CFMEU NORTHERN MINING & NSW ENERGY DISTRICT BRANCH

ABN 80 814 987 748

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Independent Audit Report to the Members of CFMEU Northern Mining & NSW Energy District Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of CFMEU Northern Mining & NSW Energy District Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; and the Board of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement .

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of CFMEU Northern Mining & NSW Energy District Branch as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management s use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor s Report Thereon

The Board 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 report.

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

BUSINESS SUPPORT SERVICES

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Board of Management for the Financial Report

The Board of Management of the Reporting Unit is 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 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 Board of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit 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 Reporting Unit s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor s report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor s report. However, future events or conditions may cause the Reporting Unit 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

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

LINDBECK PARTNERS

B N LINDBECK
Partner

Cardiff
1 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/195

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2018

The Board of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Categories of expenditures	2018 $	2017 $
Remuneration and other employment-related costs and expenses - employees	3,865,422	3,887,249
Advertising	8,924	23,879
Operating costs	6,178,905	5,241,147
Donations to political parties	8,928	-
Legal costs	62,253	125,758

Signature of designated officer:

Name and title of designated officer: Shane Thompson, Secretary

Dated:

OPERATING REPORT

for the year ended 31 December 2018

The Board of Management presents its operating report on the Reporting Unit for the financial year ended 31 December 2018.

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

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

Implementation of the decisions of the Central Executive, Central Council and Northern Mining & NSW Energy District Executive and Board of Management.

Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and developing of Officials and Delegates, and planning, resourcing and implementing campaigns with the assistance of Lodges.

Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the rules of the Union, and campaigning for matters of importance to the membership.

The negotiation, variation and replacement of industrial instruments (Enterprise Agreements and Federal Awards) for and in association with Lodges and members generally.

To improve the conditions and protect the interests and rights of the members and workers

Manage and control the occupational health and safety issues of the Northern Mining & NSW Energy District which include, but are not limited to:

- workers compensation
- rehabilitation
- workplace safety and health
- statutory inspections
- involvement in Mining legislative review process
- participation at Mine Safety Advisory Council

The activities listed have achieved their objectives.

The net deficit for the year after income tax was $647,080 (2017 Deficit $371,756).

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

Significant changes in financial affairs

There has been no significant changes in the financial affairs of the Union during the year. The result has been affected by the decline in value of listed investments as at balance date. Underlying operarting income has improved over last year with the continued reduction in core expenditure items with the ongoing review of operating requirements.

Right of members to resign

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

Officers or members who are superannuation fund trustee(s) (include position details) 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

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

Number of members

There were 8,159 members of the Union as at 31 December 2018.

Number of employees

As at 31 December 2018, the Union employed 22 full time and 0.7 full time equivalent part time employees (2017 22 full time and 0.6 full time equivalent part time employees)

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

Shane Thompson	01.01.18 - 31.12.18
Peter Jordan	01.01.18 - 31.12.18
Jeffrey Drayton	01.01.18 - 31.12.18
Mark McGrath	01.01.18 - 31.12.18
Jeremy McWilliams	01.01.18 - 31.12.18
Keith Shaw	01.01.18 - 31.12.18
Anthony Watson	01.01.18 - 31.12.18
Robin Williams	01.01.18 - 31.12.18
Mark Avery	01.01.18 - 31.12.18
Brad Bates	01.01.18 - 31.12.18
Peter Compton	01.01.18 - 31.12.18
Michael Dobie	01.01.18 - 31.12.18
Simon Duff	06.02.18 - 31.12.18
Glenn Kollner	01.01.18 - 31.12.18
Darren Maxwell	01.01.18 - 31.12.18
Stephen Mepham	01.01.18 - 31.12.18
Jason Porter	01.01.18 - 31.12.18
Joseph Price	01.01.18 - 31.12.18
Matthew Reid	01.01.18 - 31.12.18
Michael Schofield	01.01.18 - 31.12.18
Sharon Smoothy	01.01.18 - 31.12.18
Michael Taggart	01.01.18 - 31.12.18
Darren Watson	01.01.18 - 31.12.18

Signature of designated officer:

Name and title of designated officer: Shane Thompson, Secretary

Dated:

BOARD OF MANAGEMENT STATEMENT

for the period ended 31 December 2018

On 28 February 2019 the Board of Management of the CFMEU Northern Mining & NSW Energy District Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2018:

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* (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; and
(e) during the financial year to which the GPFR 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 reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; 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 of the Board of Management.

Signature of designated officer:

Name and title of designated officer: Shane Thompson, Secretary

Dated:

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2018

	Notes	2018 $	2017 $
Revenue			
Membership subscription		7,194,363	7,045,514
Capitation fees and other revenue from another reporting unit	3A	229,305	493,597
Levies	3B	-	-
Interest	3C	359,787	424,428
Rental revenue	3D	149,050	120,316
Other revenue	3E	2,316,912	905,207
Total revenue		10,249,417	8,989,062
Other Income			
Grants and/or donations	3F	-	50,000
Net gains from sale of assets	3G	246,347	167,412
Total other income		246,347	217,412
Total income		10,495,764	9,206,474
Expenses			
Employee expenses	4A	3,865,422	3,887,249
Capitation fees and other expense to another reporting unit	4B	3,630,470	2,807,159
Affiliation fees	4C	79,643	77,527
Administration expenses	4D	2,426,644	2,320,340
Grants or donations	4E	86,310	146,217
Depreciation and amortisation	4F	179,149	182,963
Legal costs	4G	62,253	125,758
Audit fees	13	60,000	60,000
Net losses from sale of assets	4H	244,973	149,177
Total expenses		10,634,864	9,756,390
Surplus (deficit) for the year		(139,100)	(549,916)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain/(loss) on available for sale investments		(507,980)	294,439
Net gain/(loss) on investment properties		-	(116,279)
		(507,980)	178,160
Total comprehensive income for the year		(647,080)	(371,756)

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

STATEMENT OF FINANCIAL POSITION
as at 31 December 2018

	Notes	2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	852,105	2,206,310
Trade and other receivables	5B	585,893	772,154
Other current assets	5C	168,314	173,427
Total current assets		1,606,312	3,151,891
Non-Current Assets			
Land and buildings	6A	1,017,704	1,055,263
Plant and equipment	6B	616,225	582,636
Investment property	6C	1,847,700	1,845,000
Intangibles	6D	-	98
Other investments	6E	17,573,825	17,347,727
Total non-current assets		21,055,454	20,830,724
Total assets		22,661,766	23,982,615
LIABILITIES			
Current Liabilities			
Trade payables	7A	524,467	643,572
Other payables	7B	98,690	542,182
Employee provisions	8A	1,809,310	1,920,482
Total current liabilities		2,432,467	3,106,236
Non-Current Liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		2,432,467	3,106,236
Net assets		20,229,299	20,876,379
EQUITY			
General funds	9A	5,832,672	5,820,929
Retained earnings (accumulated deficit)		14,396,627	15,055,450
Total equity		20,229,299	20,876,379

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

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2018

	Notes	Retained earnings $	Reserves $	Total equity $
Balance as at 1 January 2017		15,548,304	-	15,548,304
Adjustment for errors		-	-	-
Adjustment for change in accounting policies		-	-	-
Surplus/(deficit)		(549,916)	-	(549,916)
Other comprehensive income		178,160	-	178,160
Transfer to/from Funeral Fund	9A	(52,239)	-	(52,239)
Transfer to/from Local Lodge Admin Fund	9A	(68,859)	-	(68,859)
Closing balance as at 31 December 2017		15,055,450	-	15,055,450
Adjustment for errors		-	-	-
Adjustment for change in accounting policies		-	-	-
Profit for the year		(139,100)	-	(139,100)
Other comprehensive income for the year		(507,980)	-	(507,980)
Transfer to/from Funeral Fund	9A	(155,888)	-	(155,888)
Transfer to/from Local Lodge Admin Fund	9A	144,145	-	144,145
Closing balance as at 31 December 2018		14,396,627	-	14,396,627

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

CASH FLOW STATEMENT

for the period ended 31 December 2018

	Notes	2018 $	2017 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	297,771	505,668
Interest		397,717	509,916
Distributions		120,532	92,779
Dividends		114,219	84,354
Other		10,342,925	11,644,417
Cash used			
Employees		(3,636,271)	(3,573,125)
Suppliers		(3,416,112)	(6,807,538)
Payment to other reporting units/controlled entity(s)	10B	(4,156,521)	(3,315,920)
Net cash from (used by) operating activities	10A	64,260	(859,449)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		122,273	122,273
Proceeds from sale of investments		6,023,149	4,204,397
Cash used			
Purchase of plant and equipment		(351,206)	(312,027)
Purchase of investments		(7,212,681)	(3,579,933)
Net cash from (used by) investing activities		(1,418,465)	434,710
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(1,354,205)	(424,739)
Cash & cash equivalents at the beginning of the reporting period		2,206,310	2,631,049
Cash & cash equivalents at the end of the reporting period	5A	852,105	2,206,310

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

Index to the Notes of the Financial Statements

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the CFMEU Northern Mining & NSW Energy District Branch is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant Accounting Judgements and Estimates

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

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

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The CFMEU Northern Mining & NSW Energy District Branch assesses impairment at the end of each reporting period by evaluating conditions specific to the CFMEU Northern Mining & NSW Energy District Branch that may be indicative of impairment triggers.

Key estimates - provisions

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

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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

1.4 New Australian Accounting Standards (continued)

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

Title	Description
AASB 2016-1	Amendments to Australian Accounting Standards Recognition of Deferred Tax Assets for Unrealised Losses
AASB 2016-2	Amendment to Australian Accounting Standards Disclosure Initiative Amendments to AASB 107, which amends AASB 107 Statement of Cash Flows
AASB 2016-4	Amendments to Australian Accounting Standards Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities
AASB 2017-2	Amendments to Australian Accounting Standards Further Annual Improvements 2014-2016 Cycle

Adoption of the new and amended accounting standards had no material financial impact on the CFMEU Northern Mining & NSW Energy District Branch.

Future Australian Accounting Standards Requirements

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

Title	Description		Operative Date
AASB 2018-8	Amendments to Australian Accounting Standards for-Profit Entities	Right-of-Use Assets of Not-	1 January 2019
AASB 2018-7	Amendments to Australian Accounting Standards	Definition of Material	1 January 2020

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

1.6 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

Dividend income is recognised when it is received.

Trust distribution revenue is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

1.7 Gains

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

1.8 Capitation fees and levies

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

1.9 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Union in respect of services provided by employees up to reporting date.

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

Provision is made for separation and redundancy benefit payments. The Union recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.10 Leases

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

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

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

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

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

1.11 Borrowing costs

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

1.12 Cash

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

1.13 Financial instruments

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

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

1.14 Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

1.14 Financial assets (continued)

Held-to-maturity investments

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

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

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

1.14 Financial assets (continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

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

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

Derecognition of financial assets

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

1.15 Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

1.15 Financial Liabilities (continued)

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.16 Contingent Liabilities and Contingent Assets

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

1.17 Land, Buildings, Plant and Equipment

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

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

Depreciation

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.

1.17 Land, Buildings, Plant and Equipment (continued)

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

	2018	2017
Land & buildings	40 years	40 years
Plant and equipment	3 to 13 years	3 to 13 years

Derecognition

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

1.18 Investment property

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

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

1.19 Impairment for non-financial assets

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

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset s ability to generate future cash flows, and the asset would be replaced if the CFMEU Northern Mining & NSW Energy District Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Taxation

CFMEU Northern Mining & NSW Energy District Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

1.21 Fair value measurement

The CFMEU Northern Mining & NSW Energy District Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14A.

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

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

The principal or the most advantageous market must be accessible by the CFMEU Northern Mining & NSW Energy District Branch.The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The CFMEU Northern Mining & NSW Energy District Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the CFMEU Northern Mining & NSW Energy District Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the CFMEU Northern Mining & NSW Energy District Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.22 Going concern

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

CFMEU Northern Mining & NSW Energy District Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the CFMEU Northern Mining & NSW Energy District Branch.

Note 3 Income

	2018 $	2017 $
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees		
Capitation fees	-	-
Subtotal capitation fees	-	-
Other revenue from another reporting unit:		
CFMEU Mining & Energy Division National Office - Director fees Coal Services P/L	91,556	65,617
CFMEU Mining & Energy Division National Office - Legal Officer costs	93,005	115,555
CFMEU Mining & Energy Division National Office - Travel costs	9,953	1,349
CFMEU Mining & Energy Division National Office - Central Council wages	9,791	9,424
CFMEU Mining & Energy Division National Office - LSL Entitlements	-	301,652
CFMEU Mining & Energy Division National Office - ISHR Funding	25,000	-
Subtotal other revenue from another reporting unit	229,305	493,597
Total capitation fees and another revenue from other reporting unit	229,305	493,597

Note 3B: Levies

Levies	-	-
Total levies	-	-

Note 3C: Interest

Deposits	330,764	397,067
Loans	-	-
Other financial assets	29,023	27,361
Total interest	359,787	424,428

Note 3D: Rental revenue

Properties	138,650	108,639
Other	10,400	11,677
Total rental revenue	149,050	120,316

Note 3E: Other revenue

Administration fees	52,523	47,912
Dividends received	114,219	84,354
Medical & legal fees reimbursed	204,589	179,682
Member voluntary contributions - SAF	390,258	449,159
Member voluntary contributions - Campaign Fund	692,709	-
Profit distribution investments	120,012	97,535
Wage subidy & reimbursements	317,580	-
Other income	425,022	46,565
	2,316,912	905,207

Note 3F: Grants or donations

Grants	-	-
Donations	-	50,000
Total grants or donations	-	50,000

Note 3 Income (continued)

	2018	2017
	$	$
Note 3G: Net gains from sale of assets		
Other financial assets	246,347	167,412
Total net gains from sale of assets	246,347	167,412

Note 4 Expenses

	2018	2017
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	1,670,918	1,519,346
Superannuation	259,732	256,845
Leave and other entitlements	299,354	255,653
Separation and redundancies	-	-
Other employee expenses	101,388	107,099
Subtotal employee expenses holders of office	2,331,392	2,138,943
Employees other than office holders:		
Wages and salaries	991,122	964,534
Superannuation	209,357	172,411
Leave and other entitlements	256,829	539,362
Separation and redundancies	-	-
Other employee expenses	76,722	71,999
Subtotal employee expenses employees other than office holders	1,534,030	1,748,306
Total employee expenses	3,865,422	3,887,249
Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees		
CFMEU Mining & Energy Division National Office (Dues)	2,482,024	2,358,000
CFMEU Mining & Energy Division National Office (SAF)	390,258	449,159
CFMEU Mining & Energy Division National Office (Campaign)	692,709	-
Subtotal capitation fees	3,564,991	2,807,159
Other expense to another reporting unit		
CFMEU Mining & Energy Division National Office - LSL entitlements	65,479	-
Subtotal other expense to another reporting unit	65,479	-
Total capitation fees and other expense to another reporting unit	3,630,470	2,807,159
Note 4C: Affiliation fees		
Australian Labour Party	36,697	36,250
Newcastle Trades Hall Council	13,725	13,032
Unions NSW	29,221	28,245
Total affiliation fees/subscriptions	79,643	77,527
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	189,269	187,536
Conference and meeting expenses	118,853	109,575
Property expenses	116,147	98,817
Office expenses	120,898	107,359
Information communications technology	140,316	154,676
Insurance	125,181	132,201
Delegates expenses	428,478	416,788
Election expenses	9,719	1,745
Fringe benefits tax	101,884	94,217

Note 4 Expenses (continued)	2018	2017
	$	$
Funeral & medical expenses	353,346	404,399
Motor vehicle & travel expenses	113,384	116,111
Payroll tax	250,654	257,815
Other expenses	329,761	214,618
Subtotal administration expense	2,397,890	2,295,857
Operating lease rentals:		
Minimum lease payments	28,754	24,483
Total administration expenses	2,426,644	2,320,340

Note 4E: Grants or donations

Grants		
Total paid that were $1,000 or less	-	799
Total paid that exceeded $1,000	-	28,945
Donations		
Total paid that were $1,000 or less	7,250	7,473
Total paid that exceeded $1,000	79,060	109,000
Total grants or donations	86,310	146,217

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	41,977	41,977
Property, plant and equipment	136,632	139,380
Total depreciation	178,609	181,357
Amortisation		
Intangibles	540	1,606
Total amortisation	540	1,606
Total depreciation and amortisation	179,149	182,963

Note 4G: Legal costs

Litigation	30,631	100,938
Other legal matters	31,622	24,820
Total legal costs	62,253	125,758

Note 4H: Net losses from sale of assets

Plant and equipment	51,106	85,497
Other financial assets	193,867	63,680
Total net losses from asset sales	244,973	149,177

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	843,810	2,198,800
Cash on hand	8,295	7,510
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	852,105	2,206,310

Note 5 Current Assets (continued)	2018	2017
	$	$
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit[s]		
CFMEU Mining & Energy Division National office	22,869	72,179
Total receivables from other reporting unit[s]	22,869	72,179
Less provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	22,869	72,179
Other receivables:		
GST receivable from the Australian Taxation Office	38,664	-
Other trade receivables	524,360	699,975
Total other receivables	563,024	699,975
Total trade and other receivables (net)	585,893	772,154
Note 5C: Other Current Assets		
Prepayments	167,642	172,755
Other	672	672
Total other current assets	168,314	173,427

Note 6 Non-current Assets

	2018	2017
Note 6A: Land and buildings		
Land and buildings:		
at cost	1,936,754	1,932,336
accumulated depreciation	919,050	877,073
Total land and buildings	1,017,704	1,055,263
Reconciliation of the Opening and Closing Balances of Land and Buildings		
As at 1 January		
Gross book value	1,932,336	1,932,336
Accumulated depreciation and impairment	877,073	835,096
Net book value 1 January	1,055,263	1,097,240
Additions:		
By purchase	4,418	-
Revaluations	-	-
Depreciation expense	41,977	41,977
Net book value 31 December	1,017,704	1,055,263
Net book value as of 31 December represented by:		
Gross book value	1,936,754	1,932,336
Accumulated depreciation and impairment	919,050	877,073
Net book value 31 December	1,017,704	1,055,263
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	1,487,819	1,423,534
accumulated depreciation	871,594	840,898
Total plant and equipment	616,225	582,636
Reconciliation of the Opening and Closing Balances of Plant and Equipment		
As at 1 January		
Gross book value	1,423,534	1,432,251
Accumulated depreciation and impairment	840,898	814,493
Net book value 1 January	582,636	617,758

Note 6 Non-current Assets (continued)	2018	2017
	$	$
Additions:		
By purchase	343,646	312,027
Depreciation expense	136,632	139,380
Disposals:		
Other	173,425	207,769
Net book value 31 December	616,225	582,636
Net book value as of 31 December represented by:		
Gross book value	1,487,819	1,423,534
Accumulated depreciation and impairment	871,594	840,898
Net book value 31 December	616,225	582,636

Note 6C: Investment Property

Opening balance as 1 January 2018	1,845,000	1,910,000
Additions:	2,700	-
Net gain/(loss) from fair value adjustment	-	(65,000)
Net book value 31 December 2018	1,847,700	1,845,000

Investment property consists of one commercial property and a number of residential properties that are leased to third parties. The valuations were performed by Preston Rowe Paterson, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment properties being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was $138,650 (2017: $108,639).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was $65,280 (2017: $38,427). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The CFMEU Northern Mining & NSW Energy District Branch does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of investment property is determined by Preston Rowe Paterson using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property s fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset s life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property s fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 2.

Note 6D: Intangibles	2018	2017
	$	$
Computer software at cost:		
internally developed	-	-
purchased	230,614	230,172
accumulated amortisation	230,614	230,074
Total intangibles	-	98
Reconciliation of the Opening and Closing Balances of Intangibles		
As at 1 January		
Gross book value	230,172	230,172
Accumulated amortisation and impairment	230,074	228,468
Net book value 1 January	98	1,704
Additions:		
By purchase	442	-
Amortisation	540	1,606
Disposals:		
Other	-	-
Net book value 31 December	-	98
Net book value as of 31 December represented by:		
Gross book value	230,614	230,172
Accumulated amortisation and impairment	230,614	230,074
Net book value 31 December	-	98

Note 6E: Other Investments

Deposits	12,026,055	11,864,754
Other financial assets - listed	4,751,729	4,572,106
Other financial assets - unlisted	796,041	910,867
Total other investments	17,573,825	17,347,727

Note 7A: Trade payables

Trade creditors and accruals	270,480	219,905
Operating lease rentals	-	-
Subtotal trade creditors	270,480	219,905
Payables to other reporting unit[s]		
CFMEU Mining & Energy Division National Office (Dues & SAF)	253,987	422,952
Other trade payables	-	715
Subtotal payables to other reporting unit[s]	253,987	423,667
Total trade payables	524,467	643,572

Settlement is usually made within 30 days.

Note 7 Current Liabilities (continued)

	2018	2017
	$	$
Note 7B: Other payables		
Wages and salaries	32,868	105,255
Superannuation	7,304	9,616
Legal costs - litigation	-	-
Legal costs - other legal matters	1,567	15,887
GST payable	-	16,624
Other	56,951	394,800
Total other payables	98,690	542,182
Total other payables are expected to be settled in:		
No more than 12 months	98,690	542,182
More than 12 months	-	-
Total other payables	98,690	542,182

Note 8 Provisions

	2018	2017
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	372,156	349,292
Long service leave	-	-
Separations and redundancies	-	-
Other	736,572	627,191
Subtotal employee provisions office holders	1,108,728	976,483
Employees other than office holders:		
Annual leave	157,695	175,865
Long service leave	352,235	564,857
Separations and redundancies	-	-
Other	190,652	203,277
Subtotal employee provisions employees other than office holders	700,582	943,999
Total employee provisions	1,809,310	1,920,482
Represented by:		
Current	1,809,310	1,920,482
Non Current	-	-
Total employee provisions	1,809,310	1,920,482

Note 9 Equity

	2018	2017
Note 9A: Funds		
Funeral Fund		
Balance as at start of year	4,303,693	4,251,454
Transferred to fund	155,888	52,239
Transferred out of fund	-	-
Balance as at end of year	4,459,581	4,303,693
Local Lodge Admin Fund		
Balance as at start of year	1,517,236	1,448,377
Transferred to fund	-	68,859
Transferred out of fund	144,145	-
Balance as at end of year	1,373,091	1,517,236
Total Funds	5,832,672	5,820,929

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

	2018 $	2017 $
Cash and cash equivalents as per:		
Cash flow statement	852,105	2,206,310
Balance sheet	852,105	2,206,310
Difference	-	-

	2018 $	2017 $
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(139,100)	(549,916)
Adjustments for non-cash items		
Depreciation/amortisation	179,149	182,963
Fair value movements in investment property	-	116,279
Fair value movements in financial assets	507,980	(294,439)
(Gain)/loss on disposal of assets	(1,374)	(18,235)
Changes in assets/liabilities		
(Increase)/decrease in net receivables	186,261	(52,661)
(Increase)/decrease in prepayments	5,113	(14,277)
Increase/(decrease) in supplier payables	(119,105)	(357,452)
Increase/(decrease) in other payables	(443,492)	(62,516)
Increase/(decrease) in employee provisions	(111,172)	190,805
Net cash from (used by) operating activities	64,260	(859,449)

Note 10B: Cash flow information

	2018 $	2017 $
Cash inflows		
CFMEU Mining & Energy Union - Mining & Energy Division	297,771	505,668
Total cash inflows	297,771	505,668
Cash outflows		
CFMEU Mining & Energy Union - Mining & Energy Division	4,156,521	3,315,920
Total cash outflows	4,156,521	3,315,920

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments as lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are as follows:

	2018 $	2017 $
Within one year	27,200	24,483
After one year but not more than five years	49,781	60,674
More than five years	-	-
	76,981	85,157

Capital commitments

At 31 December 2018 capital commitments contracted by the Union are Nil. (2017: Nil.)

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

At 31 December 2018 other contingent assets or liabilities of the Union are Nil. (2017: Nil.)

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

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

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

	2018 $	2017 $
Short-term employee benefits		
Salary (including annual & sick leave taken)	1,795,335	1,910,310
Annual leave accrued	176,395	177,590
Performance bonus	-	-
Sick leave accrued	122,959	78,063
Total short-term employee benefits	2,094,689	2,165,963
Post-employment benefits:		
Superannuation	165,200	256,845
Total post-employment benefits	165,200	256,845
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	2,259,889	2,422,808

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

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

Loans to/from key management personnel
No loans were provided to or from Officials during the financial year.

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

Note 13 Auditors Remuneration

	2018 $	2017 $
Value of the services provided		
Audit and review services		
Auditors of the Union		
Financial statement audit services	29,000	27,000
Other regulatory audit services	2,500	2,500
Other services		
Auditors of the Union		
In relation to assurance, taxation and due diligence services	27,500	27,200
Other auditors		
In relation to other assurance services	1,000	3,300
Total remuneration of auditors	60,000	60,000

Note 14 Financial Instruments

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

The main purpose of non-derivative financial instruments is to raise finance for entity operations. The Union does not have any derivative instruments at 31 December 2018.

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

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

Note 14A: Categories of Financial Instruments

	2018	2017
	$	$
Financial Assets		
Held-to-maturity investments:		
Term deposits	12,026,055	11,864,754
Total	12,026,055	11,864,754
Available-for-sale assets:		
Shares & units in listed entities	4,751,729	4,572,106
Shares & units in unlisted entities	796,041	910,867
Total	5,547,770	5,482,973
Loans and receivables:		
Trade & other receivables	547,229	772,154
Total	547,229	772,154
Carrying amount of financial assets	18,121,054	18,119,881
Financial Liabilities		
Other financial liabilities:		
Trade & other payables	623,157	1,185,754
Total	623,157	1,185,754
Carrying amount of financial liabilities	623,157	1,185,754

Note 14B: Net Income and Expense from Financial Assets

	2018	2017
Held-to-maturity		
Interest revenue	330,764	397,067
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	330,764	397,067
Loans and receivables		
Interest revenue	-	-
Impairment	-	-
Gain/loss on disposal	-	-
Net gain/(loss) from loans and receivables	-	-

Note 14B: Net Income and Expense from Financial Assets (continued)	2018	2017
	$	$
Available-for-sale		
Interest revenue	29,023	27,361
Dividend revenue	114,219	84,354
Trust distribution	120,012	97,535
Exchange gains/(loss)	-	-
Gain/(loss) recognised in equity	(507,980)	294,439
Amounts reversed from equity:	-	-
Impairment	-	-
Fair value changes reversed on disposal	(106,744)	3,934
Gain/(loss) on disposal	159,224	103,732
Net gain/(loss) from available-for-sale	(192,246)	611,355
Net gain/(loss) from financial assets	138,518	1,008,422

Note 14C: Credit Risk

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

Credit risk is managed through maintaining procedures such as utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

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

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

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

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

	2018	2017
	$	$
Financial assets		
Held to maturity investments	12,026,055	11,864,754
Available for sale investments	5,547,770	5,482,973
Trade & other receivables	547,229	772,154
Total	18,121,054	18,119,881

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

	Not Past Due Nor Impaired 2018	Past due or impaired 2018	Not Past Due Nor Impaired 2017	Past due or impaired 2017
	$	$	$	$
Held to maturity investments	12,026,055	-	11,864,754	-
Available for sale investments	5,547,770	-	5,482,973	-
Trade & other receivables	547,229	-	772,154	-
Total	18,121,054	-	18,119,881	-

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

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

Note 14D: Liquidity Risk

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

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

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

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

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year	1 2 years	2 5 years	>5 years	Total
		$	$	$	$	$
Trade & other payables	-	623,157	-	-	-	623,157
Total	-	623,157	-	-	-	623,157

Maturities for financial liabilities 2017

	On Demand	< 1 year	1 2 years	2 5 years	>5 years	Total
		$	$	$	$	$
Trade & other payables	-	1,185,754	-	-	-	1,185,754
Total	-	1,185,754	-	-	-	1,185,754

Financial assets pledged as collateral

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

Note 14E: Market Risk

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

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

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

Sensitivity analysis of the risk that the Union is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss	Effect on Equity
			$	$
Interest rate risk	Increase	1%	120,261	-
Interest rate risk	Decrease	1%	(120,261)	-

Note 14F: Market Risk (continued)

Sensitivity analysis of the risk that the Union is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Interest rate risk	Increase	1%	118,648	-
Interest rate risk	Decrease	1%	(118,648)	-

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

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

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

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

Sensitivity analysis of the risk that the Union is exposed to for 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Equity price risk	Increase	5%	-	277,389
Equity price risk	Decrease	5%	-	(277,389)

Sensitivity analysis of the risk that the Union is exposed to for 2017

	Risk variable	Change in risk variable %	Effect on Profit and loss $	Effect on Equity $
Equity price risk	Increase	5%	-	274,149
Equity price risk	Decrease	5%	-	(274,149)

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

Note 15 Fair Value Measurement

Note 15A: Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

Fair values of the reporting unit s interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer s borrowing rate as at the end of the reporting period. The performance risk as at 31 December 2018 was assessed to be insignificant.

Note 15 Fair Value Measurement (continued)

Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Union financial assets and liabilities:

	Carrying amount 2018	Fair value 2018	Carrying amount 2017	Fair value 2017
	$	$	$	$
Financial Assets				
Held to maturity investments	12,026,055	12,026,055	11,864,754	11,864,754
Available for sale	5,547,770	5,547,770	5,482,973	5,482,973
Trade & other receivables	547,229	547,229	772,154	772,154
Total	18,121,054	18,121,054	18,119,881	18,119,881
Financial Liabilities				
Trade & other payables	623,157	623,157	1,185,754	1,185,754
Total	623,157	623,157	1,185,754	1,185,754

Note 15B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

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

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

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
31 December 2018				
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	5,547,770	-	-	5,547,770
Non Financial assets				
Investment property	-	1,847,700	-	1,847,700
	5,547,770	1,847,700	-	7,395,470

	Level 1	Level 2	Level 3	Total
	$	$	$	$
31 December 2017				
Recurring fair value measurements				
Financial assets				
Listed and unlisted shares	5,482,973	-	-	5,482,973
Non Financial assets				
Investment property	-	1,845,000	-	1,845,000
	5,482,973	1,845,000	-	7,327,973

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

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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).

OFFICER DECLARATION STATEMENT

I, Shane Thompson, being the Secretary of the CFMEU Northern Mining & NSW Energy District Branch, declare that the following activities did not occur during the reporting period ending 31 December 2018

The reporting unit did not:

- 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 revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: