

CFMEU

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE**

ABN 46 243 168 565

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
COMMITTEE OF MANAGEMENT OPERATING REPORT**

FOR THE YEAR ENDED 31 MARCH 2020

Operating Report

The Committee of Management ("the Committee") presents its Operating Report on the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ("the Union"), for the year ended 31 March 2020.

Principal Activities

The principal activities of the Union, fall into the following categories:

- 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 Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Branch 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 Branches on Industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches of a National Library including information service / library through an electronic database.
- Co-ordinating OH&S nationally and maintaining a national policy database and information service.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures of Industrial issues, media issues, etc.
- Provision of National Training Agenda by representing the Union on various Boards and Committees.

There were no significant changes to the nature of those activities during the period.

Operating Results

The operating surplus for the financial year amounted to \$1,942,207 (31 March 2019: \$4,241,490 surplus)

Significant Changes in Financial Affairs

There was no significant change in the financial affairs of the Union during the year.

Review of operations

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

Environmental Issues

The Union's operations are not regulated by any environmental regulation under a law of the Commonwealth or of a state or territory.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

Members Right to Resign

Members have the right to resign from the Union in accordance with Rule 11 of the Union and section 174 of the *Fair Work (Registered Organisations) Act 2009*.

Officers or Members who are Superannuation Fund Trustees / Director of a Company that is a Superannuation Fund Trustee

Those who hold a position of trustee or director of an entity, scheme or company as described in s.254(2)(d) of the *Fair Work (Registered Organisations) Act 2009*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation are as follows:

Dave Noonan	<ul style="list-style-type: none">- Divisional Secretary of the Union- Director of United Super Pty Ltd which acts as Trustee of C Bus- Director of C Bus Property Pty Ltd
Frank O'Grady	<ul style="list-style-type: none">- Former Assistant Divisional Secretary of the Union- Director of United Super Pty Ltd which acts as Trustee of C Bus
Rita Mallia	<ul style="list-style-type: none">- Former Divisional Executive Member of the Union- Director of United Super Pty Ltd which acts as Trustee of C Bus

Number of Members

The number of financial members at the end of the financial period recorded in the register of members was 68,535 (31 March 2019: 68,327).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 11 (2019: 14).

Indemnifying Officers or Auditor

The Union has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against liability for the costs or expenses to defend legal proceedings.

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2020 and 31 March 2019.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

Members of the Committee of Management

The name of each person who has been a member of the committee of management of the Union at any time during the reporting period, and the period for which he or she held such a position is as follows:

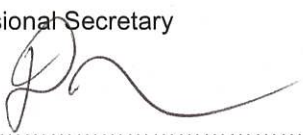
Names	Position	Period of appointment
Dave Noonan	Divisional Secretary	1/4/19 - 31/3/20
Andrew Sutherland	Divisional Assistant Secretary	1/4/19 - 31/3/20
Nigel Davies	Divisional Assistant Secretary	1/4/19 - 31/3/20
Jade Ingham	Divisional President	1/4/19 – 31/3/20
Rob Kera	Senior Divisional Vice President	1/4/19 - 31/3/20
Shaun Reardon	Divisional Vice President	1/4/19 – 1/7/19
John Setka	VIC-TAS Divisional Executive Member	1/4/19 – 31/3/20
Elias Spornovasilis	VIC-TAS Divisional Executive Member	1/4/19 – 31/3/20
Darren Greenfield	NSW Divisional Executive Member	1/4/19 - 31/3/20
Michael Greenfield	NSW Divisional Executive Member	1/4/19 - 31/3/20
Michael Ravbar	QLD Divisional Executive Member	1/4/19 - 31/3/20
Kane Lowth	QLD Divisional Executive Member	1/4/19 - -31/3/20
Mick Buchan	WA Divisional Executive Member	1/4/19 - 31/3/20
Jason O'Mara	ACT Divisional Executive Member	1/4/19 – 31/3/20

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:

Name of Designated Officer: Dave Noonan

Title of Designated Officer: Divisional Secretary

Signature:



Date: 31 August 2020

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
COMMITTEE OF MANAGEMENT STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2020

On 31 August 2020, the Committee of Management of the Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division – National Office ("the Union") passed the following resolution to the General Purpose Financial Report (GPFR) of the Union for the year ended 31 March 2020.

The Committee of Management declares that in its opinion:

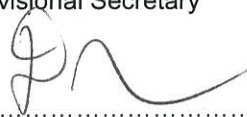
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the *RO Act*);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 GPFR relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union concerned; and
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of the Union 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 consistent manner to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the Union 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 the 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 Committee of Management.

Name of Designated Officer: Dave Noonan

Title of Designated Officer: Divisional Secretary

Signature:



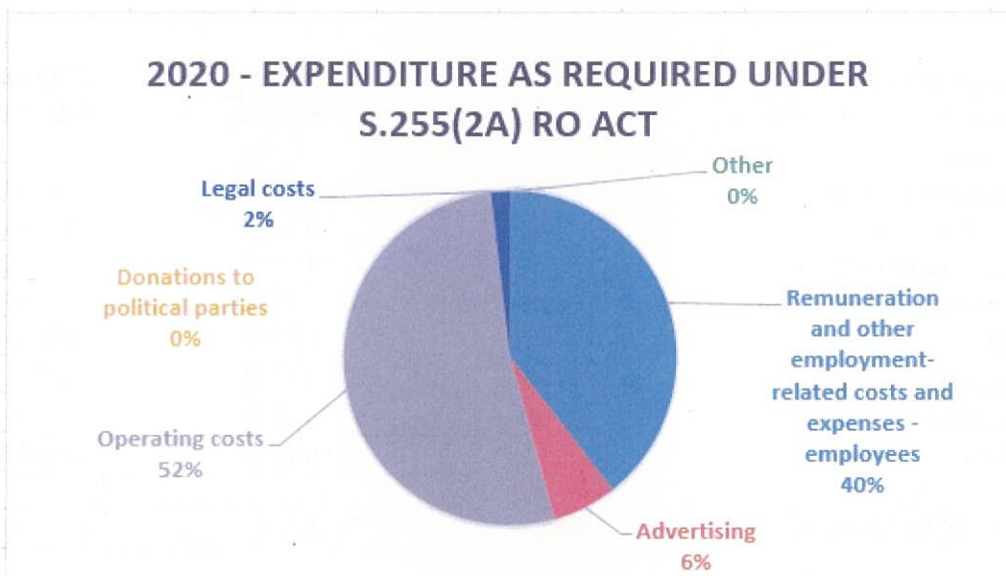
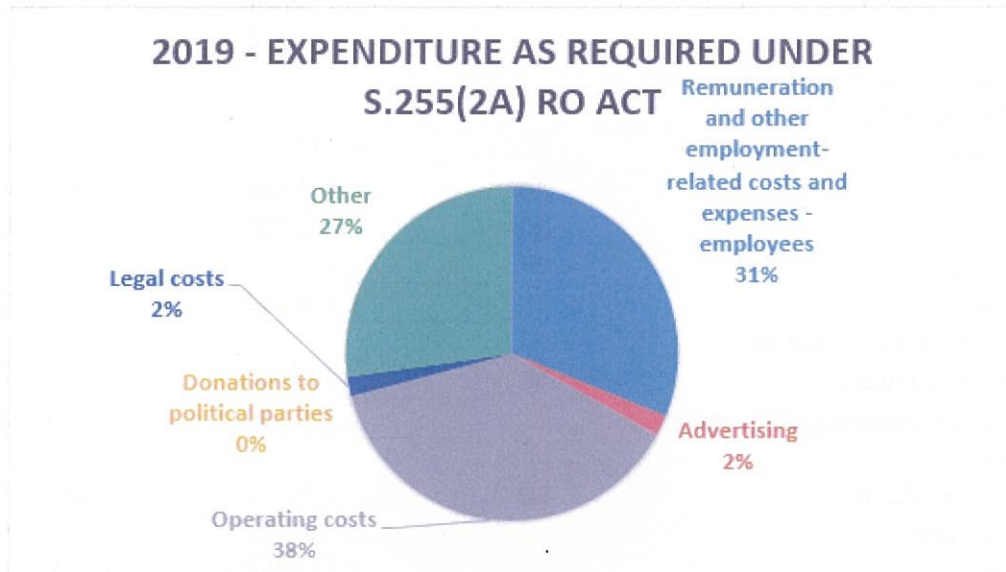
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Date: 31 August 2020

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
REPORT REQUIRED UNDER SUBSECTION 255(2A)**

FOR THE YEAR ENDED 31 MARCH 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 March 2019 and 31 March 2020.



Name of Designated Officer:

Dave Noonan

Title of Designated Officer:

Divisional Secretary

Signature:

Date:

31 August 2020

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31 March 2020 \$	31 March 2019 \$
Revenue from contracts with customers			
Membership subscription		-	-
Capitation fees	3A	4,747,637	4,441,466
Levies	3B	606,589	555,333
Interest	3C	132,395	145,447
Other revenue	3F	848,941	581,626
Total revenue		6,335,562	5,723,872
Income for furthering objectives			
Grants and/or donations	3E	100,000	2,000,000
Total income for furthering objectives		100,000	2,000,000
Other Income			
Net gains from sale of assets	3D	1,690,958	4,027,174
Total other income		1,690,958	4,027,174
Total income		8,126,520	11,751,046
Expenses			
Employee expenses	4A	2,336,999	2,286,367
Capitation fees	4B	1,190,998	1,151,150
Affiliation fees*		1,416	-
Administration expenses	4C	351,082	180,156
Grants or donations	4D	158,919	2,011,415
Depreciation and amortisation	4E	199,817	99,489
Finance costs	4F	15,152	1,888
Legal costs	4G	110,666	140,488
Accounting and audit fees	4H	31,929	47,209
Other expenses	4I	1,787,335	1,591,394
Total expenses		6,184,313	7,509,556
Surplus (deficit) for the year		1,942,207	4,241,490
Other comprehensive income			
		-	-
Total comprehensive income for the year		1,942,207	4,241,490

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

*The affiliation fees is for The International Centre for Trade Union Rights

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2020

	Notes	31 March 2020 \$	31 March 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	6,468,361	3,671,562
Trade and other receivables	5B	457,592	1,812,528
Other current assets	5C	42,628	422,774
Financial assets	5D	5,000,000	5,000,000
Total current assets		11,968,581	10,906,864
Non-Current Assets			
Trade and other receivables	5B	384,510	397,902
Right of use asset	9	403,080	-
Property, plant and equipment	5E	610,571	302,841
Total non-current assets		1,398,161	700,743
Total assets		13,366,742	11,607,607
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	574,959	723,334
Employee provisions	6B	734,421	744,020
Other liabilities	6C	-	471,729
Lease liability	9	32,146	-
Total current liabilities		1,341,526	1,939,083
Non-Current Liabilities			
Lease liability	9	393,231	-
Employee provisions	6B	42,673	21,419
Total non-current liabilities		435,904	21,419
Total liabilities		1,777,430	1,960,502
Net assets		11,589,312	9,647,105
EQUITY			
Retained earnings		11,589,312	9,647,105
Total equity		11,589,312	9,647,105

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2020

	Retained Earnings - General Funds	Total
	\$	\$
Balance as at 1 April 2018	5,405,615	5,405,615
Surplus (deficit) for the period	4,241,490	4,241,490
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2019	9,647,105	9,647,105
Surplus (deficit) for the year	1,942,207	1,942,207
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2020	11,589,312	11,589,312

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	31 March 2020 \$	31 March 2019 \$
OPERATING ACTIVITIES			
Capitation fees received		6,067,452	4,885,613
Payments to suppliers and employees		(6,333,548)	(7,678,589)
Interest received		158,415	145,447
Other receipts		1,193,036	2,552,241
Finance cost		(1,280)	-
Net cash from (used by) operating activities	7A	<u>1,084,075</u>	<u>(95,288)</u>
INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		20,317	31,671
Proceeds from sale of assets held for sale		2,200,000	7,075,508
Purchase of plant and equipment		(483,334)	(168,853)
Net (purchase)/ proceeds from investments		-	(3,500,000)
Net cash from (used by) investing activities		<u>1,736,983</u>	<u>3,438,326</u>
FINANCING ACTIVITIES			
Repayment of lease liability		(24,259)	-
Net cash used by financing activities		<u>(24,259)</u>	<u>-</u>
Net increase (decrease) in cash held		<u>2,796,799</u>	<u>3,343,038</u>
Cash & cash equivalents at the beginning of the reporting period.		3,671,562	328,524
Cash & cash equivalents at the end of the reporting period	5A	<u>6,468,361</u>	<u>3,671,562</u>

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
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CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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 Organisations) Act 2009*. The Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ('the Union') is a not-for-profit entity. The Union has applied the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

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 following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key estimates and judgements

Impairment of property, plant and equipment

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of the current year.

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.

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.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Significant accounting judgements and estimates (continued)

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the assets are acquired or when there is a significant change that affects the remaining useful life of the asset.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The Union has adopted AASB 16: *Leases* retrospectively with the cumulative effect of initially applying AASB 16 recognised at 1 April 2019. In accordance with AASB 16, the comparatives for the 2019 reporting period have not been restated.

The Union has recognised a lease liability and right-of-use asset for all leases (with the exception of short-term and low-value leases) recognised as operating leases under AASB 117: *Leases* where the Union is the lessee.

The lease liabilities are measured at the present value of the remaining lease payments. The Union's incremental borrowing rate as at 1 April 2019 was used to discount the lease payments.

The right-of-use assets was measured at its carrying amount as if AASB 16 had been applied since the commencement date, but discounted using the Union's weighted average incremental borrowing rate on 1 April 2019.

The right-of-use assets for the remaining leases were measured and recognised in the statement of financial position as at 1 April 2019 by taking into consideration the lease liability and prepaid and accrued lease payments previously recognised as at 1 April 2019 (that are related to the lease). Refer to Note 9 for the application of AASB 16: *Leases* and its impact on the financial statements for the year ended 31 March 2020.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The Union has adopted AASB 15: *Revenue from Contracts with Customers* retrospectively with the cumulative effect of initially applying AASB 15 recognised at 1 April 2019. In accordance with AASB 15, the comparatives for the 2019 reporting period have not been restated. The AASB 15 replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related interpretations. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 April 2019. The adoption of AASB 15 has not affected the financial statements. There have been no adjustments made to the financial statements for the year ended 31 March 2020 as a result of the adoption of AASB 15: *Revenue from Contracts with Customers*.

The Union has adopted AASB 1058: *Income for Not-for-Profit Entities* retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 April 2019. In accordance with AASB 1058, the comparatives for the 2019 reporting period have not been restated. AASB 1058 is applicable to transactions that do not arise from enforceable contracts with customers involving sufficiently specific performance obligations, as such transactions are accounted for in accordance with AASB 15. The adoption of AASB 1058 has not affected the financial statements. There have been no adjustments made to the financial statements for the year ended 31 March 2020 as a result of the adoption of AASB 1058: *Income for Not-for-Profit Entities*.

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

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 the Union include:

AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material
(applicable for annual reporting periods beginning on or after 1 January 2020)

AASB 2018-7 principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

The Committee of Management anticipate that the adoption of AASB 2018-7 will not have a significant impact on the Union's financial statements.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue and other income

Accounting policy applied from 1 April 2019

To determine whether to recognise revenue, the Union follows a 5 step process:

- identify the contract(s) with the customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to perform obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

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

All membership subscription received from financial members are retained by the respective State Divisional branches making up the Union.

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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Donations and bequests income is recognised when it is received.

Campaign levies are recognised on an accrual basis when the Union is entitled to it.

Interest revenue is recognised using the effective interest rate method, which for floating rate financials assets is the rate inherent in the instrument.

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

Other income is recognised on an accrual basis when the Union is entitled to it.

Accounting policy applied prior to 1 April 2019

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

All membership subscription received from financial members are retained by the respective State Divisional branches making up the Union.

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 the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Donations and bequests income is recognised when it is received.

Campaign levies are recognised on an accrual basis when the Union is entitled to it.

Interest revenue is recognised using the effective interest rate method, which for floating rate financials assets is the rate inherent in the instrument.

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

Other income is recognised on an accrual basis when the Union is entitled to it.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when performance obligations associated with the asset has been satisfied.

1.7 Capitation fees and levies

The Union's arrangement with branches or another reporting units meet the criteria to be a contract with a customer. Accordingly, the Union recognises the capitation fees promised under that arrangement when or as it transfers the services.

Levies paid by a branch in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfers the relevant services to the branch/other reporting unit.

On occasion, the Union is responsible for the collection of levies from state-based reporting units of the Construction and General Division, on behalf of the CFMEU National Office. Whilst the cash flows are facilitated (and reported) through this Union, the substance and nature of these transactions are such that the criteria for a contract with a customer are not met - the Union is merely the conduit of the levy collection and hence no income or expenses is reported in this financial report.

1.8 Employee benefits

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

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

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the 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 as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Leases

Accounting policy applied from 1 April 2019

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.

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.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Leases (continued)

Accounting policy applied prior to 1 April 2019

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.

1.10 Borrowing costs

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

1.11 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.

1.12 Provisions

Provisions are recognised when the Union has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions of the instrument.

1.14 Financial assets

Contract assets and receivables

A contract asset is recognised when the Union's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Union's future performance or some other condition. A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

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

Initial recognition and measurement

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

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

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

The Union's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Financial assets (Continued)

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income

Financial assets at amortised cost

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Union's financial assets at amortised cost includes trade receivables, receivables from other reporting units and term deposits.

Derecognition

A financial asset is derecognised when:

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

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

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Financial assets (Continued)

Offsetting

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

Impairment

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Financial Liabilities

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

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

The Union's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.16 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17 Contingent liabilities and contingent assets

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

1.18 Property, Plant and Equipment

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

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

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

	31 March 2020	31 March 2019
Buildings	2%	2%
Furniture, fixtures and fittings	5-25%	5-25%
Motor Vehicles	20%	20%
Computer equipment and software	20-33.3%	20-33.3%

Derecognition

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

1.19 Impairment

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.20 Taxation

The Union 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 Union does not carry financial instruments at fair value through the profit and loss. The fair values of financial instruments measured at amortised cost are disclosed in Note 13.

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 Union. 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 Union 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.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.22 Going concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Union has agreed to provide Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division South Australian Divisional branch (CFMEU C&G SA) with financial support to ensure they can continue on a going concern basis. This agreed financial and other support is to continue for a period of not less than 12 months from the date of signing this financial reports to allow CFMEU C&G SA to realise its assets and discharge its liabilities in the normal course of business. Furthermore, the Union will not seek repayment of the intercompany receivable from CFMEU C&G SA (refer note 5B) for a period of at least 12 months from the date of signing this financial report.

1.23 Acquisition of Assets and Liabilities

The Union did not acquire any asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.24 Recovery of Wages

The Union has not undertaken any recovery of wages activities during the year or the comparative year.

1.25 Economic dependence

The principle source of income for Construction Forestry Maritime Mining and Energy Union, Construction & General Division – National Office is capitation fees from its Divisions. Accordingly, the Union is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters (refer to Note 3A).

1.26 Related party disclosures

Related party disclosures in this financial report are presented on an accrual basis. Whilst 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, the balances and transactions reported in this financial report may differ to those recorded in the financial report of the counterparty reporting unit. This may arise due to timing differences in the respective record keeping of the related reporting units, for example, in the receipt of payments, correspondence in transit or the alternative categorisation of balances/transactions.

1.27 Retained Earnings

All funds required by the rules of the Union are included in the statement of changes in equity. The Union has no fund or account for compulsory levies, voluntary contribution or required by the rules of the organisation or union.

There has been no withdrawals or transfer from a fund other than the general fund, account, asset or controlled entity. The Union has not invested monies from a fund or account in any assets.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 2 EVENTS AFTER REPORTING DATE

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union. Other than the current disclosures, there has not been any other matter or circumstance 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.

Other than the above, there were no events that occurred after 31 March 2020, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

NOTE 3 INCOME

31 March 2020	31 March 2019
\$	\$

Disaggregation of revenue from contracts with customers

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer

Members	-	-
Other reporting units	5,354,226	4,996,799
Government	-	-
Other parties	981,336	727,073
Total revenue from contracts with customers	6,335,562	5,723,872

Disaggregation of income for furthering activities

A disaggregation of the Union's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources

Members	-	-
Other reporting units	100,000	2,000,000
Government	-	-
Other parties	-	-
Total income for furthering activities	100,000	2,000,000

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 3 INCOME (CONTINUED)

31 March 2020	31 March 2019
\$	\$

Note 3A: Capitation fees

Capitation fees by branch (CFMEU Construction & General)

Victoria and Tasmania	1,986,655	1,909,377
New South Wales	1,397,269	1,144,539
Queensland	738,547	774,578
South Australia	133,035	117,879
Western Australia	368,617	379,666
Australian Capital Territory	123,514	115,427
Total capitation fees	4,747,637	4,441,466

Note 3B: Levies

Campaign levies fees received (CFMEU Construction & General)

Victoria and Tasmania	-	459,923
New South Wales	-	298,023
Queensland	134,860	61,825
South Australia	-	34,143
Western Australia	-	114,870
Australian Capital Territory	-	36,497
Other campaign fees received	-	21,781
Campaign levies received in advance – refer to Note 6C	471,729	(471,729)
Total levies	606,589	555,333

Note 3C: Interest

Interest – financial assets at amortised cost	132,395	145,447
Total Interest	132,395	145,447

Note 3D: Net gains from sale of assets

Gain on sale of assets	11,848	4,027,174
Gain on sale of assets – Swanston Street	1,679,110	-
Total net gain from sale of assets	1,690,958	4,027,174

Note 3E: Grants or donations

Grants	-	-
Donations	100,000	2,000,000
Total grants or donations	100,000	2,000,000

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 3 INCOME (CONTINUED)

	31 March 2020 \$	31 March 2019 \$
Note 3F: Other Revenue		
Attendance Fees	191,770	220,284
Wages reimbursements	192,588	154,762
Advertising revenue	125,000	110,512
Divisional conference sponsorship	331,818	-
Rent received	-	44,078
Other income	7,765	51,990
Financial support from another reporting unit	-	-
Total other revenue	848,941	581,626

NOTE 4 EXPENSES

Note 4A: Employee expenses

Holders of office:

Wages and salaries	576,338	524,445
Superannuation	62,225	57,530
Leave and other entitlements	58,355	21,978
*Separation and redundancies	16,700	16,380
Other employee expenses	62,465	38,466
Subtotal employee expenses holders of office	776,083	658,799

Employees other than office holders:

Wages and salaries	1,349,404	1,466,965
Superannuation	151,428	149,854
Leave and other entitlements	(46,701)	(101,000)
*Separation and redundancies	28,375	29,325
Other employee expenses	78,410	82,424
Subtotal employee expenses non- office holders	1,560,916	1,627,568
Total employee expenses	2,336,999	2,286,367

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU National Office	1,190,998	1,151,150
Total Capitation fees	1,190,998	1,151,150

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 4 EXPENSES (CONTINUED)

	31 March 2020	31 March 2019
	\$	\$

Note 4C: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levy	-	-
Voluntary levy	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	351,082	180,156
Total administration expenses	<u>351,082</u>	<u>180,156</u>

Note 4D: Grants or donations

Grants:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

Donations:

Total paid that were \$1,000 or less	-	815
Total paid that exceeded \$1,000	158,919	2,010,600

Total grants or donations	<u>158,919</u>	<u>2,011,415</u>
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Note 4E: Depreciation and amortisation

Depreciation:

Land and Building	57	482
Furniture, fixtures and fittings	61,834	2,344
Motor vehicles	29,817	20,235
Computer equipment and software	75,427	76,428
Right of Use asset – Note 9	32,682	-

Total depreciation and amortisation	<u>199,817</u>	<u>99,489</u>
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Note 4F: Finance costs

Bank fees and charges	1,279	1,888
Interest expense – lease liability – Note 9	13,873	-
Total finance costs	<u>15,152</u>	<u>1,888</u>

Note 4G: Legal costs

Litigation	189,304	617,275
Other legal matters	9,712	5,819
Costs reimbursed by CFMEU Branches – Note 8(a)	(88,350)	(482,606)
Total legal costs	<u>110,666</u>	<u>140,488</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 4 EXPENSES (CONTINUED)

	31 March 2020 \$	31 March 2019 \$
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Note 4H: Accounting and Audit fees

External audit expense	28,300	27,600
Other services	3,629	19,609
Total accounting and audit fees	31,929	47,209

Note 4I: Other expenses

Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Advertising & Marketing	368,413	146,331
ATO – PAYG payment	60,184	-
Communications	26,667	35,348
Computer and website expenses	496,246	395,195
Insurance	60,116	31,937
Loss on disposal of assets	6,746	-
Media monitoring costs	43,636	44,932
Merchandise purchases	-	12,432
Motor vehicle expenses	15,633	20,344
Occupancy expenses	219,247	253,141
Printing, Postage and Stationery	5,850	7,914
Strata levies	-	52,059
Sponsorship	1,500	60,000
Travel expenses	449,492	506,013
Other expenses	33,605	25,748
Total other expenses	1,787,335	1,591,394

NOTE 5 ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	6,468,361	3,671,562
Total cash and cash equivalents	6,468,361	3,671,562

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5 ASSETS (CONTINUED)

31 March	31 March
2020	2019
\$	\$

Note 5B: Trade and Other Receivables

Current

Trade receivables	-	39,537
Other receivables	45,517	71,798

Current receivables from other reporting units

CFMEU Construction and General Division

- Victoria and Tasmania Branch	90,339	998,154
- Victoria and Tasmania Branch (Swanston St)	-	520,889
- New South Wales Branch	206,890	153,821
- Queensland Branch	7,403	(17,595)
- South Australia Branch	16,671	-
- Western Australia Branch	81,876	36,121
- Australian Capital Territory Branch	8,896	9,803

Total current trade and other receivables	457,592	1,812,528
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Non-current receivables from other reporting units

CFMEU Construction and General Division

- South Australia Branch (Note 1.22)	384,510	397,902
Total non-current trade and other receivables	384,510	397,902

	842,102	2,210,430
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Less allowance for expected credit losses	-	-
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Total allowance for expected credit losses	-	-
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Total trade and other receivables (net)	842,102	2,210,430
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Please refer to note 1.26 for further commentary in relation to the consistency of transactions and balances between reporting units.

No allowance for expected credit losses has been raised against the reporting units balances shown, in accordance with the accounting policy note 1.14 and note 12A.

Note 5C: Other Current Assets

Prepayments – other	42,628	134,986
Prepayments – CFMEU National	-	287,788
Total other current assets	42,628	422,774

Note 5D: Financial Assets

Financial assets at amortised cost	5,000,000	5,000,000
Total financial assets	5,000,000	5,000,000

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 5 ASSETS (CONTINUED)

31 March 2020	31 March 2019
\$	\$

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Land and Buildings	-	1,372
Furniture, fixtures and fittings	358,716	17,429
Motor vehicles	133,689	108,487
Computer equipment and software	118,166	175,553
Total property plant and equipment	610,571	302,841

Land and Buildings:

At cost	-	16,928
Less accumulated depreciation	-	(15,556)
Total land and buildings	-	1,372

Furniture, fixtures and fittings:

At cost	438,107	84,627
Less accumulated depreciation	(79,391)	(67,198)
Total furniture, fixtures and fittings	358,716	17,429

Motor vehicles:

At cost	161,288	146,932
Less accumulated depreciation	(27,599)	(38,445)
Total motor vehicles	133,689	108,487

Computer equipment and software:

At cost	339,224	493,895
Less accumulated depreciation	(221,058)	(318,342)
Total computer equipment and software	118,166	175,553

	Land & Buildings	Furniture, fixtures and fittings \$	Motor vehicles \$	Computer equipment and software \$	Total \$
Balance at beginning of the year	1,372	17,429	108,487	175,553	302,841
Additions	-	405,927	56,354	21,053	483,334
Disposals	(1,315)	(2,806)	(1,335)	(3,013)	(8,469)
Depreciation expense – Note 4E	(57)	(61,834)	(29,817)	(75,427)	(167,135)
Carrying amount at end of the year	-	358,716	133,689	118,166	610,571

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6	LIABILITIES	31 March 2020	31 March 2019
		\$	\$

Note 6A: Trade and Other Payables

Current

Trade payables and accruals	180,774	143,201
Trade Payables to other reporting units		
CFMEU Construction and General Division		
- Victoria and Tasmania Branch	2,149	-
- Queensland Branch	39,635	-
CFMEU Mining & Energy Division National Office	360	-
CFMEU National	-	316,566
CFMEU Manufacturing (formerly FFPD)	-	78,691
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	71,719
Other legal matters	-	-
GST payable	352,041	113,157
Wages collected on behalf of members	-	-
Total trade and other payables	574,959	723,334

Please refer to note 1.26 for further commentary in relation to the consistency of transactions and balances between reporting units.

Note 6B: Employee Provisions

Employee provisions comprises of:

Current

Provision for other leave	135,440	103,883
Provision for annual leave	288,784	287,226
Provision for long service leave	310,197	352,911
	734,421	744,020

Non-current

Provision for long service leave	42,673	21,419
Total employee provisions	777,094	765,439

Non-current provisions represent long service leave entitlements owing to employees who have not completed 5 continuous years of service with the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 6	LIABILITIES (CONTINUED)	31 March 2020	31 March 2019
		\$	\$

Note 6B: Employee Provisions (Continued)

Office Holders:

Annual leave	101,789	85,715
Long service leave	193,545	177,658
Separations and redundancies	-	-
Other	42,918	16,525

Subtotal employee provisions—office holders

338,252	279,898
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Employees other than office holders:

Annual leave	186,994	201,511
Long service leave	159,325	196,672
Separations and redundancies	-	-
Other	92,523	87,358

Subtotal employee provisions—employees other than office holders

438,842	485,541
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Total employee provisions

777,094	765,439
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Note 6C: Other Liabilities

Other liabilities	-	-
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Received in advance from other reporting units

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	229,962
- New South Wales Branch	-	149,011
- South Australia Branch	-	17,072
- Western Australia Branch	-	57,435
- Australian Capital Territory Branch	-	18,249

Total revenue in advance

-	471,729
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Other liabilities relates to campaign levies income received in advance during the year. Refer to Note 3B.

NOTE 7 CASH FLOW

Note 7A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of financial position to Statement of cash flows:

Cash and cash equivalents as per:

Statement of cash flows	6,468,361	3,671,562
Statement of financial position	6,468,361	3,671,562
Difference	-	-

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 7 CASH FLOW	31 March 2020 \$	31 March 2019 \$
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Note 7A: Cash Flow Reconciliation

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

Surplus/(deficit) for the year	1,942,207	4,241,490
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Adjustments for non-cash items

Depreciation expense – Note 4E	199,817	99,489
(Gain)/Loss on disposal of assets	(1,690,958)	(4,027,174)
Finance costs on lease liability	13,874	-

Changes in assets/liabilities

(Increase)/decrease in trade and other receivables	847,438	(980,527)
(Increase)/decrease in prepayments	380,146	(88,801)
Increase/(decrease) in trade and other payables	(148,375)	436,468
Increase/(decrease) in revenue in advance	(471,729)	302,789
Increase/(decrease) in employee provisions	11,655	(79,022)
Net cash from (used by) operating activities	1,084,075	(95,288)

Note 7B: Cash flow information

Net cash flows relating to reporting units (inc. GST):

CFMEU Construction and General		
- Victoria and Tasmania Branch	7,093,702	3,381,916
- New South Wales Branch	2,658,998	2,241,582
- Queensland Branch	1,931,001	1,345,064
- South Australia Branch	348,690	275,025
- Western Australia Branch	738,681	702,671
- Australian Capital Territory Branch	194,547	182,582
CFMEU National Office	(3,880,808)	(3,132,164)
CFMEU Mining and Energy Division	(1,259)	(28,091)
CFMEU Manufacturing (formerly CFMEU FFPD)	(77,516)	7,271
CFMEU Industrial Union of Employees QLD State (CFMEUQ)	(29,450)	-
CFMEU Mining and Energy VIC	720	-
Maritime Union of Australia National Office	-	(15,000)
Maritime Union of Australia Western Australia Branch	-	(14,000)
Net cash flows	9,055,997	4,946,856

Please refer to note 1.26 for further commentary in relation to the consistency of transactions and balances between reporting units.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 7 CASH FLOW (CONTINUED)

	31 March 2020	31 March 2019
	\$	\$

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility

Used facility	16,926	13,487
Unused facility	53,074	56,513
Total facility	<u>70,000</u>	<u>70,000</u>

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2020 (31 March 2019: Nil).

NOTE 8 RELATED PARTY DISCLOSURES

Note 8A: Related Party Transactions for the Reporting Period

Being the National Office of the Construction & General Division of the Construction, Forestry, Maritime, Mining and Energy Union ("the Union"), from time-to-time the Union coordinates various administrative activities on behalf of its various constituent State divisional branches. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoices in full. Accordingly, with the Union merely the facilitator of such transactions between independent third parties (and there is no profit component in recharging the respective branches), these are not considered to be related party incomes/expenses of the Union and hence are not required to be disclosed. Notwithstanding this, the transfer of funds to meet these obligations remained related party transactions, and accordingly have been disclosed in the related party cash flows reported below. Additionally, any amounts outstanding as at balance date between related parties are disclosed below.

The Union's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Divisional Executive (whether executive or otherwise) of that entity are considered key management personnel.

For detail of remuneration disclosure relating to key management personnel, refer to Note 8B: Key Management Personnel Remuneration for the Reporting Period.

(b) Other related parties

All Reporting Units of the Construction, Forestry, Maritime, Mining and Energy Union (CFMEU) are considered to be related parties. Reporting Units are defined in Section 242 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act").

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

(c) Related Party Transactions

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

From time to time the Union makes expenditure which relate to itself as well as other Reporting Units of the CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

Please refer to note 1.26 for further commentary in relation to the consistency of transactions and balances between reporting units.

Related Party Information

Transactions with related parties:

(i) Capitation fees charged (excluding GST)

Refer to Note 3A.

(ii) Campaign levies charged (excluding GST)

Refer to Note 3B.

(iii) Campaign levies received on behalf of CFMEU National Office (including GST)

	31 March 2020	31 March 2019
	\$	\$
Opening balance	-	(168,940)
Campaign fees charged to Reporting Units on behalf of CFMEU National Office:		
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	-
- New South Wales Branch	-	-
- Queensland Branch	-	-
- Western Australia Branch	-	-
- Australian Capital Territory Branch	-	-
- South Australia Branch	-	-
	<hr/>	<hr/>
Net payment made to CFMEU National Office	-	-
Campaign fees paid by Branches	-	-
Campaign fees refunded to CFMEU C&G ACT Branch	-	168,940
Balance payable to CFMEU Construction and General Australian Capital Territory Branch	<hr/>	<hr/>
	-	-

For campaign levies received in advance, refer to Note 6C.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

(iv) Rental Income

	31 March 2020 \$	31 March 2019 \$
CFMEU Construction and General		
- New South Wales Branch	-	3,701

(v) Staff expense contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	2,500
- New South Wales Branch	-	2,500
- Queensland Branch	-	2,500
- South Australia Branch	-	2,500
- Western Australia Branch	-	2,500
- Australian Capital Territory Branch	-	2,500

(vi) Travel and accommodation contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch		6,081
- New South Wales Branch		1,855
- Australian Capital Territory Branch		3,473

(vii) Wages reimbursement received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	93,795	33,772
- Queensland Branch	102,425	120,990

(viii) Legal fees contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	42,533
- New South Wales Branch	-	25,952
- Queensland Branch	55,000	20,185
- South Australia Branch	-	89,172
- Western Australia Branch	-	8,855
- Australian Capital Territory Branch	-	2,720

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

(ix) Legal Penalties contributions received from branches

	31 March 2020 \$	31 March 2019 \$
CFMEU Construction and General		
- South Australia Branch	33,350	293,190

(x) Sponsorship for Claire Murray Documentary by Artemis Media and Inavision Films contributions received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	100,000
- New South Wales Branch	-	90,000
- Western Australia Branch	-	100,000
- Australian Capital Territory Branch	-	50,000

(xi) ACTU change the rules campaign donation received from branches (donation income)

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	414,373
- New South Wales Branch	-	249,915
- Queensland Branch	-	196,651
- South Australia Branch	-	26,294
- Western Australia Branch	-	86,272
- Australian Capital Territory Branch	-	26,495

(xii) CFMEU National campaign donation received from branches (donation income)

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	414,373
- New South Wales Branch	-	249,915
- Queensland Branch	-	196,651
- South Australia Branch	-	26,294
- Western Australia Branch	-	86,272
- Australian Capital Territory Branch	-	26,495

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

(xiii) CFMEU National campaign contribution received from branches

	31 March 2020 \$	31 March 2019 \$
CFMEU Construction and General		
- Victoria and Tasmania Branch	902,786	-
- New South Wales Branch	541,157	-
- Queensland Branch	366,234	-
- South Australia Branch	55,735	-
- Western Australia Branch	179,513	-
- Australian Capital Territory Branch	54,576	-

(xiv) Dentsu X cost contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	426,891	-
- New South Wales Branch	255,892	-
- Queensland Branch	173,177	-
- South Australia Branch	26,355	-
- Western Australia Branch	84,884	-
- Australian Capital Territory Branch	25,807	-

(xv) Bossman Media cost contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	395,480	-
- New South Wales Branch	237,063	-
- Queensland Branch	160,435	-
- South Australia Branch	24,416	-
- Western Australia Branch	78,638	-
- Australian Capital Territory Branch	23,908	-

(xvi) Bushfire Appeal contribution received from branches (donation income)

CFMEU Construction and General		
- Victoria and Tasmania Branch	42,990	-
- New South Wales Branch	25,769	-
- Queensland Branch	17,440	-
- South Australia Branch	2,654	-
- Western Australia Branch	8,548	-
- Australian Capital Territory Branch	2,599	-

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

xvii) Swanston Street property settlement received

	31 March 2020 \$	31 March 2019 \$
CFMEU Construction and General - Victoria and Tasmania Branch	2,200,000	-

(xviii) Capitation fees expense

CFMEU National Office	1,190,998	1,151,150
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(xix) Rent expense and outgoings

CFMEU Construction and General – Victoria and Tasmania Branch	111,227	-
CFMEU Mining and Energy Divisional National	33,981	156,718
CFMEU – Manufacturing Division (formerly FFPD)	-	71,537

(xx) Transfers of leave accrual

CFMEU Construction and General Queensland Branch	14,904	-
CFMEU Industrial Union of Employees Queensland State Construction and General Division (CFMEUQ)	29,450	-

(xxi) Bossman Media expense:

CFMEU Construction and General - Victoria and Tasmania Branch	187,478	-
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(xxii) Donation expense

CFMEU Construction and General - New South Wales Branch for Bushfire appeal	22,599	-
- ACT Branch for Security cost	50,000	-
- ACT Branch for Bushfire appeal	30,000	-
CFMEU – Mining & Energy – Queensland Branch	-	-
CFMEU National Office – ACTU change the rules campaign	-	1,000,000
CFMEU National Office – election campaign	-	1,000,000

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

(xxiii) Airfare expenses

	31 March 2020 \$	31 March 2019 \$
CFMEU Construction and General		
- Victoria and Tasmania Branch	5,305	10,427
- New South Wales Branch	17,402	15,378
- Queensland Branch	21,344	10,249
- South Australia Branch	-	5,906
- Western Australia Branch	12,734	25,605
- Australian Capital Territory Branch	-	-

(xxiv) Legal fees

CFMEU Construction and General		
- Australian Capital Territory Branch	-	41,696
CFMEU Mining and Energy Divisional National	-	424

(xxv) Conferences expenses

CFMEU Construction and General		
- Western Australia Branch	2,727	3,606
CFMEU National Office	-	166,571

(xxvi) Director fees

CFMEU Construction and General		
- New South Wales Branch	39,051	39,716

(xxvii) Contribution to Election Robocalls

CFMEU National Office	50,000	-
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(xxviii) Reimbursement of Website and Digital media costs

CFMEU National Office	74,800	-
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(xxix) Campaign expense

CFMEU National Office	2,027,273	-
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**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8A: Related Party Transactions for the Reporting Period (Continued)

Related Party Information

Transactions with related parties:

(xxx) Other expenses (income)

	31 March 2020	31 March 2019
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	5,822	4,679
- New South Wales Branch	2,036	3,346
- Queensland Branch	770	3,059
- South Australia Branch	1,500	493
CFMEU National Office	3,653	-
CFMEU Mining and Energy Divisional National	-	1,977
Maritime Union of Australia National Office	-	15,000
Maritime Union of Australia Western Australian Branch	-	12,727

Related Party Balances

(i) Trade and other receivables

Refer to Note 5B.

(ii) Trade and other payables

Refer to Note 6A.

(iii) Income in advance

Refer to Note 6C.

(iv) Prepayments

Refer to Note 5C.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8B: Key Management Personnel Remuneration for the Reporting Period

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined that key management personnel comprises of:

- Dave Noonan (Divisional Secretary)
- Nigel Davies (Assistant Divisional Secretary)
- Andrew Sutherland (Assistant Divisional Secretary)

During the year, the key management personnel of the Union were remunerated as follows:

	31 March 2020	31 March 2019
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	602,731	514,237
Annual leave movement	16,075	25,369
Performance bonus	-	-
Other employee benefits	62,465	38,465
Total short-term employee benefits	681,271	578,071
Post-employment benefits:		
Superannuation	62,225	57,530
Redundancy fund	16,700	16,380
Total post-employment benefits	78,925	73,910
Other long-term benefits:		
Long-service leave	15,887	6,818
Total other long-term benefits	15,887	6,818
Termination benefits	-	-
Total	776,083	658,799

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

There have been no payments made during the financial year to a former related party of the Union.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 9 LEASES

The Union has applied AASB 16 using the cumulative catch-up method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

The Union as a lessee

The Union has a lease over real property.

Information relating to the lease in place for real property and associated balances and transactions are provided below.

Terms and conditions of leases:

Premises is leased over a 5 year period with an option to extend for a further 5 years. The lease payments are increased on an annual basis by 3% per annum.

Right-of-use assets

	Property \$
Year ended 31 March 2020	
Balance at 1 April 2019	-
Additions to right-of-use assets	435,762
Depreciation charge	(32,682)
Balance at end of year	<u><u>403,080</u></u>

Lease liabilities

	2020 \$
Current	32,146
Non-current	393,231
Total	<u><u>425,377</u></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 this Consolidated Balance Sheet \$
2020					
Lease liabilities	49,608	218,316	251,146	519,070	425,377

Extension options

The building lease contains an extension option which allows the Union to extend the lease term the original non-cancellable period of the lease.

At commencement date and each subsequent reporting date, the Union assesses where it is reasonably certain that the extension option will be exercised. All extension options are expected to be exercised.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 9 LEASES (CONTINUED)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

	2020
	\$
Interest expense	13,873
Depreciation of right-of-use assets	32,682
	<u>46,555</u>

Consolidated Statement of Cash Flows

Total cash outflow for leases	<u>24,258</u>
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NOTE 10 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Contingent liabilities and commitments

Given the principal activities of the Union, the Union is routinely subject to legal actions against it regarding industrial relations matters in serving its membership. As at the date of this report, there are no such matters in place which would require disclosure as a contingent liability.

As an organisation, the Construction Forestry Maritime Mining and Energy Union, Construction & General Division – National Office may be liable to contribute funds to the settlement of legal costs on behalf of branches. As at balance date, there are no such known matters and any relevant costs have been appropriately accrued and disclosed.

(b) Finance lease commitments

The Union does not have any finance lease commitments at 31 March 2020 (2019: Nil).

(c) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2020 (2019: Nil).

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

	31 March 2020 \$	31 March 2019 \$
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NOTE 11 REMUNERATION OF AUDITOR

Value of the services provided

Financial statement audit services	28,300	27,600
Other services	3,629	19,609
Total remuneration of auditor	31,929	47,209

Other services include other accounting services.

NOTE 12 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

The Committee of Management monitors the Union's financial risk management policies and exposure and approves financial transactions within the scope of these policies.

The Committee 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. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, credit risk, liquidity risk, and market risk consisting predominantly of interest rate risk. There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Committee of Management's objectives, policies and processes for managing or measuring the risks from the previous period.

The Union's financial instruments are listed below:

Financial Assets

Cash and cash equivalents	6,468,361	3,671,562
Trade and other receivables	842,102	2,210,430
Financial assets – at amortised cost	5,000,000	5,000,000
	12,310,463	10,881,992

Financial Liabilities

Trade and other payables	222,916	723,334
Lease Liability	425,377	-
	648,293	723,334

Note 12A: Credit Risk

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 quality, including those that are past due.

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Union. On a geographical basis, the Union's trade and other receivables are all based in Australia.

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 accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 March 2020 is determined as follows. The expected credit losses below also incorporate forward looking information.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Financial assets that were past due but not impaired for 2020

	Within trade terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	0%	0%
Gross Carrying amount	457,592	-	-	-	384,510	842,102
Expected credit loss	-	-	-	-	-	-

Financial assets that were past due but not impaired for 2019

	Within trade terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	0%	0%
Gross Carrying amount	1,812,528	-	-	-	397,902	2,210,430
Expected credit loss	-	-	-	-	-	-

The Union has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5B. The main source of credit risk to the entity is considered to relate to the class of assets described as "Trade receivable and other receivables".

The Union always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

The Union writes off an account receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 March 2020 (31 March 2019: Nil).

Note 12B: Liquidity Risk

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Union does not hold directly any derivative financial liabilities.

Contractual maturities for financial liabilities

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
2020	\$	\$	\$	\$	\$	\$
Trade and other payables	222,916	-	-	-	-	222,916
Lease Liability	425,377	-	-	-	-	425,377
	648,293	-	-	-	-	648,293
<hr/>						
2019						
Trade and other payables	723,334	-	-	-	-	723,334
	723,334	-	-	-	-	723,334

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12C: Market Risk (Continued)

- i. **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's exposure to interest rate risk arises from its cash at bank and term deposits.

 The financial instruments which expose the Union to interest rate risk are limited to its cash reserves.
- ii. **Foreign exchange risk**
 The Union is not exposed to fluctuations in foreign currencies.
- iii. **Price risk**
 The Union is not exposed to equity securities price risk as it does not have equity instruments.

Sensitivity Analysis

While the Union is exposed to changes in interest rates, due to the fact that any expected change in interest rates would have no significant impact on profit and loss or equity, no sensitivity analysis has been considered necessary.

Note 12D: Changes in liabilities arising from financing activities

	1 July 2019	Cash flows	New Leases	Other	30 June 2020
	\$	\$	\$	\$	\$
Current interest- bearing loans and borrowings	-	(24,258)	42,531	13,873	32,146
Non-current interest-bearing loans and borrowings	-	-	393,231	-	393,231
Total liabilities from financing activities	-	(24,258)	435,762	13,873	425,377

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CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 13 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction. The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

		31 March 2020		31 March 2019	
	Footnote	Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	6,468,361	6,468,361	3,671,562	3,671,562
Trade and other receivables	(i)	842,102	842,102	2,210,430	2,210,430
Financial assets	(i)	5,000,000	5,000,000	5,000,000	5,000,000
Total financial assets		12,310,463	12,310,463	10,881,992	10,881,992
Financial liabilities					
Trade and other payables	(i)	222,916	222,916	723,334	723,334
Lease Liabilities	(i)	425,377	425,377	-	-
Total financial liabilities		648,293	648,293	723,334	723,334

Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 14 DISCLOSURE OF OFFICERS' REMUNERATION AND NON-CASH BENEFITS

Pursuant to Rule 24B of the Union's Rules and s. 293BC(3) of the *Fair Work (Registered Organisation) Amendment Act 2016*, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2020 financial year.

- (a) the five highest paid officers of the Union for the financial year, and their remuneration, were as follows:

	Dave Noonan Divisional Secretary	Nigel Davies Assistant Divisional Secretary	Andrew Sutherland Assistant Divisional Secretary	Total
	\$	\$	\$	\$
Salary and allowance	203,574	183,172	189,592	576,338
Movement in annual and long service leave provisions	26,175	17,061	15,119	58,355
Superannuation	22,205	20,016	20,004	62,225
Redundancy	5,670	5,465	5,565	16,700
Other employee benefits	21,867	20,153	20,445	62,465
	<u>279,491</u>	<u>245,867</u>	<u>250,725</u>	<u>776,083</u>

The non-cash benefit provided to the officers of the Union are motor vehicles which are owned by the Union. The motor vehicles are primarily used for work related purposes. The value of these benefits are included in 'other employee benefits' in the above table.

There were only three paid officers during the financial year.

No remuneration or non-cash benefits had been received by Officers of the Union from a board position attained because of their position with the Union.

Andrew Sutherland (Assistant Divisional Secretary) is also the Divisional Branch Secretary for the Construction, Forestry, Maritime, Mining and Energy Union, Construction & General Divisional South Australian Divisional Branch (CFMEU C&G SA branch). CFMEU C&G National Office pays 100% of Andrew Sutherland's remuneration.

In accordance with Rule 24D and s. 293G of the *Fair Work (Registered Organisations) Amendment Act 2016*, refer to Note 8 for payments made by the Union to related parties.

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2020.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2020

NOTE 15 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

There has been no administration of financial affairs by a third party.

NOTE 16 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of 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).

NOTE 17 UNION DETAILS

The registered office of the Union is:

Level 1, 1 Miller Lane
Pyrmont NSW 2009

NOTE 18 SEGMENT INFORMATION

The Union operates solely in one reporting segment, being the provision of industrial services.

NOTE 19 OFFICER DECLARATION STATEMENT

An officer declaration statement has not been prepared given that all relevant disclosures required under this declaration, have been incorporated into this financial report, including 'NIL' disclosures.

Independent Audit Report to the Members of Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ("the Union"), which comprises the statement of financial position as at 31 March 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2020, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office as at 31 March 2020, 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 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 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 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.

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ACCOUNTANTS



Information Other than the Financial Report and Auditors Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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, 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 Committee of Management for the Financial Report

The committee of management of the Union 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 committee 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 committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the 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.

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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

- Conclude on the appropriateness of the committee 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 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 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.

We communicate with the committee 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
Daley Audit

Michael Mundt
Michael Mundt
Partner

Wollongong
31 August 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA 2017/67

Liability limited by scheme approved under Professional Standards Legislation.