Australian Government
Registered Organisations Commission

31 August 2020

Michael O'Connor
Divisional Secretary, Manufacturing Division
Construction, Forestry, Maritime, Mining and Energy Union

Dear Sir

Re: – Financial reporting – Construction, Forestry, Maritime, Mining and Energy Union, Manufacturing Division - for year ending 31 December 2019 (FR2019/294)

I refer to the financial report of the Manufacturing Division of the Construction, Forestry, Maritime, Mining and Energy Union in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 7 July 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the Fair Work (Registered Organisations) Act 2009 (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2020 may be subject to an advanced compliance review.

You do not have to take any further action in respect of the financial report lodged. However I make the following comments to assist when preparing the next report.

Documents must be lodged with ROC within 14 days after section 266 meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the meeting referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 18 June 2020. If this is correct the documents should have been lodged with the ROC by 2 July 2020.

If in future financial years the reporting unit anticipates that it will not be able to lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 14 day period.

New Accounting Standards AASB 16, AASB 15 and AASB 1058

Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 28 requires that a reporting entity disclose certain information relating to new Australian Accounting Standards adopted during the period.

Australian Accounting Standards AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities are applicable to not-for-profit entities for annual periods beginning on or after 1 January 2019. I note the disclosures made in respect of

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Website: www.roc.gov.au

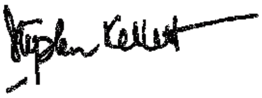
AASB 16. However, the 2019 report does not appear to have included disclosures required by AASB 15 and 1058, including the information required by AASB 108 paragraph 28.[1]

Please note that in future years the reporting unit's general purpose financial report must include all relevant and required financial disclosures in accordance with Australian Accounting Standards.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.[2] The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via this link.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

[1] Future adoption was foreshadowed on pages 16 and 17 of the 2017 report at Note 1(q).
[2] See new model financial statements issued on 25 June 2020

Construction, Forestry, Maritime, Mining and Energy Union – Manufacturing Division

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 31 December 2019

I Michael O'Connor being the Divisional Secretary of the Construction, Forestry, Maritime, Mining and Energy Union – Manufacturing Division certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Maritime, Mining and Energy Union – Manufacturing Division for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and

- that the full report was provided to members of the reporting unit on 29 May 2020; and

- that the full report was presented to a meeting of the committee of management of the reporting unit on 18 June 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: ....

Name of prescribed designated officer: Michael O'Connor

Title of prescribed designated officer: Divisional Secretary

Dated: 30 June 2020

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION

ABN 34 183 611 895
AND CONTROLLED ENTITY

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

CFMEU

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION

ABN 34 183 611 895
AND CONTROLLED ENTITY

TABLE OF CONTENTS

Operating Report	**i - iii**
Financial Report	
Statements of Profit or Loss and Other Comprehensive Income	**1**
Balance Sheets	**2**
Statements of Changes in Equity	**3**
Statements of Cash Flows	**4 -5**
Report required under subsection 255(2A)	**6**
Notes to the Financial Statements	**7 – 55**
Statement by the Divisional Executive	**56**
Independent Auditor's Report	**57**

This financial report covers both the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division as an individual entity and the controlled entity consisting of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division and its subsidiary.

The financial report is presented in the Australian currency.

The principal place of business is:
Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division
Level 1, 165 Bouverie Street
CARLTON VIC 3053

The financial report was authorised for issue by the Divisional Executive on 28 May 2020.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

OPERATING REPORT

Your Committee present their report on the Construction, Forestry, Maritime, Mining and Energy Union Forestry, Furnishing, Manufacturing Division (formerly Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division) and its controlled entity ("the union") for the financial year ended 31 December 2019.

Members of Divisional Executive:

The names of the Divisional Executive in office at any time during or since the end of the financial year are:

Name	*Position*
Denise Campbell-Burns	Manufacturing Division - Divisional President
Michael O'Connor	Manufacturing Division - Divisional Secretary
Jenny Kruschel	Manufacturing Division – TCF National Secretary
Leo Skourdoumbis	Manufacturing Division - Divisional Senior Assistant Secretary
Alex Millar (retired 23 Aug 2019)	Manufacturing Division - Divisional Assistant Secretary (PPW)
Denise Campbell-Burns (from 23 Aug 2019)	Manufacturing Division - Divisional Assistant Secretary (PPW)
Frank Vari (resigned 18 Sept 2019)	Manufacturing Division - Divisional Assistant Secretary
Craig Smith	Manufacturing Division - Divisional Assistant Secretary
Beth Macpherson	Manufacturing Division - Divisional Senior Vice President (TCF)
David Kirner	Manufacturing Division - Divisional Vice President
Bradley Coates	Manufacturing Division - Divisional Vice President
Kim Mason (resigned 27 Aug 2019)	Manufacturing Division – Divisional Executive Member
Cliff Palmer	Manufacturing Division – Divisional Executive Member
Andrew Vendramini (resigned 1 May 2019)	Manufacturing Division – Divisional Executive Member
Scott McLean	Manufacturing Division – Divisional Executive Member
Terry Bennier	Manufacturing Division – Divisional Executive Member
Willie Kawai	Manufacturing Division – Divisional Executive Member
Nathan Milner	Manufacturing Division – Divisional Executive Member
Anthony Pavey	Manufacturing Division – Divisional Executive Member
Michael Aird	Manufacturing Division – Divisional Executive Member
Warren Smith	TCF Divisional Executive Position
Hunt Jan	TCF Divisional Executive Position
Thi Thuy Pham	TCF Divisional Executive Position
Geoff Gasperotti	Manufacturing Division – Divisional Executive Member

All Divisional Executive members have been in office since the start of the financial year to the date of this report unless otherwise stated.

OPERATING REPORT (CONTINUED)

Review of Principal activities and results of operations

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

- Implementation of decisions of the Divisional Executive and National Conference;
- Implementation of the reporting unit's organising agenda, including direct assistance and strategic advice on particular industry sector or site organising projects, the training and development of officials and assistance to Districts for planning, resourcing and conducting campaigns.
- Industrial supporting including representation of membership grievances, research, interpretation and advice on legal and legislative matters, and advocacy before industrial tribunal;
- Facilitation of communication within and between the Districts including the National Journal and website;
- Pursuing relevant change to the conditions of eligibility rules of the union, and responding to other unions' rules applications where they impact on membership of Manufacturing Division;
- The interpretation and administration of Awards and Agreements, and making applications to vary Awards on behalf of Districts to upgrade or amend them;
- Management of information technology and strategic membership system designs to support organising;
- Involvement in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to Manufacturing Division members.

A review of the operations of consolidated group indicate that it continued to engage in its principal activity of representing members in industrial and other matters. In pursuing these activities, the union has sought to protect members through representation of individuals in grievances and disputes. In pursuing such, the union has initiated and activated legal and industrial action when appropriate.

Significant changes in state of affairs

No other significant changes in the state of financial affairs of the consolidated group occurred during the financial year.

Union details

The number of full time equivalents employees of at 31 December 2019 was 52 (2018: 43.9).

The number of members of the union at 31 December 2019 was 15,458 (2018: 14,824).

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

OPERATING REPORT (CONTINUED)

Resignation from membership

Pursuant to the Union Rules and s174 of the *Fair Work (Registered Organisations) Act 2009*, a member may resign from membership by providing written notice addressed to and delivered to the Secretary of the Division or District of the Union.

A notice of resignation will take effect:

1) where the member ceases to be eligible to become a member of the Union:
   a) on the day on which the notice is received by the Union; or
   b) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to be a member;

   whichever is the later; or

2) in any other case:
   a) at the end of 2 weeks after the notice is received by the Union, or
   b) on the day specified in the notice;

   whichever is the later

Directorships of Superannuation Fund

To the best of our knowledge and belief, the following officers and employees of the union are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Officer / Employee	Position	Trustee Company	Name of Superfund	Other
Michael O'Connor	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union
Denise Campbell-Burns	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union
Alex Millar (retired on 24 August 2019)	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union
Frank Vari (resigned on 18 September 2019)	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union

Apart from the above, to the best of our knowledge and belief, no officer or employee of the Union superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee.

Signed in accordance with a resolution of the Divisional Executive:

Signature of designated officer:
Name of designated officer: Michael O'Connor
Title of designated officer: Construction Forestry Maritime Mining & Energy Union – Manufacturing Division Divisional Secretary

Dated 29/05/2020

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
Revenue from continuing operations	4	**5,654,031**	5,319,377	**5,654,031**	5,319,377
Other revenue	4	**3,663,665**	3,574,249	**3,662,452**	3,573,215
Administrative expenses		**(553,188)**	(423,979)	**(553,083)**	(421,309)
Affiliation fees	7	**(354,244)**	(368,698)	**(354,244)**	(368,698)
Depreciation		**(451,438)**	(245,399)	**(447,313)**	(241,275)
Campaign expenses		**(306,869)**	(643,326)	**(306,869)**	(643,326)
Communication - members		**(135,398)**	(210,943)	**(135,398)**	(210,943)
Conference and meetings		**(90,843)**	(271,091)	**(90,843)**	(271,091)
Legal and professional fees	8	**(434,496)**	(345,096)	**(430,556)**	(339,781)
Motor vehicle expenses		**(396,114)**	(400,251)	**(396,114)**	(400,251)
Occupancy expenses		**(438,879)**	(526,739)	**(437,964)**	(502,409)
Telephone expenses		**(66,728)**	(94,317)	**(66,728)**	(94,317)
Salaries and related expenses	9	**(8,114,828)**	(7,946,681)	**(8,114,828)**	(7,946,681)
Travel and accommodation expenses		**(538,716)**	(640,741)	**(538,716)**	(640,741)
Loss on disposal of assets		**(54,224)**	(162,330)	**(54,224)**	(65,420)
Impairment loss		**(179,950)**	(15,325)	**(179,950)**	(14,852)
		(12,115,915)	(12,294,916)	**(12,106,830)**	(12,161,094)
(Deficit) before income tax		**(2,798,219)**	(3,401,290)	**(2,790,347)**	(3,268,502)
Share of net profit of associates accounted for using the equity method		**(84,901)**	25,267	**(84,901)**	25,267
Income tax expense	6	**1,924**	17,388	**-**	-
(Deficit) attributable to members		**(2,881,196)**	(3,358,635)	**(2,875,248)**	(3,243,235)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive (loss) for the year		**(2,881,196)**	(3,358,635)	**(2,875,248)**	(3,243,235)

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

BALANCE SHEETS
AS AT 31 DECEMBER 2019

	Notes	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
ASSETS					
Current assets					
Cash and cash equivalents	10	**2,966,764**	4,482,495	**2,815,887**	4,328,979
Trade and other receivables	11	**924,297**	1,369,647	**924,297**	1,395,767
Other assets	12	**144,139**	141,229	**144,139**	141,229
Total current assets		**4,035,200**	5,993,371	**3,884,323**	5,865,975
Non-current assets					
Trade and other receivables	13	**-**	179,950	**-**	179,950
Financial assets	14	**326,072**	223,371	**317,775**	215,946
Property, plant & equipment	15	**6,517,146**	5,115,052	**6,293,020**	4,886,800
Deferred tax assets	19	**9,845**	6,215	**-**	-
Total non-current assets		**6,853,063**	5,524,588	**6,610,795**	5,282,696
Total assets		**10,888,263**	11,517,959	**10,495,118**	11,148,671
LIABILITIES					
Current liabilities					
Borrowings	16	**679,577**	15	**999,697**	720,464
Trade and other payables	17	**1,898,603**	1,479,033	**1,892,555**	1,501,168
Current tax liability		**-**	398,707	**-**	-
Employee benefit obligations	18	**2,678,875**	2,267,677	**2,678,875**	2,267,677
Total current liabilities		**5,257,055**	4,145,432	**5,571,127**	4,489,309
Non-current liabilities					
Borrowings	16	**926,427**	-	**926,427**	-
Employee benefit obligations	18	**135,892**	213,648	**135,892**	213,648
Total non-current liabilities		**1,062,319**	213,648	**1,062,319**	213,648
Total liabilities		**6,319,374**	4,359,080	**6,633,446**	4,702,957
Net assets		**4,568,889**	7,158,879	**3,861,672**	6,445,714
MEMBERS' FUND					
Other funds	20	**2,714,571**	2,638,617	**2,714,571**	2,638,617
Reserves	21	**326,645**	10,697	**326,645**	10,697
Retained profits	22	**1,527,673**	4,509,565	**820,456**	3,796,400
Total members' fund		**4,568,889**	7,158,879	**3,861,672**	6,445,714

The above balance sheets should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

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

	Other Funds $	Retained profits $	Reserves $	Total $
Consolidated Group				
Balance at 1 January 2018	2,448,399	2,278,444	-	4,726,843
(Deficit) for the year	-	(3,358,635)	-	(3,358,635)
Reserves acquired via amalgamation	-	5,779,974	10,697	5,790,671
Transfer to other funds	190,218	(190,218)	-	-
Balance at 31 December 2018	2,638,617	4,509,565	10,697	7,158,879
Balance at 1 January 2019	**2,638,617**	**4,509,565**	**10,697**	**7,158,879**
(Deficit) for the year	**-**	**(2,881,196)**	**-**	**(2,881,196)**
Adoption of AASB16	**-**	**(24,742)**	**-**	**(24,742)**
Revaluation of land and building	**-**	**-**	**315,948**	**315,948**
Transfer to other funds	**75,954**	**(75,954)**	**-**	**-**
Balance at 31 December 2019	**2,714,571**	**1,527,673**	**326,645**	**4,568,889**

	Other Funds $	Retained profits $	Reserves $	Total $
Parent				
Balance at 1 January 2018	2,448,399	1,449,879	-	3,898,278
(Deficit) for the year	-	(3,243,235)	-	(3,243,235)
Reserves acquired via amalgamation	-	5,779,974	10,697	5,790,671
Transfer to other funds	190,218	(190,218)	-	-
Balance at 31 December 2018	2,638,617	3,796,400	10,697	6,445,714
Balance at 1 January 2019	**2,638,617**	**3,796,400**	**10,697**	**6,445,714**
(Deficit) for the year	**-**	**(2,875,248)**	**-**	**(2,875,248)**
Adoption of AASB16	**-**	**(24,742)**	**-**	**(24,742)**
Revaluation of land and building	**-**	**-**	**315,948**	**315,948**
Transfer to other funds	**75,954**	**(75,954)**	**-**	**-**
Balance at 31 December 2019	**2,714,571**	**820,456**	**326,645**	**3,861,672**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
Cash flows from operating activities					
Receipts from other reporting units	27(a)	**405,174**	393,085	**405,174**	393,085
Membership fees received		**6,148,569**	5,759,920	**6,148,569**	5,759,920
Receipts from controlled entities		**-**	-	**-**	-
Service contract fees received		**2,196,025**	1,911,969	**2,196,025**	1,911,969
Consultancy fees received		**174,536**	253,279	**174,536**	253,279
Grants and donations received		**529,679**	654,214	**529,679**	654,214
Other income		**844,797**	953,313	**844,797**	952,929
Payments to suppliers and employees		**(10,458,901)**	(12,512,884)	**(10,456,004)**	(12,352,861)
Payments to other reporting units	27(b)	**(980,592)**	(1,591,945)	**(980,592)**	(1,591,945)
Payments to controlled entities		**-**	-	**-**	-
Interest paid		**(62,374)**	-	**(62,374)**	-
Income tax paid		**(400,413)**	-	**-**	-
Dividends/Distribution received		**879**	1,184	**548**	710
Interest received		**48,902**	59,273	**48,852**	58,713
Net cash (outflow) from operating activities	27(c)	**(1,553,719)**	(4,118,592)	**(1,150,790)**	(3,959,987)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**18,961**	125,666	**18,961**	105,629
Payment for property, plant and equipment		**(977,570)**	(321,650)	**(977,570)**	(321,650)
Proceeds from sale of property		**-**	4,400,000	**-**	-
Payments (Proceeds) from investments		**(40)**	9	**-**	9
Net cash inflow (outflow) from investing activities		**(958,649)**	4,204,025	**(958,609)**	(216,012)
Cash flows from financing activities					
Loan advanced - Associate		**-**	(179,950)	**-**	(179,950)
Loan repayments from subsidiary		**-**	-	**-**	4,112,240
Loan advanced to subsidiary		**-**	-	**(400,330)**	(2,784)
Loan from National Office		**141,777**	-	**141,777**	-
Loan advanced to NDLA		**(20,712)**	-	**(20,712)**	-
Insurance premium funding receipt		**84,043**	-	**84,043**	-
Repayments of insurance premium funding		**(29,458)**	-	**(29,458)**	-
New lease liabilities		**871,711**	-	**871,711**	-
Repayments of lease liabilities		**(196,598)**	-	**(196,598)**	-
Net cash inflow (outflow) from financing activities		**850,763**	(179,950)	**450,433**	3,929,506

The above statements of cash flows should be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Consolidated Group		Parent Entity	
		2019	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
Net (decrease) in cash and cash equivalents		**(1,661,605)**	(94,517)	**(1,658,966)**	(246,493)
Cash transferred in on amalgamation		**-**	2,939,419	**-**	2,939,419
Cash and cash equivalents at beginning of financial year		**4,482,480**	1,637,578	**4,328,964**	1,636,038
Cash and cash equivalents at end of financial year	10(a)	**2,820,875**	4,482,480	**2,669,998**	4,328,964

The above statements of cash flows should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

REPORT REQUIRED UNDER SUBSECTION 255(2A) FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 31 December 2019.

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Categories of expenditure				
Remuneration and other employment-related costs and expenses - employees	**8,114,828**	7,946,681	**8,114,828**	7,946,681
Advertising	**9,747**	-	**9,747**	-
Operating costs	**2,089,821**	2,565,998	**2,084,862**	2,541,061
Donations to political parties	-	1,200	-	1,200
Legal costs	**225,767**	170,587	**225,767**	170,587

Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.
actually incurred by the reporting unit.

Signature of designated officer:
Name of designated officer: Michael O'Connor
Title of designated officer: Construction Forestry Maritime Mining & Energy Union – Manufacturing Division Divisional Secretary

Dated 29/05/2020

The above report should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements the for Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division (formerly Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division) as an individual entity and the consolidated group consisting of Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division and its subsidiary ("The Group").

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards have been applied in the preparation of this report as required under Reporting Guideline 8. The union is a not-for-profit entity for the purpose of preparing the financial statements.

Statement of Compliance

The financial report complies with Australian Accounting Standards. The Group's principal objective is not the generation of profit. Consequently, where appropriate, the Group has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards (IFRS).

Early adoption of standards

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

New and amended standards adopted by the Group

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation and effective for the accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 16 Leases

The impact of the changes due to the adoption of AASB 16 Leases is outlined in Note 1r New accounting standards and interpretations.

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation (Continued)

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division (''parent entity'') as at 31 December 2019 and the results of all subsidiaries for the year then ended. The Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division.

1: Summary of significant accounting policies (Continued)

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Membership subscriptions

Membership subscriptions are recognised on an accrual basis and are recorded as revenue in the year to which they relate.

Sustentation fees and levies

Sustentation fees and levies are recognised when the right to receive the fees has been established.

Co-ordinator fee income

Co-ordinator fee income is recognised when the right to receive the income has been established.

Other revenue-generating activities

Revenue is recognised when the right to receive the commission has been established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST)

1: Summary of significant accounting policies (Continued)

(d) Leases

As explained in note 1(r) below, the entity has changed its accounting policy for leases where the entity is the lessee.

Until 31 December 2018, leases of property, plant and equipment where the entity, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life, or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the entity will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the entity as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the entity is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The entity did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

(e) Income tax

The CFMEU as the parent entity, is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however it still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

The Groups income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Where assets are revalued, no provision for potential capital gains tax has been made because of the long-term nature of the assets and the existence of accumulated tax losses.

1: Summary of significant accounting policies (Continued)

(f) Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

1: Summary of significant accounting policies (Continued)

(j) 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 (FVOCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the entity 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 Entity'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 entity 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
- 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

The Entity only has the following financial assets: Financial assets at amortised cost

Financial assets at amortised cost

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

1: Summary of significant accounting policies (Continued)

(j) **Financial assets (continued)**

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Entity 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 Entity has transferred substantially all the risks and rewards of the asset, or

  b) the Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Entity 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 Entity 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 Entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Entity 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.

1: Summary of significant accounting policies (Continued)

(j) Financial assets (continued)

Impairment (Continued)

ii) Debt instruments other than trade receivables

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

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

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

(k) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The entity's financial liabilities include trade and other payables.

Financial liabilities at amortised cost

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

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

Derecognition

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

1: Summary of significant accounting policies (Continued)

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	2.0%	Diminishing Value
Motor Vehicles	12.5% - 22.5%	Diminishing Value
Office equipment	15% – 40%	Straight line
Furniture, fittings & equipment	5.0% – 40%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement .When revalued assets are sold; it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

1: Summary of significant accounting policies (Continued)

(n) Borrowings (Continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(o) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value

(p) Comparative figures

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

1: Summary of significant accounting policies (Continued)

(q) Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the entity. The entity's assessment of the impact of these new standards and interpretations. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions

(r) New accounting standards and interpretations

In the current year, the entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operation and effective for the accounting period that begins on or after 1 January 2019.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the entity include:

Standard	*Effective for annual reporting periods beginning on or after*
AASB 16 Leases	1 January 2019

As indicated above, the entity has adopted AASB 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 1(m).

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7%.

(i) Practical expedients applied

In applying AASB 16 for the first time, the entity has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The entity has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the entity relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

1: Summary of significant accounting policies (Continued)

(r) New accounting standards and interpretations (Continued)

(ii) Measurement of lease liabilities

	2019 **$**
Operating lease commitments disclosed as at 31 December 2018	215,511
Discounted using the lessee's incremental borrowing rate of at the date of initial application	-
Add/(less): contracts reassessed as lease contracts	440,385
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liability recognised as at 1 January 2019	655,896
Of which are:	
Current lease liabilities	104,878
Non-current lease liabilities	551,018
	655,896

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- NBV of right-of-use assets – increase by $631,154
- lease liabilities – increase by $655,896.

The net impact on retained earnings on 1 January 2019 was a decrease of $24,742.

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment
The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements
Management judgements are applied in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees' departures and period of service.

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

3: 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 subsection (1) to (3) of sections 272, which read as follows:

Information to be provided to members or the 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).

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

4: Revenue

	Notes	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
From continuing operations					
- membership subscriptions		**5,654,031**	5,319,377	**5,654,031**	5,319,377
- capitation fees – other reporting units		**-**	-	**-**	-
- levies – other reporting units		**-**	-	**-**	-
		5,654,031	5,319,377	**5,654,031**	5,319,377
Other revenue					
- interest		**42,934**	59,273	**42,884**	58,713
- OHS contributions		**47,077**	71,642	**47,077**	71,642
- training income		**16,107**	8,700	**16,107**	8,700
- consultancy fees		**189,690**	240,793	**189,690**	240,793
- service contract		**1,912,831**	1,736,847	**1,912,831**	1,736,847
- sponsorship		**100,886**	84,955	**100,886**	84,955
- director fees		**304,581**	294,862	**304,581**	294,862
- realised/ unrealised gain on investments		**2,266**	2,445	**1,434**	2,445
- dividends		**879**	1,184	**548**	710
- rent		**83,875**	151,370	**83,875**	151,370
- donations		**-**	-	**-**	-
- grant income		**566,897**	594,740	**566,897**	594,740
- representation fees		**24,489**	83,350	**24,489**	83,350
- financial support from another reporting unit		**-**	-	**-**	-
- revenue from recovery of wages activity		**-**	-	**-**	-
- revaluation of building		**-**	-	**-**	-
- reimbursement from CFMMEU – National Office		**60,000**	149,296	**60,000**	149,296
- court settlement		**51,818**	-	**51,818**	-
- share of partnership results		**185,296**	-	**185,296**	-
- other revenue		**74,039**	94,792	**74,039**	94,792
		3,663,665	3,574,249	**3,662,452**	3,573,215

5: Other disclosable items

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(a) The loss before income tax expenses includes the following specific items:				
Depreciation				
- land and buildings	**12,655**	8,368	**8,529**	4,244
- office equipment	**32,661**	21,049	**32,661**	21,049
- motor vehicles	**155,019**	196,426	**155,019**	196,426
- right-of-use assets	**234,534**	-	**234,534**	-
- furniture and fixtures	**16,570**	19,556	**16,570**	19,556
	451,439	245,399	**447,313**	241,275
Defined contribution superannuation expense	**818,564**	799,075	**818,564**	799,075
Rental expenses relating to operating leases				
Minimum lease payments	**-**	137,242	**-**	137,242
Consideration to employers for payroll deduction	**2,258**	8,648	**2,258**	8,648
Conference and meeting allowances	**26,294**	20,033	**26,294**	20,033
Donations				
Total paid that were $1,000 or less	**6,645**	3,786	**6,645**	3,786
Total paid that exceeded $1,000	**-**	5,745	**-**	5,745
Grants paid	**-**	-	**-**	-
Penalties – via RO Act or RO Regulations	**-**	-	**-**	-
Loss allowance – loan to associates	**179,950**	-	**179,950**	-
Net (gain) loss on disposal of investments	**-**	(979)	**-**	(979)
Unrealised loss (gain) on investments	**(2,266)**	1,042	**(1,434)**	1,042
Share of NLDA results	**(185,296)**	12,344	**(185,296)**	12,344
Loss on disposal of property, plant and equipment	**54,224**	64,208	**54,224**	64,208
Profit on disposal of property, plant and equipment	**(2,012)**	-	**(2,012)**	-
	52,212	64,208	**52,212**	64,208

6: Income tax expenses

	Consolidated		Parent Entity	
	2019	2018	2019	2019
	$	$	$	$
(a) Income tax expense:				
Current tax	**1,706**	398,707	**-**	-
Deferred tax	**(3,630)**	(416,095)	**-**	-
	(1,924)	(17,388)	**-**	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Loss from continuing operations before income tax expense	**(2,764,614)**	(3,401,290)	**(2,756,742)**	(3,268,502)
Prima facie income tax payable on loss before income tax at 30.0% (2018 - 30.0%)	**(829,384)**	(1,020,387)	**(827,023)**	(980,551)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Net amount exempt under S50.1 of ITAA	**827,023**	980,551	**827,023**	980,551
Other items	**437**	22,448	**-**	-
Income tax expense attributable to loss	**(1,924)**	(17,388)	**-**	-

7: Affiliation fees, compulsory levies and sustentation fees

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Affiliation fees				
- Australian Labour Party – SA	**5,158**	7,714	**5,158**	7,714
- Australian Labour Party – TAS	**1,080**	1,274	**1,080**	1,274
- Australian Labour Party – VIC	**35,179**	33,794	**35,179**	33,794
- Australian Labour Party – WA	**235**	706	**235**	706
- ACTU	**-**	12,210	**-**	12,210
- Ballarat Trades Hall Council	**2,378**	2,655	**2,378**	2,655
- Bendigo Trades Hall Council	**880**	660	**880**	660
- Geelong Trades Hall Council	**6,545**	5,304	**6,545**	5,304
- Gippsland Trades Hall Council	**1,545**	2,215	**1,545**	2,215
- NE Borders	**1,200**	900	**1,200**	900
- NSW Labour Council	**12,401**	11,991	**12,401**	11,991
- Queensland Council of Unions	**1,333**	2,152	**1,333**	2,152
- S A Unions	**9,071**	9,540	**9,071**	9,540
- Unions ACT	**400**	1,600	**400**	1,600
- Unions WA	**845**	798	**845**	798
- Unions Tasmania	**948**	2,212	**948**	2,212
- South West T&LC	**-**	150	**-**	150
- Victorian Trades Hall Council	**42,043**	48,214	**42,043**	48,214
- IndustriALL	**19,291**	11,199	**19,291**	11,199
- other	**905**	748	**905**	748
Compulsory levies				
- ALP WA	**44**	103	**44**	103
- Unions WA	**242**	39	**242**	39
Sustentation fees				
- CFMEU National Office	**212,521**	212,520	**212,521**	212,520
	354,244	368,698	**354,244**	368,698

8: Legal and professional fees

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Legal fees				
- litigation	**215,116**	-	**215,116**	-
- other legal matters	**10,651**	170,587	**10,651**	170,587
Consulting fee	**111,849**	116,750	**111,849**	116,750
Audit fees – BGL Partners				
- audit of financial report	**39,100**	39,050	**36,500**	35,000
- ALP membership audit	**2,175**	825	**2,175**	825
- grant audit	**1,550**	2,800	**1,550**	2,800
- SAEC return	**870**	3,075	**870**	3,075
Audit fees – TCF – other auditors	**42,950**	1,100	**42,950**	1,100
Accounting fees	**10,235**	10,909	**8,895**	9,644
	434,496	345,096	**430,556**	339,781

9: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(i) Employees other than holders of office				
- wages and salaries	**4,828,528**	5,346,241	**4,828,528**	5,346,241
- superannuation	**647,714**	641,523	**647,714**	641,523
- leave and other entitlements	**275,171**	(980,237)	**275,171**	(980,237)
- separation and redundancies	**-**	-	**-**	-
- other employee expenses	**863**	-	**863**	-
(ii) Holders of office				
- wages and salaries	**1,264,502**	1,590,403	**1,264,502**	1,590,403
- superannuation	**170,849**	157,552	**170,849**	157,552
- leave and other entitlements	**56,843**	359,128	**56,843**	359,128
- separation and redundancies	**-**	-	**-**	-
- other employee expenses	**-**	-	**-**	-
(iii) Other related expenses				
- employee training	**66,322**	42,403	**66,322**	42,403
- employee assistance program	**6,360**	6,471	**6,360**	6,471
- fringe Benefits Tax	**157,400**	135,450	**157,400**	135,450
- income protection insurance	**57,144**	57,283	**57,144**	57,283
- payroll Tax	**337,275**	375,872	**337,275**	375,872
- recruitment expenses/casual	**174,261**	126,307	**174,261**	126,307
- redundancy fund	**8,493**	19,612	**8,493**	19,612
- staff entertainment	**9,516**	-	**9,516**	-
- workcover	**53,587**	68,673	**53,587**	68,673
	8,114,828	7,946,681	**8,114,828**	7,946,681

10: Current assets – Cash and cash Equivalents

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Cash at banks	**1,271,266**	2,983,498	**1,120,390**	2,829,983
Term deposits	**1,692,717**	1,496,216	**1,692,717**	1,496,216
Cash on hand	**2,781**	2,781	**2,780**	2,780
	2,966,764	4,482,495	**2,815,887**	4,328,979

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:

Balances as above	**2,966,764**	4,482,495	**2,815,887**	4,328,979
Bank overdrafts	**(145,889)**	(15)	**(145,889)**	(15)
Balances per statement of cash flows	**2,820,875**	4,482,480	**2,669,998**	4,328,964

(a) Security – the term deposits are used as secured for the overdraft facility.

11: Current assets - Trade and other receivables

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Trade receivables	**135,600**	77,742	**135,600**	77,742
Trade receivable from other reporting units				
- CFMMEU National Office	**-**	256,373	**-**	256,373
- CFMMEU C & G Vic/Tas Divisional Branch	**1,361**	12,267	**1,361**	12,267
- CFMMEU C & G General Division	**-**	35,291	**-**	35,291
	136,961	381,673	**136,961**	381,673
Less Loss Allowance	**-**	-	**-**	-
	136,961	381,673	**136,961**	381,673
Receivable from other reporting units				
- CFMMEU C & G National Office	**-**	31,434	**-**	31,434
Accrued income	**123,803**	29,598	**123,803**	29,598
Member subscription receivable	**355,729**	291,306	**355,729**	291,306
Entitlements held in SEET	**120,721**	329,443	**120,721**	329,443
Other receivables	**187,083**	306,193	**187,083**	332,313
	787,336	987,974	**787,336**	1,014,094
	924,297	1,369,647	**924,297**	1,395,767

11: Current assets - Trade and other receivables (Continued)

(i) Trade receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore classified as current. No interest is charged on outstanding trade receivables. Trade receivables are recognised initially at the transaction amount. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. Trade receivables consists of many members and customers, spread across diverse industries and geographical areas. The Group does not have any significant credit risk exposure to any single party or group of counter parties having similar characteristics and the maximum exposure to credit risk is equal to the value of our receivables.

(iii) Fair values of trade and other receivables
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value

Movements in Loss Allowance

	2019 $	2018 $
At 1 January	-	-
Provision for impairment recognised during the year	-	-
Unused amounts reversed	-	-
At 31 December	-	-

The creation and release of the provision for impaired receivables has been included in ‘other expenses’ in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is $Nil (2018: $Nil).

12: Current assets – Other Assets

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Prepayments	**144,139**	141,229	**144,139**	141,229

13: Non-current assets – Trade and other receivables

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Loan to associates – interest bearing	**179,950**	179,950	**179,950**	179,950
Loss allowance	**(179,950)**	-	**(179,950)**	-
	-	179,950	**-**	179,950

14: Non-current assets – financial assets

		Consolidated Group		Parent Entity	
		2019	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
Financial assets at fair value through profit or loss (PVTPL)	a	**326,072**	223,371	**317,774**	215,945
Shares in subsidiary		**-**	-	**1**	1
		326,072	223,371	**317,775**	215,946

(a) Financial assets at fair value through profit or loss (PVTPL) comprises:		Consolidated Group		Parent Entity	
		2019	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
Listed investment, at fair value					
- shares in listed trusts and shares	b	**21,111**	18,805	**12,813**	11,379
Unlisted investment, at cost					
- shares in other corporations	c	**304,961**	119,665	**304,961**	119,665
Investments accounted for using the equity method	d	**-**	84,901	**-**	84,901
		326,072	223,371	**317,774**	215,945

(b) Movements in fair value of listed investment during the financial year:				
Opening balance	**18,805**	12,013	**11,379**	3,730
Additions (Disposals)	**40**	(9)	**-**	(9)
Fair value adjustment	**2,266**	(1,898)	**1,434**	(1,041)
Assets acquired via amalgamation	**-**	8,699	**-**	8,699
Closing balance	**21,111**	18,805	**12,813**	11,379

14: Non-current assets – financial assets

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(c) Movements in fair value of unlisted investment during the financial year:				
Opening balance	**119,665**	165,478	**119,665**	165,478
Additions (net)	**-**	-	**-**	-
Fair value adjustment	**185,296**	(12,344)	**185,296**	(12,344)
Re-classification	**-**	(59,634)	**-**	(59,634)
Assets acquired via amalgamation	**-**	26,165	**-**	26,165
Closing balance	**304,961**	119,665	**304,961**	119,665

(d) Set out below are the associates of the Group as at 31 December 2019 which. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Country of incorporation	Nature of ownership	% of ownership 2019	% of ownership 2018	Carrying amount 2019 $	Carrying amount 2018 $
UPoint Pty Ltd	Australia	Associate (*)	33.33%	33.33%	-	84,901

- the above are private entities and therefore no quoted price is available.

(*) Upoint Pty Ltd is a new business concept with the aim of being both a new revenue stream for the primary parties and other shareholders, while also providing a trailing revenue stream for participating member based organisations. The CFMMEU – Manufacturing Division is one of three shareholders. Because of this, it is considered that the necessary significant influence exists to require that the investment is accounted for using the equity method.

14: Non-current assets – financial assets (Continued)

(i) There are no commitments or contingent liabilities in respect of the associates.

(ii) Summarised financial information for associates

The tables below provide summarised financial information for the associate. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised balance sheet	UPoint Pty Ltd 2019 $	UPoint Pty Ltd 2018 $
Total current assets	**367,383**	610,040
Total non-current assets	**415,305**	343,525
Total assets	**782,688**	953,565
Total current liabilities	**666,859**	182,953
Total non-current liabilities	**515,058**	515,908
Total liabilities	**1,181,918**	698,861
Net (liabilities) assets	**(399,230)**	254,704

14: Non-current assets – financial assets (Continued)

(ii) Summarised financial information for associates (Continued)

	UPoint Pty Ltd 2019 $	UPoint Pty Ltd 2018 $
Reconciliation to carrying amounts		
Opening net assets 1 Jan	**254,704**	-
(Loss) Profit for the period	**(653,934)**	75,803
Share capital	**-**	150
Additional capital contribution	**-**	178,751
Distribution/Dividends paid	**-**	-
Closing net assets 31 Dec	**(399,230)**	254,704
Group's share in %	**33.33%**	33.33%
Group's share in $	**(133,076)**	84,901
Goodwill	**-**	-
Carrying amount	**(133,076)**	84,901
Carrying amount 1 Jan	**84,901**	59,634
Share of associates loss to the extent of investment value	**(84,901)**	-
Share of associates profit	**-**	25,267
Carrying amount 31 Dec	**-**	84,901

15: Non-current assets - Property, plant and equipment

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
LAND AND BUILDINGS				
At fair value	**4,545,000**	4,245,000	**4,300,000**	4,000,000
Less accumulated depreciation	**(24,391)**	(27,684)	**(3,517)**	(10,936)
	4,520,609	4,217,316	**4,296,483**	3,989,064
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**1,152,460**	1,270,405	**1,152,460**	1,270,405
Less accumulated depreciation	**(534,804)**	(483,383)	**(534,804)**	(483,383)
	617,656	787,022	**617,656**	787,022
Office equipment				
At cost	**439,961**	394,945	**439,961**	394,945
Less accumulated depreciation	**(375,935)**	(345,715)	**(375,935)**	(345,715)
	64,026	49,230	**64,026**	49,230
Furniture, fixtures and fittings				
At cost	**192,647**	191,036	**192,647**	191,036
Less accumulated depreciation	**(146,123)**	(129,552)	**(146,123)**	(129,552)
	46,524	61,484	**46,524**	61,484
Right-of-use assets				
At cost	**1,531,722**	-	**1,531,722**	-
Less accumulated depreciation	**(263,391)**	-	**(263,391)**	-
	1,268,331	-	**1,268,331**	-
Total plant and equipment	**1,996,537**	897,736	**1,996,537**	897,736
Total property plant and equipment	**6,517,146**	5,115,052	**6,293,020**	4,886,800

15: Non-current assets - Property, plant and equipment (Continued)

(a) Non-current assets pledged as security

None of the non-current assets pledged as security by the parent entity and its controlled entity.

(b) Land and building

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Land and buildings owned by the subsidiary were disposed of in 2018.

(c) Movements in Carrying Amounts

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

2018 - Group	Land & Buildings	Vehicles	Office equipment	Furniture, fittings & equipment	Right-of-use assets	Total
	$	$	$	$	$	$
Opening net book amount	232,376	622,010	49,088	57,201	-	960,675
Additions	-	265,196	30,734	25,720	-	321,650
NBV of assets acquired through amalgamation	3,993,308	258,349	13,431	-	-	4,265,088
Disposals	-	(162,107)	(22,974)	(1,881)	-	(186,962)
Depreciation	(8,368)	(196,426)	(21,049)	(19,556)	-	(245,399)
Closing net book amount	4,217,316	787,022	49,230	61,484	-	5,115,052

2019 - Group	Land & Buildings	Vehicles	Office equipment	Furniture, fittings & equipment	Right-of-use assets	Total
	$	$	$	$	$	$
Opening net book amount	**4,217,316**	**787,022**	**49,230**	**61,484**	**-**	**5,115,052**
Adoption of AASB16	**-**	**-**	**-**		**631,154**	**631,154**
Additions	**-**	**54,649**	**49,600**	**1,610**	**871,711**	**977,570**
Revaluation	**315,948**	**-**	**-**	**-**	**-**	**315,948**
Disposals	**-**	**(68,996)**	**(2,143)**	**-**	**-**	**(71,139)**
Depreciation	**(12,655)**	**(155,019)**	**(32,661)**	**(16,570)**	**(234,534)**	**(451,439)**
Closing net book amount	**4,520,609**	**617,656**	**64,026**	**46,524**	**1,268,331**	**6,517,146**

15: Non-current assets - Property, plant and equipment (Continued)

(c) Movements in Carrying Amounts (Continued)

2018 - Parent	Land & Buildings	Vehicles	Office equipment	Furniture, fittings & equipment	Right-of-use assets	Total
	$	$	$	$	$	$
Opening net book amount	-	622,010	35,056	55,320	-	712,386
Additions	-	265,196	30,734	25,720	-	321,650
NBV of assets acquired through amalgamation	3,993,308	258,349	13,431	-	-	4,265,088
Disposals	-	(162,107)	(8,942)	-	-	(171,049)
Depreciation	(4,244)	(196,426)	(21,049)	(19,556)	-	(241,275)
Closing net book amount	3,989,064	787,022	49,230	61,484	-	4,886,800

2019 - Parent	Land & Buildings	Vehicles	Office equipment	Furniture, fittings & equipment	Right-of-use assets	Total
	$	$	$	$	$	$
Opening net book amount	**3,989,064**	**787,022**	**49,230**	**61,484**	**-**	**4,886,800**
Adoption of AASB16	**-**	**-**	**-**	**-**	**631,154**	**631,154**
Additions	**-**	**54,649**	**49,600**	**1,610**	**871,711**	**977,570**
Revaluation	**315,948**	**-**	**-**	**-**	**-**	**315,948**
Disposals	**-**	**(68,996)**	**(2,143)**	**-**	**-**	**(71,139)**
Depreciation	**(8,529)**	**(155,019)**	**(32,661)**	**(16,570)**	**(234,534)**	**(447,313)**
Closing net book amount	**4,296,483**	**617,656**	**64,026**	**46,524**	**1,268,331**	**6,293,020**

(d) Right-of-use assets

The entity leases equipment. Rental contracts are typically made for fixed periods of 5 years. Contracts may contain both lease and non-lease components. The entity allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance leases or operating leases for details. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the entity.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the entity under residual value guarantees
- the exercise price of a purchase option if the entity is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising that option.

15: Non-current assets – Property, plant and equipment (Continued)

(d) Right-of-use assets

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the entity:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by entity, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The entity is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the entity is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

16: Liabilities – Borrowings

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Current				
Bank overdraft	**145,889**	15	**145,889**	15
Loan from Subsidiary	**-**	-	**320,120**	720,449
Loan from CFMMEU National Office	**74,521**	-	**74,521**	-
Lease liabilities	**404,582**	-	**404,582**	-
Insurance premium funding	**54,585**	-	**54,585**	-
	679,577	15	**999,697**	720,464
Non-current				
Lease liabilities	**926,427**	-	**926,427**	-
	926,427	-	**926,427**	-

The overdraft is secured by the parent's term deposits.

17: Current liabilities - Trade and other payables

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Unsecured				
Trade payables	**511,146**	663,215	**510,362**	660,201
Legal cost payables – other matters	**-**	6,953	**-**	6,953
Legal cost payables – litigations	**71,199**	-	**71,199**	-
Amount payables to other reporting units				
- CFMEU National Office	**42,423**	116,636	**42,423**	116,636
- CFMEU C & G SA Branch	**634**	-	**634**	-
- CFMEU C & G NSW Branch	**1,009**	-	**1,009**	-
- CFMEU C & G Vic/Tas Divisional Branch	**46,074**	179,748	**46,074**	179,748
Sundry creditors	**234,040**	25,369	**228,501**	49,890
Income received in advance	**549,125**	454,379	**549,125**	454,379
Consideration to employers for payroll deductions	**-**	-	**-**	-
Net GST	**430,062**	19,529	**430,337**	20,157
Relief funds held in trust	**12,891**	12,891	**12,891**	12,891
SA District Trust Account	**-**	313	**-**	313
	1,898,603	1,479,033	**1,892,555**	1,501,168

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

18: Employee benefit obligations

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Holder of Office				
Annual leave	**218,281**	281,255	**218,281**	281,255
Long service leave	**467,879**	488,049	**467,879**	488,049
Personal leave	**281,568**	61,217	**281,568**	61,217
RDO	**23,992**	26,601	**23,992**	26,601
Separations and redundancies	**135,892**	213,648	**135,892**	213,648
	1,127,612	1,070,770	**1,127,612**	1,070,770
Employees other than office holders:				
Annual leave	**567,269**	537,636	**567,269**	537,636
Long service leave	**687,313**	638,970	**687,313**	638,970
Personal leave	**383,424**	145,009	**383,424**	145,009
RDO	**49,149**	88,940	**49,149**	88,940
Separations and redundancies	**-**	-	**-**	-
	1,687,155	1,410,555	**1,687,155**	1,410,555
Total employee provisions	**2,814,767**	2,481,325	**2,814,767**	2,481,325
Disclosed as:				
Current	**2,678,875**	2,267,677	**2,678,875**	2,267,677
Non-current	**135,892**	213,648	**135,892**	213,648
	2,814,767	2,481,325	**2,814,767**	2,481,325

(a) Employee benefits - long service leave

A provision has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

(b) Amounts not expected to be settled within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

18: Employee benefit obligations (Continued)

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Long service leave obligation expected to be settled after 12 months	**-**	-	**-**	-

19: Deferred tax asset

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Deferred tax assets	**9,845**	6,215	**-**	-
Consist of:				
Tax losses	**9,845**	6,215	**-**	-
Property, plant & equipment	**-**	-	**-**	-

20: Other funds

	Note	Consolidated Group		Parent Entity	
		2019	2018	2019	2018
		$	$	$	$
John Curtin Fund	a	**535,896**	535,896	**535,896**	535,896
SA Workers Welfare Fund	b	**69,440**	69,440	**69,440**	69,440
Pulp and Paper Workers' Support Fund	c	**1,920,241**	1,844,287	**1,920,241**	1,844,287
NSW Support Fund	d	**188,994**	188,994	**188,994**	188,994
		2,714,571	2,638,617	**2,714,571**	2,638,617

Presented below is a reconciliation of the movements in each of the other funds, pursuant to the Union Rule 14D and E, as well as the assets and liabilities of the funds included in these financial statements but allocated as if the fund was a separate entity.

(a): John Curtin Fund

	2019	2018
	$	$
Balance at 1 January	**535,896**	491,435
Income		
Contributions	**-**	44,419
Interest received	**-**	42
Expenditure	**-**	-
Net movement	**-**	44,461
Balance at 31 December	**535,896**	535,896

20: Other funds (Continued)

(a): John Curtin Fund (Continued)

The John Curtin Fund – is for contributing members of the fund within Victoria. In terms of the Union Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

(b): SA Workers Welfare Fund	**2019**	**2018**
	$	**$**
Balance at 1 January	**69,440**	69,374
Income		
Contributions	**-**	66
Expenditure	**-**	-
Net movement	**69,440**	66
Balance at 31 December	**69,440**	69,440

The SA Workers Support Fund - is for contributing members of the fund within the South Australian District. In terms of the CFMEU FFPD Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

(c): Pulp and Paper Workers' Support Fund	**2019**	**2018**
	$	**$**
Balance at 1 January	**1,844,287**	1,732,541
Income		
Levies	**75,954**	125,761
Interest received	**-**	22,627
Expenditure		
Campaign expenses	**-**	(36,642)
Net movement	**75,954**	111,746
Balance at 31 December	**1,920,241**	1,844,287

The PPW Support Fund is for the members of the PPW District. In terms of the Union Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management".

20: Other funds (Continued)

(d): NSW Support Fund	2019 $	2018 $
Balance at 1 January	**188,994**	155,049
Income		
Contributions	-	33,945
Expenditure	-	-
Net movement	-	33,945
Balance at 31 December	**188,994**	188,994

The NSW Support Fund is for the members of the NSW District. In terms of the Union Rule 14D: “Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management.”

21: Reserves

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
Asset revaluation reserve	$	$	$	$
Balance 1 January	**10,697**	-	**10,697**	-
Revaluation of land and building	**315,948**	-	**315,948**	-
Reserves acquired from amalgamation	**-**	10,697	**-**	10,697
Balance 31 December	**326,645**	10,697	**326,645**	10,697

22: Retained profits

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 January	**4,509,565**	2,278,444	**3,796,400**	1,449,879
Adoption of AABS16	**(24,742)**	-	**(24,742)**	-
Transfer (to) other funds	**(75,954)**	(190,218)	**(75,954)**	(190,218)
Reserves acquired from amalgamation	**-**	5,779,974	**-**	5,779,974
Net (loss) for the year	**(2,881,196)**	(3,358,635)	**(2,875,248)**	(3,243,235)
Balance 31 December	**1,527,673**	4,509,565	**820,456**	3,796,400

(a) Other than already noted, no specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

(b) Net assets acquired

On the 6th of March 2018 the Fair Work Commission published their decision to allow the Construction, Forestry, Mining and Energy Union (CFMEU), the Maritime Union of Australia (MUA) and the Textile, Clothing and Footwear Union of Australia (TCFUA) to merge on March 27, 2019, on a going concern basis. The TCFU became part of the CFMEU Manufacturing Division. The assets and liabilities of each of the 3 branches that made up the TCFU were transferred at book value at 27 March 2018 to the Manufacturing Division with the retained profits/(losses) at that date being transferred directly to retained profits.

23: Contingencies

A decision by the Federal Court regarding a dispute with CFMEU Construction over membership has been appealed. The expected legal costs of the appeal, if unsuccessful will be in the region of $50,000 to $75,000. There are no other known contingent assets or liabilities and commitments at 31 December 2019.

24: Events occurring after reporting date

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected economic activity and greatly contributed to significant deterioration and instability in financial markets.

As a result of this uncertainty created by the global COVID-19 pandemic:

- Whilst the investments and land and building held by the union at the date of the financial report are recorded in the financial statements based on valuations as at that date, current values could be significantly less than these values.
- Future membership number, and therefore membership income, may decrease due to the uncertainty created in the labour market caused by lockdown of businesses and the future viability of businesses which employ members.

Although the union cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the results of future operations, financial position and liquidity.

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

25: Commitments

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Lease commitments				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	-	114,939	-	114,939
Later than one year but not later than five years	-	100,572	-	100,572
	-	215,511	-	215,511

Leases are for photocopiers and office

For 2019, refer note 15d

26: Related party transactions

The Group's related parties include its key management personnel and related entities as described below. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(a) Parent entity
The parent entity within the Group is Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division.

(b) Subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2019	Equity holding 2018
A.C.N. 117 909 127 Pty Ltd	Australia	Ordinary	100%	100%

(c) Transactions with related parties

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Sales of goods and services				
Rental income from CFMEU National Office	**35,468**	89,619	**35,468**	89,619
Management fee from CFMEU National Office	**60,000**	40,000	**60,000**	40,000
Purchase of goods and services				
Sustentation fee to CFMEU National Office	**212,521**	212,520	**212,521**	212,520
Levy to CFMEU National Office	**294,000**	630,000	**294,000**	630,000
Reimbursement to CFMEU National Office in relation to the following costs:				
- accommodation, travel & other	**16,818**	139,578	**16,818**	139,578
Shared expenses to CFMEU C&G Vic/Tas Divisional Branch	**245,363**	304,142	**245,363**	304,142
Shared expenses to CFMEU Construction & General Division NSW Branch	**4,852**	66,176	**4,852**	66,176
Shared expenses to CFMEU Construction & General Div - National Office	**2,855**	4,899	**2,855**	4,899
Training expenses to CFMEU C & G Vic Education & Training Unit	**22,836**	-	**22,836**	-
Shared expenses to CFMEU Construction & General Division SA Branch	**1,376**	-	**1,376**	-
Accommodation expenses to CFMEU Construction & General Division W.A Branch	**636**	-	**636**	-

(d) Outstanding balances arising from sales/purchases of goods and services
These balances are included in the notes on receivables and payables.

26: Related party transactions (Continued)

(e) The names of the Divisional Executive in office at any time during or since the end of the financial year are:

Name	*Position*
Denise Campbell-Burns	Manufacturing Division - Divisional President
Michael O'Connor	Manufacturing Division - Divisional Secretary
Jenny Kruschel	Manufacturing Division – TCF National Secretary
Leo Skourdoumbis	Manufacturing Division - Divisional Senior Assistant Secretary
Alex Millar (retired 23 Aug 2019)	Manufacturing Division - Divisional Assistant Secretary (PPW)
Denise Campbell-Burns (from 23 Aug 2019)	Manufacturing Division - Divisional Assistant Secretary (PPW)
Frank Vari (resigned 18 Sept 2019)	Manufacturing Division - Divisional Assistant Secretary
Craig Smith	Manufacturing Division - Divisional Assistant Secretary
Beth Macpherson	Manufacturing Division - Divisional Senior Vice President (TCF)
David Kirner	Manufacturing Division - Divisional Vice President
Bradley Coates	Manufacturing Division - Divisional Vice President
Kim Mason (resigned 27 Aug 2019)	Manufacturing Division – Divisional Executive Member
Cliff Palmer	Manufacturing Division – Divisional Executive Member
Andrew Vendramini (resigned 1 May 2019)	Manufacturing Division – Divisional Executive Member
Scott McLean	Manufacturing Division – Divisional Executive Member
Terry Bennier	Manufacturing Division – Divisional Executive Member
Willie Kawai	Manufacturing Division – Divisional Executive Member
Nathan Milner	Manufacturing Division – Divisional Executive Member
Anthony Pavey	Manufacturing Division – Divisional Executive Member
Michael Aird	Manufacturing Division – Divisional Executive Member
Warren Smith	TCF Divisional Executive Position
Hunt Jan	TCF Divisional Executive Position
Thi Thuy Pham	TCF Divisional Executive Position
Geoff Gasperotti	Manufacturing Division – Divisional Executive Member

(f) Other transactions

- As part of directorship arrangements, director fees paid for any officers or employees who are directors of a company or trustee of a superannuation scheme due to their positions of the entity are paid to the CFMEU directly.
- There were no other transactions between the officers of the Division other than those relating to reimbursement by the Division in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

(g) Loans to key management personnel

There are no loans between key management personnel and the entity.

26: Related party transactions (Continued)

(h) Key management personnel compensation

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
The aggregate compensation made to key management personnel of the Group is as follows:				
Short-term employee benefits				
Salary (including annual leave taken)	**1,161,278**	1,571,033	**1,161,278**	1,571,033
Leave accrued	**438,443**	221,590	**438,443**	221,590
Total short-term employee benefits	**1,599,721**	1,792,623	**1,599,721**	1,792,623
Post-employment benefits:				
Superannuation	**192,011**	192,102	**192,011**	192,102
Total post-employment benefits	**192,011**	192,102	**192,011**	192,102
Other long-term benefits:				
Long-service leave	**563,372**	165,526	**563,372**	165,526
Total other long-term benefits	**563,372**	165,526	**563,372**	165,526
Termination benefits	**361,456**	213,648	**361,456**	213,648
	361,456	213,648	**361,456**	213,648
Total	**2,716,560**	2,363,899	**2,716,560**	2,363,899

(i) Loans to/from subsidiary

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
Loan to subsidiary				
Beginning of the year	**-**	-	**(694,329)**	3,415,127
Amount advanced	**-**	-	**374,209**	2,784
Amounts received	**-**	-	**-**	(4,112,240)
End of year	**-**	-	**(320,120)**	(694,329)
Represent by:				
Loan from subsidiary	**-**	-	**(320,120)**	(694,329)
Interest receivable	**-**	-	**-**	(26,120)
	-	-	**(320,120)**	(720,449)

27: Cash flow information

(a) Receipts from other reporting units	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
Branches	**$**	**$**	**$**	**$**
CFMEU Construction & General Div - National Office	**78,691**	14,313	**78,691**	14,313
CFMEU C &G Vic/Tas Divisional Branch	**10,906**	219,217	**10,906**	219,217
CFMMEU National Office	**315,577**	159,555	**315,577**	159,555
	405,174	393,085	**405,174**	393,085

(b) Payments to other reporting units	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
Branches	**$**	**$**	**$**	**$**
CFMEU C & G Vic/Tas Education & Training Unit	**25,120**	10,270	**25,120**	10,270
CFMEU C & G - National Office	**3,140**	9,205	**3,140**	9,205
CFMEU Construction & General Division Qld / NT	**158**	-	**158**	-
CFMEU C &G Vic/Tas Divisional Branch	**238,871**	404,292	**238,871**	404,292
CFMEU C & G NSW Divisional Branch	**4,328**	83,189	**4,328**	83,189
CFMEU C & G SA Divisional Branch	**1,761**	2,590	**1,761**	2,590
CFMMEU National Office	**707,214**	1,082,399	**707,214**	1,082,399
	980,592	1,591,945	**980,592**	1,591,945

27: Cash flow information (Continued)

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
(c) Reconciliation of cash flow from operations with (loss) after income tax				
(Loss) after income tax	**(2,881,196)**	(3,358,635)	**(2,875,248)**	(3,243,235)
Non-cash flows in (loss)				
Depreciation	**451,439**	241,275	**447,313**	241,275
Equity accounted investment	**84,901**	(25,267)	**84,901**	(25,267)
Net (gain) loss on disposal of investments	**-**	2,508	**-**	2,508
Loss allowance	**179,950**	-	**179,950**	-
Share of NLDA results	**(185,296)**	12,344	**(185,296)**	12,344
Unrealised loss (gain) on investments	**(2,266)**	(1,468)	**(1,434)**	(1,468)
Other non-cash items	**(35)**	-	**(35)**	-
Net loss on disposal of property, plant and equipment	**52,212**	65,420	**52,212**	65,420
Changes in assets and liabilities				
Decrease in receivables	**428,004**	216,476	**428,004**	216,476
Increase (Decrease) in payables	**387,463**	(647,060)	**385,401**	(621,243)
(Decrease) Increase in provisions	**333,442**	(606,797)	**333,442**	(606,797)
(Decrease) Increase in tax liability	**(398,707)**	398,707	**-**	-
(Decrease) Increase in deferred tax	**(3,630)**	(416,095)	**-**	-
Net cash flows from operating activities	**(1,553,719)**	(4,118,592)	**(1,150,790)**	(3,959,987)

(d) Financing arrangements

The group had access to the following borrowing facilities at the end of the reporting period

	2019	**2018**
	$	**$**
Floating rate – expiring within one year (bank overdraft)	**800,000**	1,000,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. They are secured by the union's term deposits.

27: Cash flow information (Continued)

	Consolidated Group		Parent Entity	
	2019	2018	2019	2018
	$	$	$	$
(e) Net debt reconciliation				
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.				
Cash and cash equivalents	**2,966,764**	4,482,495	**2,815,887**	4,328,979
Liquid investments	**21,111**	18,805	**12,813**	11,379
Borrowings – repayable within one year (including overdraft)	**(145,889)**	(15)	**(145,889)**	(15)
Net debt	**2,841,986**	4,501,285	**2,682,811**	4,340,343
Cash and liquid investments	**2,987,875**	4,501,300	**2,828,700**	4,340,358
Gross debt – fixed interest rates	**-**	-	**-**	-
Gross debt – variable interest rates	**(145,889)**	(15)	**(145,889)**	(15)
Net debt	**2,841,986**	4,501,285	**2,682,811**	4,340,343

28: Other information

(i) Going Concern
The entity's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support
No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Financial Affairs

The entity did not have another entity administer its financial affairs.

(iv) Acquisition of assets and liability under specific sections:

The entity did not acquire any asset or a liability during the financial year as a result of:
- an amalgamation under Part 2 of Chapter 3 of the RO Act;
- a restructure of the branches of the organization;
- a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act .

29: Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Divisional Executive. The management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk
(i) Foreign exchange risk
The Group is not exposed to foreign exchange risk.

(ii) Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group only maintains a small portfolio.

The Group is not exposed to commodity price risk.

The Group's equity investments include listed investment, managed fund and unlisted investment.

The table below summarises the impact of increases/decreases of the indexes on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/(decreased) by 10% (2018 - 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Effect on equity:				
Increase of equity index by 10%	**32,607**	22,371	**31,777**	21,595
Decrease of equity index by 10%	**(32,607)**	(22,371)	**(31,777)**	(21,595)

Equity would further increase/decrease as a result of gains/ (losses) on equity securities classified as financial assets.

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

(iii) Cash flow and fair value interest rate risk
The group has no borrowings and is therefore not exposed to interest rate risk on liabilities. The group has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

29: Financial risk management (Continued)

(b) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The group has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Banks:				
AA Rating	**-**	1,367,441	**-**	1,213,925
AA- Rating	**675,556**	-	**524,680**	-
BBB+ Rating	**4**	4	**4**	4
BB Rating	**2,288,423**	3,112,270	**2,288,423**	3,112,270
	2,963,983	4,479,715	**2,813,107**	4,326,199

(c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

(d) Sensitivity analysis

As at 31 December the effect on the (deficit)/surplus as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	Consolidated Group		Parent Entity	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Effect on results:				
Increase of interest rates by 2%	**59,280**	89,594	**56,262**	86,524
Decrease of interest rates by 2%	**(59,280)**	(89,594)	**(56,262)**	(86,524)

29: Financial risk management (Continued)

(e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below

Group
2019

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank & on hand	1.63	1,271,266	1,692,717	-	-	2,781	2,966,764
Other receivables		-	-	-	-	924,297	924,297
Investments		-	-	-	-	326,072	326,072
		1,271,266	1,692,717	-	-	1,253,150	4,217,133
Financial Liabilities							
Bank overdraft	7.6	145,889	-	-	-	-	145,889
Lease liabilities	7	-	404,582	926,427	-	-	1,331,009
Insurance premium funding	6.758	-	54,585	-	-	-	54,585
Loans from related parties		-	-	-	-	74,521	74,521
Trade & other payables		-	-	-		1,315,873	1,315,873
		145,889	459,167	926,427	-	1,390,394	2,921,877
Net Financial Assets (liabilities)		1,125,377	1,233,550	(926,427)	-	(137,244)	1,295,256

Group
2018

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at banks & on hand	1.4	2,983,498	1,496,216	-	-	2,781	4,482,495
Trade and other receivables		-	-	-	-	1,396,647	1,396,647
Loans to related parties		-	-	-	-	179,950	179,950
Investments		-	-	-	-	223,371	223,371
		2,983,498	1,496,216	-	-	1,802,749	6,282,463
Financial Liabilities							
Bank overdraft	0	15	-	-	-	-	15
Trade and other payables		-	-	-	-	1,024,654	1,024,654
		15	-	-	-	1,024,654	1,024,669
Net Financial Assets		2,983,483	1,496,216	-	-	778,095	5,257,794

29: Financial risk management (Continued)

(e) Maturity profile of financial instruments (Continued)

Parent
2019

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank & on hand	1.63	1,120,390	1,692,717	-	-	2,780	2,815,887
Other receivables		-	-	-	-	924,297	924,297
Investments		-	-	-	-	317,775	317,775
		1,120,390	1,692,717	-	-	1,244,852	4,057,959
Financial Liabilities							
Bank overdraft	7.6	145,889	-	-	-	-	145,889
Lease liabilities	7	-	404,582	926,427	-	-	1,331,009
Insurance premium funding	6.758	-	54,585	-	-	-	54,585
Loans from related parties		-	-	-	-	394,641	394,641
Trade & other payables		-	-	-		1,309,825	1,309,825
		145,889	459,167	926,427	-	1,704,466	3,235,949
Net Financial Assets (Liabilities)		974,501	1,233,550	(926,427)	-	(459,614)	822,010

Parent
2018

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank & on hand	1.4	2,829,983	1,496,216	-	-	2,780	4,328,979
Other receivables		-	-	-	-	1,395,767	1,395,767
Loans to related parties		-	-	-	-	179,950	179,950
Investments		-	-	-	-	215,946	215,946
		2,829,983	1,496,216	-	-	1,794,443	6,120,642
Financial Liabilities							
Bank overdraft	0	15	-	-	-	-	15
Loans from related parties		-	-	-	-	720,449	720,449
Trade & other payables		-	-	-	-	1,046,789	1,046,789
		15	-	-	-	1,767,238	1,767,253
Net Financial Assets		2,829,968	1,496,216	-	-	27,205	4,353,389

30: Fair value measurement

(a) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2019 and 31 December 2018:

Group	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
Assets								
Listed investments	**21,111**	18,805	-	-	**-**	-	**21,111**	18,805
Unlisted investments	**-**	-	-	-	**304,961**	119,665	**304,961**	119,665
Managed investments	**-**	-	-	-	**-**	-	**-**	-
Total assets	**21,111**	18,805	-	-	**304,961**	119,665	**326,072**	138,470

There were no transfers between Level 1, Level 2 and Level 3 in 2019 or 2018.

Listed investment – fair values have been determined by reference to their quoted bid prices at the reporting date.

The entity also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

30: Fair value measurement (Continued)

(b) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:
- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(ii) Non-recurring fair value measurements

The entity does not have assets in this category.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2019 and 2018 for recurring fair value measurements:

	2019 $	2018 $
Opening balance	**119,665**	165,478
Re-classification	**-**	(59,634)
Assets acquired via amalgamation	**-**	26,165
(Losses) recognised profit and loss	**185,296**	(12,344)
Closing balance	**304,961**	119,665
Unrealised gains or (losses) recognised in profit or loss attributable to assets held at the end of the reporting period (included in gains/(losses) recognised in other income)	**-**	-

30: Fair value measurement (Continued)

(d) Fair value measurement of non-financial instruments

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2019 and 31 December 2018:

Group	Level 1		Level 2		Level 3		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$	$	$
Property, plant & equipment								
Land & Buildings	-	-	-	-	**4,520,609**	4,217,316	**4,520,609**	4,217,316
Total assets	-	-	-	-	**4,520,609**	4,217,316	**4,520,609**	4,217,316

Fair value of the group's property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Committee of Management at each reporting date.

The significant unobservable input is the adjustment for factors specific to the land and building in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

Group	**Total**
	$
Opening net book amount	4,217,316
Revaluation	315,948
Disposals	-
Depreciation	(12,655)
Closing net book amount	4,520,609

31: Capital management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee ensure that the overall risk management strategy is in line with this objective.

The capital structure of the group consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Committee effectively manages the group's capital by assessing the group's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee to control capital of the entity since the previous year. No operations of the group are subject to external imposed capital requirements.

32: Disclosure requirements under the rules

In terms of the Rules of the CFMEU, the Union is required to provide additional disclosures.

a) *CFMEU Rule 24C and the Union Rule 14G - Officers' Material Personal Interests*

None of the Officers have disclosed any material personal interests in a matter that the officer has or acquires; or a relative of the officer has or acquires; that relates to the affairs of the Division.

b) *CFMEU Rule 24D and the Union Rule 14H - Payments to related parties and declared person or body of the Union*

Payments to related parties are disclosed under Note 25.

No payments were made by the Division to a declared person or body of the Division.

c) *CFMEU Rule 24B and the Union Rule 14F - Remuneration paid to the five highest paid officers of the Division and the two highest paid officers of the Districts.*

Name of officer	**District/Office**	***Wages***	***Super-annuation***	***Other***	***Total***	***Form of Non Cash Benefits***	***FBT gross up value***
Frank Vari	Victorian District	280,415	13,081	1,300	294,796	*vehicle*	15,956
Jennifer Kruschel	TCF District	183,050	32,641	-	215,691	*vehicle*	15,352
Alex Millar	PPW District	193,425	11,821	650	205,896	*vehicle*	9,428
Leo Skourdoumbis	Division	135,853	19,994	1,300	157,147	*vehicle*	16,817
Craig Smith	Division	122,355	17,924	650	140,929	*vehicle*	15,352

In terms of the rules:

"Remuneration"

(i) Includes pay, wages, salary, fees, allowances, leave, benefits or other entitlements; but
(ii) Does not include a non-cash benefit; and
(iii) Does not include the reimbursement or payment of reasonable expenses incurred in the course of the office carrying out his or her duties

Note 1:
These officers were 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.

Note 2:
Where there is only one officer disclosed for a District, there is only one officer in this District.

Note 3:
In some cases officers are both officers of Division and a District. In this case the officer's total remuneration is disclosed under both areas.

CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

STATEMENT BY DIVISIONAL EXECUTIVE

On 28/05/20 , the Divisional Executive of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2019:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. 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);
3. 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;
4. 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;
5. during the financial year to which the GPFR relates and since the end of that year:
   a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
   b. 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
   c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
   d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
   e. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
   f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance

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

Signature of designated officer:	
Name of designated officer:	Michael O'Connor
Title of designated officer:	Construction Forestry Maritime Mining & Energy Union – Manufacturing Division Divisional Secretary

Dated 29/05/2020

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION

Report on the audit of the financial report

We have audited the accompanying financial report of the Construction, Forestry, Maritime, Mining and Energy Union Manufacturing Division ("the Division) and its subsidiary, which comprises the balance sheet as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended and notes to the financial statements including a summary of significant accounting policies, and the Statement by the Divisional Executive of the Division and the subsection 255(2A) report.

In our opinion:

- the general purpose financial report of the Division and consolidated group presents fairly, in all material respects, the financial position of the Division and consolidated group as at 31 December 2019 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:

  a) the Australian Accounting Standards;

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

- the Divisional Executive's use of the going concern basis of accounting in the preparation of the Division's financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION (Continued)

Independence

We are independent of the entity in accordance with auditor independent requirements of ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethnical responsibilities in accordance with the Code.

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

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

Divisional Executive 's responsibility for the financial report

The Divisional Executive are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Divisional Executive determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Divisional Executive are responsible for assessing the entity'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 Divisional Executive either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION (Continued)

Auditor 's responsibility for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Divisional Executive.
- Conclude on the appropriateness of the Divisional Executive's use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause an entity 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 statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION MANUFACTURING DIVISION (Continued)

I declare that I am an approved auditor, a member of The Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

BGL Partners

I. A. Hinds - C.A. – Partner
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/87

29 May 2020
Melbourne