

**CONSTRUCTION FORESTRY MARITIME
MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2019**

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
NATIONAL OFFICE

ABN 17 402 743 835

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment related costs and expenses	1,980,132	1,481,305
Operating costs	914,037	1,729,525
Donations to political parties	1,000,000	52,000
Legal costs	40,331	335,076
Advertising	10,040	17,075

Signature of designated officer: 

Name and title of designated officer: MICHAEL O'CONNOR Nat Sec

Dated: 29th May 2020

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
NATIONAL OFFICE**

ABN 17 402 743 835

OPERATING REPORT

The National Executive presents its operating report for the reporting unit "Construction, Forestry, Maritime, Mining and Energy Union – National Office" for the financial year ended 31 December 2019 in accordance with the applicable provisions of the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009.

Principal Activities

The principal activities of the reporting unit during the financial year overall were to further the interests of the Union's members from the four Divisions by maintaining the effective operation of the Union as a registered organisation, assisting the Divisions grow union membership, assisting the Divisions with industrial campaigns, and advocating for and protecting the economic and political interests of members. This includes the following results:

Co-ordinating the Union's political campaigning during the federal parliamentary election

- Managed a pre-election member contact campaign across all Divisions, Districts and Branches;
- Produced and delivered union campaign messages across a range of digital platforms;
- Developed and designed campaign websites, social media, SMS and email distribution tools for the Union's campaign;
- Registered the Union as a Political Campaigner and successfully lodged political expenditure reporting obligations to the Australian Electoral Commission.

Assisting Divisions with national industrial campaigns

- Supported the MUA Division with their Save Australian Shipping campaign to bring awareness to the plight of Australian seafarers losing their jobs;
- Supported the M&E Division with their campaign raising awareness of dust related diseases;
- Supported the Manufacturing Division campaign to support workers sacked before Christmas.

Developing communications strategies for the Union and strengthening its online presence

- Grew the Union's online presence and engagement with members through management of social media platforms;
- Maintained a contact database of union members and supporters;
- Developed technical tools for petitions and email campaigns.

Providing information technology and membership infrastructure support to Divisions

- Provided management, development and maintenance for all Union websites;
- Provided online membership development and support to the Divisions;
- Managed digital advertising campaigns for member recruitment.

Producing creative and visual content for the Divisions to assist campaigns and member communication

- Designed union magazines, flyers, posters, merchandise, banners and any other printed materials for the Divisions;
- Created artwork for online content including social media posts, animations, and videos for the Divisions;
- Carried out photography and video production of union events for the Divisions.

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Principal Activities (continued)

Ensuring compliance with statutory obligations to regulatory bodies

- Lodged reporting requirements under the *Fair Work (Registered Organisations) Act 2009* on behalf of the National Office and assisted Divisions and Branches with their reporting obligations;
- Maintained record keeping obligations required by the *Fair Work (Registered Organisations) Act 2009*;
- Rule changes to the National Rulebook were successfully lodged with the Fair Work Commission;
- Application for a new consolidation certificate for the Union was successfully lodged with the Registered Organisations Commission.

Carrying out Union elections for the National Office and State Branches

- National Officer elections were finalised in early 2019;
- State Branch elections were conducted and finalised in the second half of 2019.

Lobbying and drafting submissions on legislative matters relevant to the Union's interests

- Co-ordinated and assisted in drafting legislative submissions;
- Developed campaigns to support the Union's submissions relevant to members' interests.
- Assisted in the formulation of ALP policies relating to the industrial interests of the Union's members.

Representing the Union's interests on various national and international committees and organisations

- Participated in forums and working groups relating to the job security of the Union's members;
- Made presentations to international economic and trade forums.

Operating Result

The results of the principal activities of the Union during the financial year was to further the interests of CFMMEU workers through improvements in wages and conditions, health and safety, legal rights and company compliance with Australian labour standards.

The operating loss of the Union for the financial year was \$272,275 (2018: \$83,634 loss). No provision for tax was necessary as the Union is exempt from income tax.

Significant change in financial affairs

The operating loss of the reporting unit for the financial year was \$272,275.

The reporting unit believes it can continue as a going concern by generating sufficient funds in the future years through the raising of fees and levies and through the financial support from Divisions in accordance with National Rule 23(i).

Number of Members

The number of persons that were, at the end of the financial year to which the reporting unit relates, recorded in the register of members in accordance with section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the reporting unit in accordance with section 244 (2)(a) of the Fair Work (Registered Organisations) Act 2009 was 151,252.

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OPERATING REPORT continued**

Number of Employees

The number of persons who were, at the end of the financial year to which the reporting unit relates, employees of the reporting unit, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis was 8.4.

Rights of Member to Resign

Pursuant to the Reporting Unit Rule 11 and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or

- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the notice whichever is the later.

Superannuation Trustees and Directors

The names of any officer or member of the reporting unit who is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation are:

Denise Campbell-Burns - Director of the FIRST Superannuation Fund;

Paddy Crumlin - Director of Maritime Financial Services Pty Ltd;

Paul Garrett - Director of Maritime Financial Services Pty Ltd;

Grahame Kelly - Director of Auscoal Superannuation Pty Ltd which acts as a Trustee for the MineSuperannuation Fund

Anthony Maher - was an Alternate Director of Auscoal Superannuation Pty Ltd which acts as a Trustee for the Mine Superannuation Fund for the period 26 May 2015 to 30 June 2019;

Anthony Maher - appointed Director of Auscoal Superannuation Pty Ltd which acts as Trustee of Mine Superannuation Fund from 1 July 2019 onwards;

Rita Mallia - Director of United Super Pty Ltd which acts as Trustee of C Bus;

Alex Millar - Director of the FIRST Superannuation Fund;

Jamie Newlyn - Director of Maritime Financial Services Pty Ltd;

Dave Noonan - Director of United Super Pty Ltd which acts as Trustee of C Bus;

Dave Noonan- Director of C Bus Property Pty Ltd;

Michael O'Connor - Director of the FIRST Superannuation Fund;

Frank O'Grady - Director of United Super Pty Ltd which acts as Trustee of C Bus;

Will Tracey - Alternate Director of Maritime Financial Services Pty Ltd;

Frank Vari - Director of the FIRST Superannuation Fund.

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Superannuation Officeholders

No other officer or member of the reporting entity is:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

National Executive Members

The names of each person who have been a member of the National Executive of the Union at any time during the reporting period, and the period for which he or she held such a position were;

Names

Michael Aird	(07 March – 31 December 2019);
Ian Bray	(1 January 2019 – 31 December 2019);
Mick Buchan	(1 January 2019 – 31 December 2019);
Andy Burford	(1 July 2019 – 31 December 2019);
Greg Busson	(1 January 2019 – 31 December 2019);
Christy Cain	(1 January 2019 – 31 December 2019);
Jason Campbell	(1 January 2019 – 31 December 2019);
Denise Campbell-Burns	(1 January 2019 – 31 December 2019);
Bob Carnegie	(1 January 2019 – 30 June 2019);
Brad Coates	(1 January 2019 – 31 December 2019);
Michael Cross	(1 July 2019 – 31 December 2019);
Paddy Crumlin	(1 January 2019 – 31 December 2019);
Stephen Cumberlidge	(1 July 2019 – 31 December 2019);
Nigel Davies	(1 January 2019 – 31 December 2019);
Ricky Gale	(1 January 2019 – 31 December 2019);
Darren Greenfield	(1 January 2019 – 31 December 2019);
Andrew Honeysett	(1 January 2019 – 30 June 2019);
Jade Ingham	(1 January 2019 – 31 December 2019);
Joe Italia	(1 January 2019 – 30 June 2019);
Peter Jordan	(1 January 2019 – 31 December 2019);
Garry Keane	(1 January 2019 – 30 June 2019);
Grahame Kelly	(1 January 2019 – 31 December 2019);
David Kirner	(1 January 2019 – 31 December 2019);
Jenny Kruschel	(1 January 2019 – 31 December 2019);
Beth Macpherson	(1 January 2019 – 31 December 2019);
Tony Maher	(1 January 2019 – 31 December 2019);
Rita Mallia	(1 January 2019 – 31 December 2019);
Thomas Mayor	(1 January 2019 – 30 June 2019);
Paul McAleer	(1 January 2019 – 31 December 2019);
Scott McLean	(1 January 2019 – 31 December 2019);
Alex Millar	(1 January 2019 – 23 August 2019);
Mich-Elle Myers	(1 January 2019 – 31 December 2019);
Jamie Newlyn	(1 January 2019 – 31 December 2019);
Dave Noonan	(1 January 2019 – 31 December 2019);
Michael O'Connor	(1 January 2019 – 31 December 2019);
Jason O'Mara	(1 January 2019 – 31 December 2019);
Graeme Osborne	(1 July 2019 – 31 December 2019);
Michael Ravbar	(1 January 2019 – 31 December 2019);
John Setka	(1 January 2019 – 31 December 2019);

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Other Prescribed Information continued

Leo Skourdoumbis	(1 January 2019 – 31 December 2019);
Craig Smith	(1 January 2019 – 31 December 2019);
Warren Smith	(1 January 2019 – 31 December 2019);
Stephen Smyth	(1 January 2019 – 31 December 2019);
Shane Stevens	(1 July 2019 – 31 December 2019);
Andrew Sutherland	(1 January 2019 – 31 December 2019);
Will Tracey	(1 January 2019 – 31 December 2019);
Glen Williams	(1 January 2019 – 31 December 2019);
Trevor Williams	(1 January 2019 – 31 December 2019);
Frank Vari	(1 January 2019 – 19 September 2019);

Authorisation of Operating Report

On 29th May 2020 the National Executive passed a resolution approving the Operating Report and authorised the National President and the National Secretary to each sign the Operating Report on behalf of the National Executive.

Signed in accordance with a resolution of the National Executive.

For the National Executive:



Signature: Tony Maher – National President

Dated: 29 May 2020

Sydney



Signature: Michael O'Connor – National Secretary

Dated: 29 May 2020

Melbourne

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NATIONAL EXECUTIVE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The National Executive of the Construction, Forestry, Maritime, Mining and Energy Union passed the following resolution in relation to the general-purpose financial report (GPFR) for the financial year ended 31 December 2019.

The National Executive declares that in its opinion:

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

That Michael O'Connor and Tony Maher authorise the GPFR for the year ended 31 December 2019 on behalf of the National Executive.

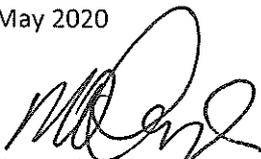
This declaration is made in accordance with a resolution of the National Executive.

For the National Executive:



Signature: Tony Maher - National President

Dated: 29 May 2020
Sydney



Signature: Michael O'Connor - National Secretary

Dated: 29 May 2020
Melbourne

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription		-	-
Capitation fees	3A	1,953,416	1,825,901
Levies	3B	3,663,994	4,115,750
Interest	3C	103	129
Other revenue	3E	1,031,388	1,097,841
Total revenue		<u>6,648,901</u>	<u>7,039,621</u>
Other Income			
Grants and/or donations	3D	-	25,000
Total other income		<u>-</u>	<u>25,000</u>
Total income		<u>6,648,901</u>	<u>7,064,621</u>
Expenses			
Employee expenses	4A	1,980,132	1,481,305
Affiliation fees	4C	687,400	489,512
Administration expenses	4D	914,037	1,729,525
Grants or donations	4E	2,066,216	2,065,100
Depreciation and amortisation	4F	61,842	54,254
Legal costs	4G	40,331	335,076
Audit fees	14	22,100	14,850
Other expenses	4H	1,149,118	978,633
Total expenses		<u>6,921,176</u>	<u>7,148,255</u>
Loss for the year		<u>272,275</u>	<u>83,634</u>
Total comprehensive loss for the year		<u>272,275</u>	<u>83,634</u>

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

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**ABN 17 402 743 835
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	139,395	962,978
Trade and other receivables	5B	1,618,090	829,235
Other current assets	5C	8,319	10,110
Total current assets		<u>1,765,804</u>	<u>1,802,323</u>
Non-Current Assets			
Land and buildings	6A	-	-
Plant and equipment	6B	81,680	48,529
Intangibles	6C	46,184	80,822
Total non-current assets		<u>127,864</u>	<u>129,351</u>
Total assets		<u>1,893,668</u>	<u>1,931,674</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	1,504,916	1,818,523
Other payables	7B	267,976	49,204
Employee Provisions	8A	329,567	400,394
Other Provision	8B	397,893	-
Total current liabilities		<u>2,500,352</u>	<u>2,268,121</u>
Non-Current Liabilities			
Employee provisions	8A	20,721	18,683
Total non-current liabilities		<u>20,721</u>	<u>18,683</u>
Total liabilities		<u>2,521,073</u>	<u>2,286,804</u>
Net Assets/(liabilities)		<u>(627,405)</u>	<u>(355,130)</u>
EQUITY			
Retained earnings/ (accumulated deficit)		(627,405)	(355,130)
Total equity		<u>(627,405)</u>	<u>(355,130)</u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Retained earnings	Total equity
	\$	\$
Balance as at 1 January 2018	(271,496)	(271,496)
Loss for the year	(83,634)	(83,634)
Closing balance as at 31 December 2018	<u>(355,130)</u>	<u>(355,130)</u>
Loss for the year	(272,275)	(272,275)
Closing balance as at 31 December 2019	<u>(627,405)</u>	<u>(627,405)</u>

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

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	6,591,506	6,518,407
Interest		-	129
Other		330,256	239,326
Cash used			
Suppliers and employees		(7,216,199)	(5,472,055)
Payment to other reporting units/controlled entity(s)	10B	(468,792)	(427,295)
Net cash from (used by) operating activities	10A	<u>(784,436)</u>	<u>858,512</u>
INVESTING ACTIVITIES			
Cash received			
		-	-
Cash used			
Purchase of plant and equipment		(39,147)	(15,218)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>(39,147)</u>	<u>(15,218)</u>
FINANCING ACTIVITIES			
Cash received			
Loan from CFMEU – Construction & General VIC/TAS Divisional Branch		-	-
Cash used			
Repayment of loan from CFMEU – Construction & General VIC/TAS Divisional Branch		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		<u>(823,583)</u>	<u>843,294</u>
Cash & cash equivalents at the beginning of the reporting period		962,978	119,684
Cash & cash equivalents at the end of the reporting period	5A	<u>139,395</u>	<u>962,978</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

No 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.

1.4 New and Future Australian Accounting Standards

AASB 16 Leases has come into effect for the financial year ended 31 December 2019. There has been no impact on the financial statements of the reporting entity from the adoption of AASB 16 other than disclosure requirements. Refer to Note 1.20 Leases for the accounting policy in relation to this Australian Accounting Standard.

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

There are currently no future accounting standards that apply to the reporting unit.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies

1.5 Revenue

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

Donation income is recognised when it is received.

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

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

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

1.6 Gains

Sale of assets

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

1.8 Employee benefits

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

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

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

1.11 Financial instruments

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

1.12 Financial assets

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 reporting unit's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the [reporting unit] 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 reporting unit'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 reporting unit commits to purchase or sell the asset.

Subsequent measurement

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

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies

1.12 Financial assets continued

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

Financial assets at amortised cost

The reporting unit 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 reporting unit's financial assets at amortised cost includes trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit 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 reporting unit has transferred substantially all the risks and rewards of the asset, or
 - b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the reporting unit 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies

1.12 Financial assets continued

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

Offsetting

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

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the reporting unit 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 reporting unit does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit 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.

The reporting unit considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the reporting unit may also consider a financial asset to be in default when internal or external information indicates that the reporting unit 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.

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Note 1 Summary of significant accounting policies

1.13 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 reporting unit'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.

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Note 1 Summary of significant accounting policies

1.14 Building improvement and Plant & Equipment

Asset Recognition Threshold

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

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life. 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:

Class of Fixed Asset	2019	2018
Office Equipment	3-10 years	3-10 years
Furniture and Fittings	10 years	10 years
Motor Vehicles	4 years	4 years
Building Improvements	-	-

Derecognition

An item of land 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.

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Note 1 Summary of significant accounting policies

1.15 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of reporting unit intangible assets are:

	2019	2018
Intangibles	5 years	5 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.16 Impairment for non-financial assets

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

The recoverable amount of an asset is the higher of its fair value less costs 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 reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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Note 1 Summary of significant accounting policies

1.17 Taxation

Reporting unit 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.

1.18 Fair value measurement

The reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

The principal or the most advantageous market must be accessible by the reporting unit. 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.

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Note 1 Summary of significant accounting policies

1.18 Fair value measurement continued

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 reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

1.19 Going concern

As at 31 December 2019, the entity is in a net current liability and net liability position of \$734,548 (2018: \$465,798) and \$627,405 (2018: \$355,130) respectively and for the year then ended has also incurred losses of \$272,275 (2018: \$83,634). The net current liability and net liability position is due to losses incurred over the current and previous financial year-ends. Notwithstanding this factor, the financial report has been prepared on the basis that the entity is a going concern, which assumes continuity of normal business activities and the realisation and the settlement of liabilities in the normal course of business.

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Note 1 Summary of significant accounting policies

1.19 Going concern continued

To continue as a going concern, the entity requires:

- to generate sufficient funds from future operating activities; and
- to acquire financial support from its related branches.

The National Executive believes that the entity will generate sufficient funds in the future years to ensure the continuation of operations via the raising of fees and levies to related branches.

The National Executive believes that under National Rule 23(i) financial support is required to be provided by each related branch in proportion to the total membership base. National Rule 23 (i) states that, "Each Division shall pay to the National Office and/or National Conference of the Union, on a basis which is proportionate to the respective financial membership of each Division, an amount that is determined by the National Conference or National Executive to enable it to fulfil its functions. Provided that each Division/Divisional Branch is responsible to meet all costs associated with the operation of its Division/Divisional Branch, including all costs associated with the attendance and participation by their representatives at meetings, including National Conference National Executive Committee unless decided otherwise by the National Executive Committee."

The related divisions are as follows:

- CFMMEU – Construction and General Division – National Office
- CFMMEU – Manufacturing Division
- CFMMEU – Mining and Energy Division – National Office; and
- CFMMEU – Maritime Union of Australia Division

Based on its review of the financial position of the respective related divisions, the National Executive is satisfied that each division is able to provide such financial support for at least 12 months from the date of signing of the financial statements. As at the date of signing of this financial report, the entity has not determined or called upon its related divisions for financial support.

If the entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial report.

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1.20 Leases

The Reporting Entity assesses whether a contract is or contains a lease, at inception of a contract. The Reporting Entity recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Reporting Entity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Reporting Entity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments, less any lease incentives.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Note 2 Events after the reporting period

There are no events that have occurred after the reporting period up to the date of signing the financial statements.

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	2019	2018
	\$	\$
Note 3 Income		
Note 3A: Capitation fees*		
CFMMEU – Construction and General Division – National Office	1,177,715	1,151,150
CFMMEU – Manufacturing Division	212,521	212,520
CFMMEU – Mining and Energy Division – National Office	345,346	345,345
CFMMEU – Maritime Union of Australia Division	217,834	116,886
Total capitation fees	1,953,416	1,825,901
Note 3B: Levies*		
CFMMEU – Construction and General Division – National Office	2,088,994	2,000,000
CFMMEU – Manufacturing Division	294,000	630,000
CFMMEU – Mining and Energy Division – National Office	819,000	1,023,750
CFMMEU – Maritime Union of Australia Division	462,000	462,000
Total levies	3,663,994	4,115,750
Note 3C: Interest		
Deposits	103	129
Total interest	103	129
Note 3D: Grants or donations*		
Grants	-	-
Donations	-	-
CFMMEU – Construction & General Division – VIC/TAS Divisional Branch	-	25,000
Other Donations	-	-
Total grants or donations	-	25,000

*As required by the Reporting Guidelines. Item to remain even if 'nil'

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	2019	2018
	\$	\$
Note 3E: Other Income		
<u>Campaign – CFMMEU National Campaign</u>		
CFMMEU – Manufacturing Division	565	92,397
CFMMEU – Construction & General Division – National Office	-	-
CFMMEU – Construction & General Division – WA Divisional Branch	-	18,182
CFMMEU – Construction & General Division – VIC/TAS Divisional Branch	3,887	1,650
CFMMEU – Mining & Energy QLD District Branch	17,710	22,600
CFMMEU – Maritime Union of Australia Division	-	2,404
Other	60,000	-
<u>Conference – CFMEU National Conference</u>		
CFMMEU – Construction & General Division – National Office	350,000	166,571
CFMMEU – Manufacturing Division	-	59,181
CFMMEU – Mining & Energy National Office	208,000	83,974
CFMMEU – Maritime Union of Australia Division	151,653	151,420
Other	-	423,736
<u>Reimbursement from divisional branches</u>		
CFMMEU – Construction & General Division – VIC/TAS Divisional Branch	30,000	22,727
CFMMEU – Construction & General Division – ACT Divisional Branch	35,000	35,000
CFMMEU – Manufacturing Division	-	-
Reimbursement – Slater and Gordon	-	-
Reimbursement - Other	65,804	12,949
Sundry Income	108,769	5,050
Total other income	1,031,388	1,097,841

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	2019	2018
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	227,770	218,553
Superannuation	21,229	20,542
Leave and other entitlements	2,257	33,893
Other employee expenses	15,595	23,233
Separation and redundancies	-	-
Subtotal employee expenses holders of office	266,851	296,221
Employees other than office holders:		
Wages and salaries	1,448,411	871,829
Superannuation	195,116	121,214
Leave and other entitlements	-69,617	33,899
Separation and redundancies	40,200	29,400
Other employee expenses	99,171	128,742
Subtotal employee expenses employees other than office holders	1,713,281	1,185,084
Total employee expenses	1,980,132	1,481,305
 Note 4B: Capitation fees*		
Nil capitation fees for the year	-	-
Total capitation fees	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2019	2018
	\$	\$
Note 4C: Affiliation fees*		
Affiliation fees:		
Australian Council of Trade Union	679,000	489,512
Australian Fair Trade & Investment Network	-	-
Australian People for Health, Education and Development Abroad	8,400	-
Total affiliation fees/subscriptions	687,400	489,512
Note 4D: Administration expenses		
Included in administration expense		
Compulsory levies		
ACTU - Growth & Campaign levy*	-	212,000
Fees/allowances - meeting and conferences	-	10,956
Conference and meeting expenses	15,010	761,426
Contractors/consultants	-	96,236
Office expenses	438,216	636,390
Information communications technology	62,918	12,517
Doubtful debt expense	397,893	-
Total administration expenses	914,037	1,729,525

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2019	2018
	\$	\$
Note 4E: 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	-	-
Total paid that exceeded \$1,000 - Political	1,000,000	2,065,100
Total paid that exceeded \$1,000 - Other	1,066,216	
Total grants or donations	2,066,216	2,065,100

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	27,204	19,617
Total depreciation	27,204	19,617
Amortisation		
Intangibles	34,638	34,637
Total amortisation	34,638	34,637
Total depreciation and amortisation	61,842	54,254

Note 4G: Legal costs*

Litigation		
Other legal matters	-	-
Other legal matters	40,331	335,076
Total legal costs	40,331	335,076

Note 4H: Other expenses

Campaign expenses	1,149,118	978,633
Total other expenses	1,149,118	978,633

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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	2019	2018
	\$	\$
Note 4H: Other expenses continued		
Campaign expenses can be broken down as follows:		
Advertising	10,040	17,075
Media	747,240	455,351
Campaign operating	323,666	198,047
Other	68,172	308,160
Total campaign expenses	1,149,118	978,633
 Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	139,245	962,828
Cash on hand	150	150
Total cash and cash equivalents	139,395	962,978
 Note 5B: Trade and other receivables		
Receivables from other reporting units		
CFMMEU – Manufacturing Division	182,943	61,636
CFMMEU – Construction & General Division – National Office	398,063	170
CFMMEU – Mining & Energy – National	341,250	-
CFMMEU – Construction & General VIC/TAS Divisional Branch	33,000	-
CFMMEU – Construction & General ACT Divisional Branch	25,666	-
CFMMEU – Maritime Union of Australia Division	540,450	575,132
Total receivables from other reporting units	1,521,372	636,938
 Other Receivables		
Other Receivables	96,745	192,297
Total other receivables	96,745	192,297
Total trade and other receivables	1,618,090	829,235

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	2019	2018
	\$	\$
Note 5C: Other current assets		
Prepayments	8,319	10,110
Total other current assets	8,319	10,110

Note 6 Non-current Assets

Note 6A: Building Improvements

Building Improvements:		
At Cost	22,714	22,714
accumulated depreciation	(22,714)	(22,714)
Total Building Improvements	-	-

Reconciliation of the Opening and Closing Balances of Building Improvements

As at 1 January		
Gross book value	22,714	22,714
Accumulated depreciation and impairment	(22,714)	(22,714)
Net book value 1 January	-	-
Additions:		
By purchase	-	-
Depreciation expense	-	-
Write off	-	-
Net book value 31 December	-	-
Net book value as of 31 December represented by:		
Gross book value	22,714	22,714
Accumulated depreciation and impairment	(22,714)	(22,714)
Net book value 31 December	-	-

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	2019	2018
	\$	\$
Note 6B: Plant and equipment		
Plant and equipment:		
At cost	159,084	98,729
Accumulated depreciation	(77,404)	(50,200)
Total plant and equipment	81,680	48,529

Reconciliation of the Opening and Closing Balances of Plant and Equipment

<hr/>		
As at 1 January		
Gross book value	98,729	83,512
Accumulated depreciation and impairment	(50,200)	(30,584)
Net book value 1 January	48,529	52,928
Additions:		
By purchase	62,000	15,218
Depreciation expense	(27,204)	(19,617)
Other	(1,645)	-
Net book value 31 December	81,680	48,529
Net book value as of 31 December represented by:		
Gross book value	159,084	98,729
Accumulated depreciation and impairment	(77,404)	(50,200)
Net book value 31 December	81,680	48,529

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	2019	2018
	\$	\$
Note 6C: Intangibles		
Website development at cost:		
Purchased	173,188	173,188
accumulated amortisation	(127,004)	(92,366)
Total intangibles	46,184	80,822

Reconciliation of the Opening and Closing Balances of Intangibles

As at 1 January		
Gross book value	173,188	173,188
Accumulated amortisation and impairment	(92,366)	(57,729)
Net book value 1 January	80,822	115,459
Additions:		
By purchase	-	-
Amortisation	(34,638)	(34,637)
Net book value 31 December	46,184	80,822
Net book value as of 31 December represented by:		
Gross book value	173,188	173,188
Accumulated amortisation and impairment	(127,004)	(92,366)
Net book value 31 December	46,184	80,822

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	2019	2018
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	1,234,361	1,448,956
Income in advance:		
CFMMEU – Construction & General National Office	-	-
CFMMEU – Manufacturing Division	-	-
CFMMEU – Mining & Energy National Office	-	-
Subtotal trade creditors	1,234,361	1,448,956
Payables to other reporting unit[s]*		
CFMMEU – Construction & General National Office	-	290
CFMMEU – Construction & General VIC/TAS Divisional Branch	182,437	101,100
CFMMEU – Construction & General QLD/NT Divisional Branch	-	12,300
CFMMEU – Mining & Energy National Office	65	-
CFMMEU – Manufacturing Division	60,000	255,877
CFMMEU – Maritime Union of Australia Division	28,053	-
Subtotal payables to other reporting unit[s]	270,555	369,567
Total trade payables	1,504,916	1,818,523
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
Other legal matters	-	84,588
PAYG Payable	113,545	-
GST payable	150,218	(35,384)
Other	4,213	-
Total other payables	267,976	49,204
Total other payables are expected to be settled in:		
No more than 12 months	267,976	49,204
More than 12 months	-	-
Total other payables	267,976	49,204

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Note 8: Provisions

Note 8A: Employee Provisions*

	2019	2018
	\$	\$
Office Holders:		
Annual leave	37,241	37,709
Long service leave	88,230	85,664
Personal leave	76,843	76,684
Separation and redundancies	-	-
Subtotal employee provisions—office holders	202,314	200,057
Employees other than office holders:		
Annual leave	74,444	128,910
Long service leave	15,755	16,195
Personal leave	40,308	50,738
Rostered day off	17,467	23,177
Separation and redundancies	-	-
Subtotal employee provisions—employees other than office holders	147,974	219,020
Total employee provisions	350,288	419,077
Current	329,567	400,394
Non-Current	20,721	18,683
Total employee provisions	350,288	419,077

Note 8B: Other Provision

	2019	2018
	\$	\$
Provision for doubtful debt	397,893	-
Total other provision	397,893	-

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	2019	2018
	\$	\$
Note 9 Equity		
Note 9: Other Specific disclosures - Funds*		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

*As required by Reporting Guidelines. Items to be disclosed even if nil.

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	139,395	962,978
Balance sheet	139,395	962,978
Difference	-	-

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

Profit/(deficit) for the year	(272,275)	(83,634)
Adjustments for non-cash items		
Depreciation/amortisation	61,842	54,254
Loss on write off of fixed assets	(21,207)	-
Changes in assets/liabilities		
(Increase)/Decrease in net receivables	(788,854)	(289,713)
(Increase)/Decrease in prepayments	1,790	(6,516)
Increase/(Decrease) in supplier payables	(312,888)	1,051,064
Increase in other payables	218,052	65,265
Increase in employee provisions	329,104	67,792
Net cash from (used by) operating activities	(784,436)	858,512

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
NATIONAL OFFICE**

ABN 17 402 743 835

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Note 10 Cash Flow continued		
Note 10B: Cash flow information*		
Cash inflows		
CFMMEU – Construction & General National Office	3,784,334	3,449,493
CFMMEU – Construction & General VIC/TAS Divisional Branch	4,725	76,315
CFMMEU – Construction & General WA Divisional Branch	-	20,000
CFMMEU – Construction & General ACT Divisional Branch	-	38,500
CFMMEU – Mining & Energy National Office	1,128,205	1,606,619
CFMMEU – Mining & Energy QLD District Branch	17,709	24,860
CFMMEU – Manufacturing Division	707,214	1,071,771
CFMMEU – Maritime Union of Australia Division	949,318	230,849
Total cash inflows	6,591,506	6,518,407
Cash outflows		
CFMMEU – Construction & General National Office	877	41,830
CFMMEU – Construction & General VIC/TAS Divisional Branch	118,460	36,675
CFMMEU – Construction & General WA Divisional Branch	-	-
CFMMEU – Construction & General QLD/NT Divisional Branch	30,261	31,255
CFMMEU – Mining & Energy National Office	-	49,396
CFMMEU – Manufacturing Division	315,577	264,654
CFMMEU – Maritime Union of Australia Division	3,617	-
CFMMEU – Manufacturing Division Social	-	3,485
Total cash outflows	468,792	427,295

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 11 Related Party Disclosures		
Note 11A: Related Party Transactions for the Reporting Period		
The following table provides the total amount of transactions that have been entered into with related parties for the relevant year. The reporting unit is the National Office of the Construction, Forestry, Maritime, Mining and Energy Union. The related parties mentioned below in Note 11A are constituent Divisions and Divisional Branches of the reporting unit.		
Revenue received from related parties includes the following:		
CFMMEU – Construction & General ACT Divisional Branch	-	35,000
CFMMEU – Construction & General VIC/TAS Divisional Branch	4,725	48,927
CFMMEU – Construction & General WA Divisional Branch	-	18,182
CFMMEU – Construction & General National Office	3,784,334	3,317,721
CFMMEU – Mining & Energy National Office	1,128,205	1,453,069
CFMMEU – Mining & Energy QLD District Branch	17,709	22,600
CFMMEU – Manufacturing Division	707,214	994,098
CFMMEU – Maritime Union of Australia Division	949,318	732,710
Expenses paid to related parties includes the following:		
CFMMEU – Construction & General National Office	877	2,701
CFMMEU – Construction & General VIC/TAS Divisional Branch	118,460	125,249
CFMMEU – Construction & General QLD/NT Divisional Branch	30,261	40,501
CFMMEU – Manufacturing Division	315,577	515,854
CFMMEU – Mining & Energy National Office	-	4,929
CFMMEU – Maritime Union of Australia Division	3,617	6,545
Amounts owed by related parties include the following:		
CFMMEU – Manufacturing Division	182,943	61,637
CFMMEU – Construction & General National Office	398,063	170
CFMMEU – Mining & Energy National Office	341,250	-
CFMMEU – Maritime Union of Australia Division	540,450	575,132
CFMMEU – Construction & General ACT Divisional Branch	25,666	-
CFMMEU – Construction & General VIC/TAS Divisional Branch	33,000	-
Amounts owed to related parties Branch include the following:		
CFMMEU – Construction & General National Office	-	290
CFMMEU – Construction & General QLD/NT Divisional Branch	-	12,300
CFMMEU – Construction & General VIC/TAS Divisional Branch	182,437	101,100
CFMMEU – Mining & Energy National Office	65	-
CFMMEU – Manufacturing Division	60,000	257,697
CFMMEU – Maritime Union of Australia Division	28,053	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 11A: Related Party Transactions for the Reporting Period continued

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2019, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

No property was transferred to related parties during the financial year ended 31 December 2019.

Note 12 Contingent Liabilities, Assets and Commitments

There were no contingent liabilities, asset and commitments as at 31 December 2019 (2018: nil)

Note 13 Key Management Personnel Remuneration for the Reporting Period

	2019	2018
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	227,770	218,553
Annual leave accrued	(468)	19,388
Other	159	8,849
Total short-term employee benefits	<u>227,461</u>	<u>246,790</u>
Post-employment benefits:		
Superannuation	21,229	20,542
Total post-employment benefits	<u>21,229</u>	<u>20,542</u>
Other long-term benefits:		
Long-service leave	2,566	5,656
Total other long-term benefits	<u>2,566</u>	<u>5,656</u>
Total	<u>251,256</u>	<u>272,988</u>

Note 13A: Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	22,100	14,850
Other services	-	-
Total remuneration of auditors	22,100	14,850

During the financial year the auditors of the financial services provided services including preparation of financial reports and other accounting services.

Note 15 Financial Instruments

The financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from related unions.

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

Note 15A: Categories of Financial Instruments

Financial Assets

Financial liabilities:

Trade and other payables	1,772,891	1,867,727
Total	1,772,891	1,867,727
Carrying amount of financial liabilities	1,772,891	1,867,727

Note 15B: Net Income and Expense from Financial Assets

Interest revenue	103	129
Net gain/(loss) from financial assets	103	129

The net income/expense from financial assets not at fair value from profit and loss is \$Nil (2018: \$Nil).

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 15 Financial Instruments continued

Note 15C: Credit Risk

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

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

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that are cleared as being financially sound.

Credit risk exposures

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

There is no collateral held by the entity securing trade and other receivables.

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

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 5B.

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

	2019	2018
	\$	\$
Financial assets		
Cash and cash equivalents	139,395	962,978
Trade and other receivables	1,618,089	829,235
Total	<u>1,757,484</u>	<u>1,792,213</u>
Financial liabilities		
Trade and other payables	1,772,891	1,867,727
Total	<u>1,772,891</u>	<u>1,867,727</u>

In relation to the entity's gross credit risk the following collateral is held: \$Nil (2018: \$Nil)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 15 Financial Instruments continued

Note 15C: Credit Risk continued

Ageing of financial assets that were past due but not impaired for 2019

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Cash and cash equivalents	139,395	-	-	-	139,395
Trade and other receivables	-	-	587,866	632,331	1,220,197
Total	139,395	-	587,866	632,331	1,359,592

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Cash and cash equivalents	962,978	-	-	-	962,978
Trade and other receivables	659,518	47,437	64,109	58,171	829,235
Total	1,622,496	47,437	64,109	58,171	1,792,213

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 15 Financial Instruments continued

Note 15D: Liquidity Risk

Liquidity risk arises from the possibility that the reporting entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. This risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- 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.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timings of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will be rolled forward.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	1,772,891	-	-	-	1,772,891
Total	-	1,772,891	-	-	-	1,772,891

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade and other payables	-	1,867,727	-	-	-	1,867,727
Total	-	1,867,727	-	-	-	1,867,727

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 15 Financial Instruments continued

Note 15E: Market Risk

(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. The financial instruments that expose the entity to interest rate risk is limited to cash and cash equivalents.

Sensitivity analysis of the risk that the entity is exposed to for 2019

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- + 0.1%	139	139
Interest rate risk	- - 0.1%	(139)	(139)

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

Risk variable	Change in risk variable %	Effect on	
		Profit and loss \$	Equity \$
Interest rate risk	- + 0.1%	963	(963)
Interest rate risk	- - 0.1%	(963)	963

(ii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

Note 15F: Asset Pledged/or Held as Collateral

There were no assets pledged or held as collateral as at 31 December 2019 (2018: \$Nil).

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2019 was assessed to be insignificant.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the reporting entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2019, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the reporting entity's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial Assets				
Cash and cash equivalents	139,395	139,395	962,978	962,978
Trade and other receivables	1,618,090	1,618,090	829,235	829,235
Total	1,757,485	1,757,485	1,792,213	1,792,213
Financial Liabilities				
Trade and other payables	1,772,891	1,772,891	1,867,727	1,867,727
Total	1,772,891	1,772,891	1,867,727	1,867,727

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of 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 18 Disclosure requirements under the rules

In terms of the rules of the Construction Forestry Maritime Mining and Energy Union National Office, the union is required to provide additional disclosures for the financial year ended 31 December 2019.

(a). CFMEU Rule 24B – Remuneration paid to the Elected Official of the Union for the financial year ended 31 December 2019.

	2019	2018
Michael O'Connor	\$	\$
Salary	227,770	218,553
Annual Leave Accrual	-468	19,388
Superannuation	21,229	20,542
Total	<u>248,531</u>	<u>258,483</u>

There is only one Elected Official disclosed as there is only one Elected Official in this Union who receives remuneration directly from the Union. In addition, this Elected Official is provided with a fully maintained motor vehicle (non-cash benefit). The Elected Official was entitled to receive director's fees during the period of disclosure but elected not to receive those fees which were instead directed to and paid to the Union.

(b). CFMEU Rule 24C – Elected Officials' Material Personal Interests.

None of the Elected Officials have disclosed any material personal interests in a matter that the Elected Official has or acquires; or a relative of the Elected Official has or acquires; that relates to the affairs of the union.

(c). CFMEU Rule 24D – Payments to related parties and declared person or body of the Union.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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Payments to related parties are disclosed under Note 13. No payments were made by the Union to a declared person or body of the Union.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 19 Leases

	2019	2018
	\$	\$
Operating leases disclosure under AASB 16 (2018: AASB 117)		
Minimum payments due under operating leases:		
- not later than one year	47,341	-
- between one year and five years	78,901	-
- later than five years	-	-
	<u>126,242</u>	<u>-</u>

Leasing Commitments

The operating lease disclosed in the table above relates to the Reporting Entity's current office premises.

The CFMMEU – Manufacturing Division is the immediate lessor to the office premise Head Lease Agreement. The Reporting Entity has a current arrangement to pay the CFMMEU – Manufacturing Division 25 per cent of Rent and Outgoings. This arrangement is akin to a sub-lease.

The term of the Head Lease Agreement is three years commencing 1 September 2019. There are no stated annual CPI or market rent review or options to extend the lease for a further term.

In the Reporting Entity's view, the recognition requirements of AASB 16 Leases has not been applied as the balance of these amounts would be immaterial to the financial statement as a whole. The rental payments are therefore recorded as expenses within Administration Expenses.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
NATIONAL OFFICE

ABN 17 402 743 835

OFFICER DECLARATION STATEMENT

I, Michael O'Connor, being the National Secretary of the Construction, Forestry, Maritime, Mining and Energy Union, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit
- derive revenue from undertaking recovery of wages activity during the reporting period.

Signed by the officer:



MICHAEL O'CONNOR

Dated:

29th May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION NATIONAL OFFICE

Report on the Financial Report

Opinion

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union National Office (the Reporting Unit), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, notes to the financial statements, including a summary of significant accounting policies; and the National Executive Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Reporting Unit as at 31 December 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a.
 - (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).
- b. properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Commissioner of the Fair Work Commission including:
 - (i) any fees charged to or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 - (ii) any donations or other contributions deducted from recovered money

Basis for Opinion

We conducted the 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 my report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION NATIONAL OFFICE

Material Uncertainty related to going concern

We draw attention to Note 1.18 in the financial report, which indicates that the Reporting Unit incurred a net loss of \$272,275 during the year ended 31 December 2019 and, as of that date, the Reporting Unit is in a net current liability and net liability position of \$734,548 and \$627,405 respectively. As stated in Note 1.18, these events or conditions, along with other matters as set forth in Note 1.18, indicate that a material uncertainty exists that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The National Executive 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 my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

National Executive's Responsibility for the Financial Report

The National Executive of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the National Executive 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 National Executive 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 National Executive either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

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Morrrows Audit Pty Ltd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION NATIONAL OFFICE

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive.
- Conclude on the appropriateness of the National Executive'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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION NATIONAL OFFICE

Auditor's Responsibilities for the Audit of the Financial Report continued

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

We communicate with the National Executive 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 my audit.

I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

MORROWS AUDIT PTY LTD

A.M FONG
Director

Melbourne: 29 May 2020

Registration number (as registered by the RO Commissioner under the RO Act):
AA2020/8

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COMPILATION REPORT TO THE CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION NATIONAL OFFICE

Scope

We have compiled the accompanying special purpose financial statements of the Construction Forestry Maritime Mining and Energy Union National Office which comprises the attached Detailed Income and Expenditure statement for the year ended 31 December 2019 on pages 55 to 57. The specific purposes for which the special purpose financial statements have been prepared is to provide information relating to the performance of the entity that satisfies the information needs of the National Executive.

The Responsibility of the National Executive

The National Executive is solely responsible for the information contained in the special purpose Detailed Income and Expenditure statement, the reliability, accuracy and completeness of the information and for the determination that the basis used is appropriate to meet their needs and for the purpose that the special purpose Detailed Income and Expenditure statement was prepared.

Our Responsibility

On the basis of information provided by the National Executive we have compiled the accompanying Detailed Income and Expenditure statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile the special purpose Detailed Income and Expenditure statement in accordance with the requirements of the National Executive.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by the National Executive to compile the special purpose Detailed Income and Expenditure statement. Accordingly, we do not express an audit opinion or a review conclusion on the special purpose Detailed Income and Expenditure statement.

The special purpose Detailed Income and Expenditure statement was compiled exclusively for the benefit of the National Executive, who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose Detailed Income and Expenditure statement.

MORROWS AUDIT PTY LTD
Melbourne: 29 May 2020

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CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
NATIONAL OFFICE
ABN 17 402 743 835

DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Revenue		
<u>Capitation Fees</u>		
CFMMEU – Construction and General Division – National Office	1,177,715	1,151,150
CFMMEU – Manufacturing Division	212,521	212,520
CFMMEU – Mining and Energy Division – National Office	345,346	345,345
CFMMEU – Maritime Union of Australia Division	217,834	116,886
	<u>1,953,416</u>	<u>1,825,901</u>
<u>Levy Fees</u>		
CFMMEU – Construction and General Division – National Office	2,088,994	2,000,000
CFMMEU – Manufacturing Division	294,000	630,000
CFMMEU – Mining and Energy Division – Mining and Energy	819,000	1,023,750
CFMMEU – Maritime Union of Australia Division	462,000	462,000
	<u>3,663,994</u>	<u>4,115,750</u>
<u>Interest</u>	<u>103</u>	<u>129</u>
<u>Other Income</u>		
Campaign - CFMMEU National Campaign	82,162	137,233
Conference	709,653	884,883
Reimbursement	130,804	70,675
Sundry Income	108,769	5,050
	<u>1,031,388</u>	<u>1,097,841</u>
<u>Grants and Donations</u>		
Donations National Campaign	-	25,000
	<u>-</u>	<u>-</u>
TOTAL REVENUE	<u><u>6,648,901</u></u>	<u><u>7,064,621</u></u>
Expenses		
<u>Administration and general expense</u>		
ACTU Levy	-	212,000
Fees/allowances - meeting and conferences	-	10,956
Conference and meeting expenses	15,010	761,426
Contractors/consultants	-	96,236
Office expenses	438,216	636,390
Information communications technology	62,918	12,517
Doubtful debts expense	397,893	-
	<u>914,037</u>	<u>1,729,525</u>

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Expenses continued		
<u>Depreciation</u>		
Property, plant and equipment	61,842	54,254
<u>Audit Fees</u>		
Audit expense and preparation of accounts	22,100	14,850
<u>Other Expenses</u>		
Campaign Expenses	1,149,118	978,633
<u>Affiliation fees</u>		
Australian Council of Trade Unions	679,000	489,512
Australian Fair Trade & Investment Network	8,400	-
	687,400	489,512
<u>Employee expenses</u>		
Salaries and allowances:		
- elected officials	227,770	218,553
- employees	1,448,411	871,829
Superannuation contributions:		
- elected officials	21,229	20,542
- employees	195,116	121,214
Provision for annual leave:		
- elected officials	(468)	19,388
- employees	(51,674)	19,669
Provision for long service leave:		
- elected officials	2,566	5,656
- employees	(639)	15,001
Provision for RDO:		
- employees	(6,454)	(6,568)
Provision for personal leave:		
- elected officials	159	8,849
- employees	(10,850)	5,797
Other:		
- payroll tax	78,415	58,116
- employee overheads	23,772	77,693
- fringe benefit tax	6,061	3,603
- redundancy fund contributions	40,200	29,400
- WorkCover	6,518	12,563
	1,980,132	1,481,305

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DETAILED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Expenses continued		
<u>Donation and Grant Expenses</u>		
Donations – Political Contributions	1,000,000	2,065,100
Donations - Other	1,066,216	
<u>Legal Expenses</u>		
Legal costs	40,331	335,076
TOTAL EXPENSES	<u>6,921,176</u>	<u>7,148,255</u>
NET LOSS	<u>(272,275)</u>	<u>(83,634)</u>