,266)
<b>Balance at 31 December 2023</b>	<b>1,140,156</b>	<b>234,569</b>	<b>100,004</b>	<b>558,309</b>	<b>2,033,038</b>
<b>Balance at 1 January 2022</b>	<b>1,175,825</b>	<b>262,206</b>	<b>18,694</b>	<b>170,085</b>	<b>1,626,810</b>
Additions	12,044	239,170	56,770	132,134	440,118
Disposals	-	(152,958)	-	-	(152,958)
Depreciation expense	(34,732)	(85,521)	(13,092)	(15,221)	(148,566)
<b>Balance at 31 December 2022</b>	<b>1,153,137</b>	<b>262,897</b>	<b>62,372</b>	<b>286,998</b>	<b>1,765,404</b>



# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 11. Trade and other payables

	2023	2022
	\$	\$
Trade payables	724,374	353,583
Other payables	365,857	332,379
	<u>1,090,231</u>	<u>685,962</u>

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

Mining and Energy Union - National Office	<u>427,058</u>	189,596
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#### (b) Legal costs payable

Legal costs relating to other legal matters	<u>48,625</u>	70,072
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### 12. Other liabilities

Income received in advance - contract liabilities	189,305	174,618
Funds held in trust	45,737	46,680
	<u>235,042</u>	<u>221,298</u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 13. Employee benefits

	2023	2022
Note	\$	\$
Employee benefits liability	(a) <u>1,655,322</u>	<u>1,463,493</u>
<b>(a) Total employee benefits attributable to:</b>		
<b>Office Holders:</b>		
- Annual leave	277,703	232,238
- Separation and redundancies	402,095	348,746
- Other	452,635	366,431
	<u>1,132,433</u>	<u>947,415</u>
<b>Employees other than office holders:</b>		
- Annual leave	141,873	134,590
- Long service leave	39,689	31,358
- Separation and redundancies	130,894	111,410
- Other	210,433	238,720
	<u>522,889</u>	<u>516,078</u>
	<u>1,655,322</u>	<u>1,463,493</u>

### 14. Financial risk management

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

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

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 14. Financial risk management

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	2023 \$	2022 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	2,194,224	2,068,757
Trade and other receivables	7	335,702	257,619
Financial assets - at amortised cost	8	4,857,915	4,632,234
Financial assets - Fair value through profit and loss	8	662,253	609,491
<b>Total financial assets</b>		<b>8,050,094</b>	<b>7,568,101</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables		993,331	618,341
Lease liabilities	9	589,480	569,837
<b>Total financial liabilities</b>		<b>1,582,811</b>	<b>1,188,178</b>

#### (a) Credit risk

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

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

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

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

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

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 14. Financial risk management

#### (b) Liquidity risk - Financial liability maturity analysis

Liquidity risk arises from the Union's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Union will encounter difficulty in meeting its financial obligations as they fall due.

The Union's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Union maintains cash and marketable securities to meet its liquidity requirements.

At the reporting date, these reports indicate that the Union is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

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

	Less than 1 year		>1 year	
	2023	2022	2023	2022
	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>				
Trade and other payables	1,090,231	685,962	-	-
Lease liabilities	90,363	75,288	499,117	494,549
	<b>1,180,594</b>	<b>761,250</b>	<b>499,117</b>	<b>494,549</b>

#### (c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (interest rate risk).

The Union is exposed to interest rate risk as it holds term deposits and bank account balances.

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

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 14. Financial risk management

#### (c) Market risk

The Union is exposed to market risk, consisting of equity securities price risk. This arises from listed and unlisted investments held by the Union and classified as financial assets at fair value through profit or loss on the consolidated balance sheet.

#### *Sensitivity analysis*

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

A 1% increase or decrease in interest rates would impact equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant.

	Surplus/(deficit)		Equity	
	1% increase	1% decrease	1% increase	1% decrease
2023	48,579	(48,579)	48,579	(48,579)
2022	46,322	(46,322)	46,322	(46,322)

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

### 15. Fair Value Measurement

#### Net Fair Values

The fair values of financial assets and financial liabilities are consistent with 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.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions 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. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 15. Fair Value Measurement

#### Fair value hierarchy

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

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

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>31 December 2023</b>				
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Listed shares	662,253	-	-	662,253
<b>31 December 2022</b>				
<b>Recurring fair value measurements</b>				
<b>Financial assets</b>				
Listed shares	609,491	-	-	609,491

### 16. Capital and leasing Commitments

#### (a) Operating Leases - receivable

	2023	2022
	\$	\$
Not later than one year	38,182	8,107
One to five years	19,091	-
	<u>57,273</u>	<u>8,107</u>

# Mining and Energy Union - South Western District Branch

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 16 Capital and leasing Commitments

All properties held by the Union (refer note 10) are predominantly held to meet service delivery requirements rather than to earn rental income or capital gains. However, some surplus space is leased out to third parties.

(b) Capital Commitments

	2023	2022
	\$	\$
Capital commitments	-	59,677

Capital commitments relate to property refurbishment in the prior year.

### 17. Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of the Union during the year are as follows:

Short-term employee benefits	1,727,618	1,613,666
Post-employment benefits (superannuation)	171,592	148,437
	<u>1,899,210</u>	<u>1,762,103</u>

### 18. Remuneration of Auditor

Remuneration of the auditor of the Union, Daley Audit, for:

- auditing the financial report	19,550	18,700
- other services*	7,190	6,790
	<u>26,740</u>	<u>25,490</u>

\* Other services include specific accounting advice within the scope of independence requirements and taxation assistance/financial statements preparation assistance performed by a team independent of the audit.

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 19. Related party transactions

#### (a) Transactions with related parties

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

The following transactions occurred with related parties:

	2023	2022
	\$	\$
<b><i>Mining and Energy Union - National Office</i></b>		
Directors fees received	110,751	73,273
ISHR funding received	74,258	69,988
Central Council wages received	7,432	6,518
LSL entitlement payment	140,442	-
Legal assistant fees paid	(88,365)	(70,072)
Capitation fees paid	(1,089,791)	(1,031,976)
Campaign and special administration fund paid	-	(164,318)
Union Development Fund received	122,008	42,240
Reimbursements	(6,114)	-
<b><i>Other</i></b>		
Rental income received from Company where a member of key management personnel is a Director on the Board of Directors	20,573	18,703

*From time to time the Union makes expenditures for which a component relates to other branches (reporting units). These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.*

#### (b) Related Party Balances

- i) Trade and other receivables - Refer to Note 7(c).
- ii) Trade and other payables - Refer to Note 11(a).



# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 19. Related party transactions

#### (c) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, including all members of the Board of Management are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Interests of Key Management Personnel (KMP).

### 20. Cash flow information

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

	2023	2022
	\$	\$
Result for the year	152,792	204,899
Cash flows excluded from net surplus attributable to operating activities		
Non-cash flows in net surplus:		
- depreciation and amortisation	254,486	226,611
- gain on sale of fixed asset	(27,354)	(53,405)
- fair value adjustment	(34,244)	43,322
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(78,083)	25,108
- (increase)/decrease in prepayments	(24,035)	9,458
- increase/(decrease) in income in advance	14,687	1,669
- increase/(decrease) in trade and other payables	385,115	32,939
- increase/(decrease) in other liabilities	(943)	(12,753)
- increase/(decrease) in employee benefits	191,829	26,826
Cashflow from operations	<u>834,250</u>	<u>504,674</u>

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 20. Cash flow information

#### (b) Cash flow information

	2023	2022
	\$	\$
<b>Cash inflows from reporting units</b>		
Mining and Energy Union - National Office	508,437	291,616
<b>Cash outflows to reporting units</b>		
Mining and Energy Union - National Office	(1,109,884)	(1,545,896)

### 21. Events Occurring After the Reporting Date

The financial report was authorised for issue on 25 March 2024 by the Board of Management.

There has not been any matters or circumstances occurring subsequent to the end of the financial year that has 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.

### 22. Section 272 Fair Work (Registered Organisation) 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 Subsections [1] to [3] of Section 272, which read as follows:

Information to be provided to members or the General Manager:

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

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Notes to the Financial Statements

For the Year Ended 31 December 2023

### 23 Withdrawal from the CFMMEU

By way of order dated 20 November 2023, Justice Shariff of the Federal Court of Australia in the matter of Grahame Patrick Kelly v Construction, Forestry, Maritime, Mining and Energy Union [NSD1120/2023] made an order pursuant to s.109(1)(a) of the *Fair Work (Registered Organisations) Act 2009* ("RO Act") that the withdrawal of the Mining and Energy Division from the Construction, Forestry, Maritime, Mining and Energy Union was to take effect on 1 December 2023.

As referred to above at note 1, on 1 December 2023, the Mining and Energy Union was registered as an organisation under subsection 26(1) of the RO Act. Up to the withdrawal date of 1 December 2023, the Mining and Energy Union was a division of the then Construction, Forestry, Maritime, Mining and Energy Union ("CFMMEU") and known as the CFMMEU Mining and Energy Division.

Similarly, up to the withdrawal date of 1 December 2023, the Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division, South Western District Branch was a District Branch of the CFMMEU Mining and Energy Division and from that date is now known as the Mining and Energy Union South Western District Branch, being a District branch of the Mining and Energy Union.

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Report required under subsection 255 (2A)

For the Year Ended 31 December 2023

The Board of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 December 2023.

Category of expenditure	2023 \$	2022 \$
Remuneration and other employment related costs and expenses - employees	2,278,231	2,048,946
Advertising	33,928	22,202
Operating costs	2,156,170	2,155,337
Donations to political parties	-	-
Legal costs	89,168	70,072



Bob Timbs  
District Vice President - South

Dated: 25 March 2024

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Officer Declaration Statement

31 December 2023

I, Bob Timbs, being the District Vice President – South of the Mining and Energy Union - South Western District Branch, declare that the following activities did not occur during the reporting period ending 31 December 2023 (including the comparative year).

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- ~~receive periodic or membership subscriptions~~
- receive capitation fees
- ~~receive any other revenue amount from another reporting unit~~
- ~~receive revenue via compulsory levies~~
- receive donations
- ~~receive grants~~
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- ~~pay capitation fees to another reporting unit~~
- ~~pay any other expense to another reporting unit~~
- ~~pay affiliation fees to other entity~~
- ~~pay compulsory levies~~
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- ~~pay a donation that was \$1,000 or less~~
- ~~pay a donation that exceeded \$1,000~~
- ~~pay wages and salaries to holders of office~~
- ~~pay superannuation to holders of office~~
- ~~pay leave and other entitlements to holders of office~~
- pay separation and redundancy to holders of office
- ~~pay other employee expenses to holders of office~~
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)

# Mining and Energy Union - South Western District Branch

ABN: 49 954 293 181

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## Officer Declaration Statement

31 December 2023

- ~~• pay other employee expenses to employees (other than holders of office)~~
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- ~~• incur expenses due to holding a meeting as required under the rules of the organisation~~
- pay legal costs relating to litigation
- ~~• pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~• have a receivable with other reporting unit(s)~~
- ~~• have a payable with other reporting unit(s)~~
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- ~~• have a payable in respect of legal costs relating to other legal matters~~
- ~~• have an annual leave provision in respect of holders of office~~
- have a long service leave provision in respect of holders of office
- ~~• have a separation and redundancy provision in respect of holders of office~~
- ~~• have other employee provisions in respect of holders of office~~
- ~~• have a annual leave provision in respect of employees (other than holders of office)~~
- ~~• have a long service leave provision in respect of employees (other than holders of office)~~
- ~~• have a separation and redundancy provision in respect of employees (other than holders of office)~~
- ~~• have other employee provisions in respect of employees (other than holders of office)~~
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~• have a balance within the general fund~~
- ~~• provide cash flows to another reporting unit and/or controlled entity~~
- ~~• receive cash flows from another reporting units and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Bob Timbs  
District Vice President – South

Dated: 25 March 2024



## Independent Audit Report to the Members of Mining and Energy Union - South Western District Branch

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Mining and Energy Union - South Western District Branch ("the Union"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including material accounting policy information, and the Board of Management Statement, the Subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 31 December 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

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

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

#### Wollongong

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Legislation





## **Independent Audit Report to the Members of Mining and Energy Union - South Western District Branch**

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

The Board of Management are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Management for the Financial Report**

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

In preparing the financial report, the Board of Management are responsible for assessing the Union'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 Board of Management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.





## **Independent Audit Report to the Members of Mining and Energy Union - South Western District Branch**

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

I declare that I am an auditor registered under the RO Act.

  
Daley Audit

  
Stephen Milgate  
Partner

Registration number (as registered under the RO Act): AA 2017/127

Wollongong

Dated: 25 March 2024

Liability limited by a scheme approved under Professional Standards Legislation.