

4 June 2020

Mr Grahame Kelly General Secretary, Mining and Energy Division Construction, Forestry, Maritime, Mining and Energy Union

cc. Mr Stephen Milgate, Auditor

Dear General Secretary

Re: - Financial reporting - Construction, Forestry, Maritime, Mining and Energy Union, Mining and Energy Division - for year ending 31 December 2019 (FR2019/355)

I refer to the financial report of the Mining and Energy Division in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 1 June 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.

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. 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

Kiplen Kellet

Stephen Kellett Financial Reporting

Registered Organisations Commission

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION MINING & ENERGY DIVISION

DESIGNATED OFFICER CERTIFICATE

Certificate for the period ended 31 December 2019

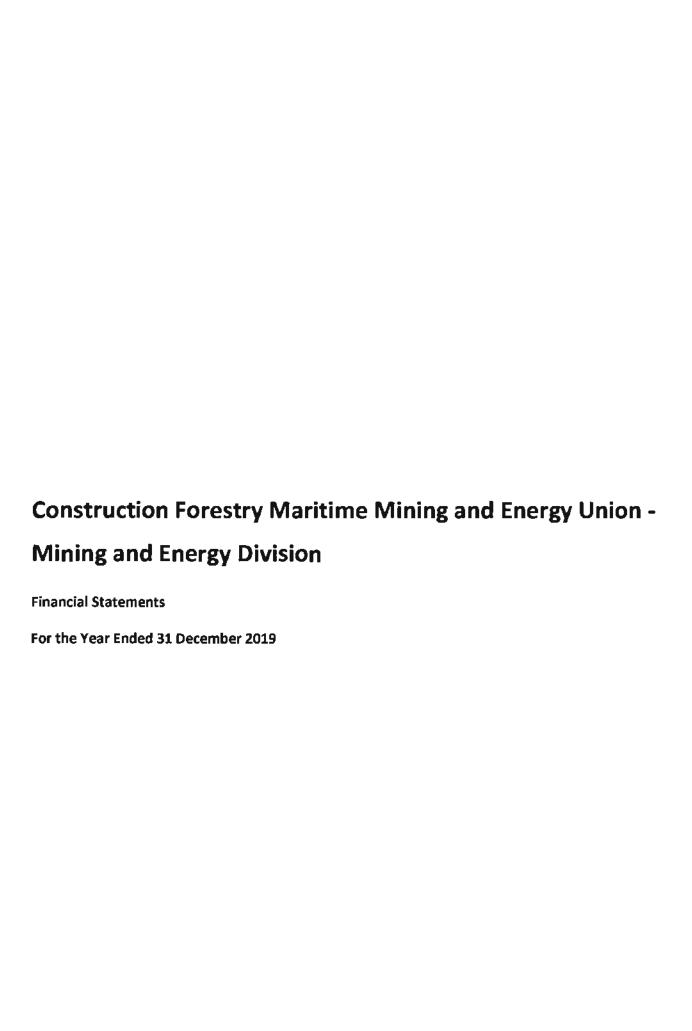
I, Grahame Kelly, being the General Secretary of the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, certify:

- That the documents lodged herewith are copies of the full report for the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, for the period ended 31 December 2019, referred to in s.268 the Fair Work (Registered Organisations) Act 2009; and
- That the full report, was provided to members of the reporting unit on 19th March 2020, after adoption of the accounts by the Central Council; and
- That the full report was supplied to members through the union website, and circulation at work sites. A series of meetings were held by members of the Mining and Energy Division of the Construction, Forestry, Maritime, Mining and Energy Union, the last meeting being on 28th May 2020; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Grahame Kelly General Secretary

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1 June 2020



For the Year Ended 31 December 2019

Financial Statements

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Operating Report

31 December 2019

The Committee of Management present their report, together with the financial statements of the Reporting Unit, being the Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division and its controlled entities, for the financial year ended 31 December 2019.

Names of committee of management members and period positions held during the financial year

The names of each person who has been on the Committee of Management during the year are:

Name	Position	Period of Appointment
Mr A Maher	General President	1/1/2019 - 31/12/2019
Mr G Kelly	General Secretary	1/1/2019 - 31/12/2019
Mr M Dobie	Central Councillor	1/1/2019 - 31/12/2019
Mr A Honeysett	Central Councillor	1/1/2019 - 1/8/2019
Mr S Smyth	Central Councillor	1/1/2019 - 31/12/2019
Mr P Jordan	Central Councillor	1/1/2019 - 31/12/2019
Mr B Wise	Central Councillor	1/1/2019 - 27/11/2019
Mr M Schofield	Central Councillor	1/1/2019 - 31/12/2019
Mr P Compton	Central Councillor	1/1/2019 - 31/12/2019
Mr S Mepham	Central Councillor	1/1/2019 - 28/2/2019
Mr G Pearce	Central Councillor	1/1/2019 - 31/12/2019
Mr L Ludlow	Central Councillor	1/1/2019 - 31/12/2019
Mr T Williams	Central Councillor	1/1/2019 - 31/12/2019
Mr D Hopkins	Central Councillor	1/1/2019 - 31/12/2019
Mr R Gale	Central Councillor	1/1/2019 - 31/12/2019
Mr G Busson	Central Councillor	1/1/2019 - 31/12/2019
Ms S Smoothy	Central Councillor	1/1/2019 - 31/12/2019
Mr G Osborne	Central Councillor	1/8/2019 - 31/12/2019
Mr M Reid	Central Councillor	28/2/2019 - 31/12/2019

Operating Report

31 December 2019

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

The principal activities of the Reporting Unit during the financial year were the:

- Adherence to the rules of the Division in furtherance of the objects of the Union consistent with the industrial relations legislation.
- Implementation of the decisions of the Divisional Executive and Committee of Management.
- Implementation of the Union's organising agenda, including assistance and advice on organising site projects, training and development of officials and planning and resourcing campaigns.
- Industrial Support including assistance with legal and legislative matters.
- The administration and variation of federal and state awards.
- Negotiation and registration of certified industrial instruments on behalf of members consistent with the objects of the Fair Work (Registered Organisations) Act 2009 and the Union rules.
- Media and other communication to members of the Division and to the broader local communities on issues affecting the rank and file.
- Monitoring and improving the health and safety of members.

No significant change in the nature of these activities occurred during the year.

The consolidated surplus of the Reporting Unit amounted to \$1,387,627 (2018: consolidated deficit of \$713,394).

A review of the operations and results of the Group is performed in the meetings of the Executive Officers and by the Committee of Management. Additionally, such matters are considered periodically at a regular meeting of the General Officers of the Union. The Committee of Management believe that they have furthered the interests of their members throughout the financial year through the conducting of the Union's principal activities.

Significant changes in financial affairs

There have been no significant changes in the financial affairs of entities in the Reporting Unit during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Reporting Unit, the results of those operations or the state of affairs of the Reporting Unit in future financial years.

Right of members to resign

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

Operating Report

31 December 2019

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

- Anthony Maher was an Alternate Director of Auscoal Superannuation Pty Ltd, which acts as a trustee
 for the Mine Superannuation Fund for the period 26 May 2015 to the 30 June 2019. Anthony Maher
 was appointed Director of Auscoal Superannuation Pty Ltd which acts as Trustee for the Mine
 Superannuation Fund from 1 July 2019 and continuing.
- Grahame Kelly is a Director of Auscoal Superannuation Pty Ltd, which acts as a trustee for the Mine Superannuation Fund.
- Mark Watson (Finance Manager) is a Director of Auscoal Superannuation Pty Ltd, which acts as trustee for the Mine Superannuation Fund.

These positions are held because of a criterion which requires that the reporting unit nominate a director of this entity.

No other officer or employee of the Union acts:

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

Number of members

There were 20,742 members of the Union as at 31 December 2019 (2018: 20,198).

Number of employees

As at 31 December 2019 the Union had 26 full-time equivalent employees (2018: 24).

Operating Report

31 December 2019

Officers and employees who are directors of a company or a member of a board in connection with their role as a member of the Reporting Unit

- Anthony Maher, Peter Jordan, Stephen Smyth and Grahame Kelly are directors of Unite Organising Pty
- Anthony Maher, Peter Jordan, Stephen Smyth and Grahame Kelly are directors of NMEAF Pty Ltd
- Peter Jordan is a director of United Collieries Pty Ltd
- Peter Jordan is a director of United Coal Sales Pty Ltd
- Peter Jordan is a director of Coal Services Pty Ltd
- Grahame Kelly is a director of Unity Bank Ltd
- Grahame Kelly is a director of Auscoal Superannuation Pty Ltd
- Anthony Maher is a director for Auscoal Superannuation Pty Ltd
- Anthony Maher is a director of Unity Law Pty Ltd
- Graeme Osborne is a director of Coal Services Pty Ltd
- Mark Watson is a director of Auscoal Superannuation Pty Ltd
- Mark Watson is a director of Unity Bank Ltd

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

Anthony Maher /
General President

18 March 2020

Committee of Management Statement For the year ended 31 December 2019

On 18 March 2020 the Committee of Management of the Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division passed the following resolution in relation to the General Purpose Financial Report for the year ended 31 December 2019:

The Committee of Management declares that in its opinion:

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

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

Anthony Maher

General President

General Secretary

Dated: 18 March 2020

Sydney

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2019

		2019	2018
	Note	\$	\$
Revenue	4	10,256,094	11,465,225
Employee benefits expense	5	(5,908,943)	(4,93 7 ,626)
Legal campaign fund expense	5	(828,321)	(620,003)
Campaign expenses		(91,634)	(3,5 7 4)
Depreciation and amortisation expense	11(a) 12(a)	(920,343)	(912, 7 35)
Operating expenditure		(580,922)	(502,629)
Property expenses		(574,291)	(518,013)
Travel and accommodation costs		(517,211)	(529,957)
Affiliation fees	5	(428,107)	(424,241)
Advertising and communication expenses		(417,999)	(345,047)
Levies	5	(575,750)	(1,365,000)
Investment costs		(143,801)	(141,702)
Insurance expenses		(108,682)	(106,894)
Motor vehicle expenses		(104,325)	(103,336)
Professional fees		(57,861)	(107,420)
Donations	5	(15,516)	(78,437)
Conference and meeting expenses	5	(14,951)	(90,473)
Lease expense	10	(6,445)	-
Gain/(loss) on sale of property, plant equipment		147	(12,216)
Fair value gain/(loss) on equity investments	4	2,426,488	(1,379,316)
Result for the year	_	1,387,627	(713,394)
Other comprehensive income for the year	_	-	
Total comprehensive income/(loss) for the year	-	1,387,627	(713,394)

Consolidated Balance Sheet

As at 31 December 2019

Note (Note (N			2019	2018
CURRENT ASSETS 6 9,728,299 10,034,459 Trade and other receivables 7 2,062,434 2,192,257 Other financial assets 8 21,699,837 21,435,534 Other assets 9 325,874 237,710 TOTAL CURRENT ASSETS 3,816,444 33,899,960 NON-CURRENT ASSETS 3 5 - Investment in joint ventures 23 5 - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 12 8,369 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 CURRENT LIABILITIES 1 1,466,156 1,409,433 Lease liabilities 13 1,466,156 1,409,433 Lease liabilities 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES <		Note	\$	\$
Cash and cash equivalents 6 9,728,299 10,034,459 Trade and other receivables 7 2,062,434 2,192,257 Other financial assets 8 21,699,837 21,435,534 Other assets 9 325,874 237,710 TOTAL CURRENT ASSETS 33,816,444 33,899,960 NON-CURRENT ASSETS 23 - - Investment in joint ventures 23 - - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 TOTAL ASSETS 13 1,466,156 1,409,433 Lease liabilities 13 1,466,156 1,409,433 Lease liabilities 14 3,001,846 2,674,413 TOTAL LURRENT LIABILITIES	ASSETS			
Trade and other receivables 7 2,062,434 2,192,257 Other financial assets 8 21,699,837 21,435,534 Other assets 9 325,874 237,710 TOTAL CURRENT ASSETS 33,816,444 33,899,960 NON-CURRENT ASSETS 23 Investment in joint ventures 23 Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 EURRENT LIABILITIES 3 1,466,156 1,409,433 Lease liabilities 13 1,466,156 1,409,433 Lease liabilities 13 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 -	CURRENT ASSETS			
Other financial assets 8 21,699,837 21,435,534 Other assets 9 325,874 237,710 TOTAL CURRENT ASSETS 33,816,444 33,899,960 NON-CURRENT ASSETS 23 - - Investment in joint ventures 23 - - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 204,930 TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 CURRENT LIABILITIES 1 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL INON-CURRENT LIABILITIES 4,476,517 4,083,846	Cash and cash equivalents	6	9,728,299	10,034,459
Other assets 9 325,874 237,710 TOTAL CURRENT ASSETS 33,816,444 33,899,960 NON-CURRENT ASSETS Investment in joint ventures 23 - - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 CURRENT LIABILITIES 25,99,339 61,608,641 CURRENT LIABILITIES 1 4,66,156 1,409,433 TOTAL CURRENT LIABILITIES 1 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 1 2,567 - TOTAL LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Trade and other receivables	7	2,062,434	2,192,257
TOTAL CURRENT ASSETS 33,816,444 33,899,960 NON-CURRENT ASSETS 3	Other financial assets	8	21,699,837	21,435,534
3,816,444 35,895,960 NON-CURRENT ASSETS 3 - - Investment in joint ventures 23 - - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 28,582,895 27,708,681 CURRENT LIABILITIES 3 1,466,156 1,409,433 Lease liabilities 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Other assets	9	325,874	2 3 7,710
Investment in joint ventures 23 - - Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 52,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	TOTAL CURRENT ASSETS		33,816,444	33,899,960
Other financial assets 8 3,671,445 3,237,883 Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	NON-CURRENT ASSETS			
Property, plant and equipment 11 24,834,831 24,265,868 Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES URRENT LIABILITIES CURRENT LIABILITIES 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Investment in joint ventures	23	-	-
Intangible assets 12 68,310 204,930 Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Other financial assets	8	3,671,445	3,237,883
Right-of-use assets 10 8,309 - TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Property, plant and equipment	11	24,834,831	24,265,868
TOTAL NON-CURRENT ASSETS 28,582,895 27,708,681 TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Intangible assets	12	68,310	204,930
TOTAL ASSETS 62,399,339 61,608,641 LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES Lease liabilities 10 2,567 - TOTAL NON-CURRENT LIABILITIES Lose liabilities 10 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Right-of-use assets	10	8,309	
LIABILITIES CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	TOTAL NON-CURRENT ASSETS		28,582,895	27,708,681
CURRENT LIABILITIES Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	TOTAL ASSETS		62,399,339	61,608,641
Trade and other payables 13 1,466,156 1,409,433 Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	LIABILITIES			
Lease liabilities 10 5,948 - Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	CURRENT LIABILITIES			
Employee benefits 14 3,001,846 2,674,413 TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Trade and other payables	13	1,466,156	1,409,433
TOTAL CURRENT LIABILITIES 4,473,950 4,083,846 NON-CURRENT LIABILITIES 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	Lease liabilities	10	5,948	-
NON-CURRENT LIABILITIES Lease liabilities 10 2,567 - TOTAL NON-CURRENT LIABILITIES 7 TOTAL LIABILITIES 4,476,517 4,083,846	Employee benefits	14	3,001,846	2,674,413
Lease liabilities 10 2,567 - TOTAL NON-CURRENT LIABILITIES 2,567 - TOTAL LIABILITIES 4,476,517 4,083,846	TOTAL CURRENT LIABILITIES	_	4,473,950	4,083,846
TOTAL NON-CURRENT LIABILITIES 2,567 TOTAL LIABILITIES 4,476,517 4,083,846	NON-CURRENT LIABILITIES	·		
TOTAL LIABILITIES 4,476,517 4,083,846	Lease liabilities	10	2,567	
4,470,317 4,083,846	TOTAL NON-CURRENT LIABILITIES		2,567	•
NET ASSETS 57,922,822 57,524,79S	TOTAL LIABILITIES		4,476,517	4,083,846
	NET ASSETS		57,922,822	57,524,79S

Conso	lidate	d Bala	nce Sheet

As at 31 December 2019

	Note	2019 \$	2018 \$
EQUITY			
Reserves	15	19,051,466	20,041,066
Retained earnings		38,871,356	37,483,729
TOTAL EQUITY		57,922,822	57,524,795

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2019

	Retained Earnings	Capital Reserve	Total
	\$	\$	\$
Balance at 31 December 2018	37,483,729	20,041,066	57,524,795
Result for the year	1,387,627	-	1,387,627
Capital distributions to the fund	-	2,989,8 53	2,989,853
Capital distributions from the fund		(3,979,453)	(3,979,453)
Balance at 31 December 2019	38,871,356	19,051,466	57,922,822
Balance at 31 December 2017	38,197,123	22,059,666	60,256,789
Result for the year	(713,394)	•	(713,394)
Capital distributions to the fund	-	1,662,852	1,662,852
Capital distributions from the fund		(3,681,452)	(3,681,452)
Balance at 31 December 2018	37,483,729	20,041,066	5 7, 524,795

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and contributions		10,274,717	13,353,942
Capital Contributions from fund members		2,989,853	1,662,852
Payments to suppliers, beneficiaries and employees		(14,963,662)	(17,119,218)
Dividends received		749,479	764,226
Interest received		273,028	418,494
Net cash used in operating activities	27	(676,585)	(919,704)
CASH FLOWS FROM INVESTING ACTIVITIES: Proceeds from sale of plant and equipment Net proceeds from sale of financial assets at amortised cost Purchase of property, plant and equipment and intangibles Net proceeds/(purchase of) of financial assets at FVTPL Net cash provided by investing activities		123,727 (689,106) (1,476,266) 2,417,729 376,084	32,018 4,386,940 (189,970) (1,884,264) 2,344,724
CASH FLOWS FROM FINANCING ACTIVITIES: Payment of finance lease liabilities (2018: finance leases) -			
principal repayments		(5,659)	-
Net cash used in financing activities		(5,659)	
Net increase/(decrease) in cash and cash equivalents held Cash and cash equivalents at beginning of year		(306,160) 10,034,459	1,425,020 8,609,439
Cash and cash equivalents at end of financial year	6	9,728,299	10,034,459

Notes to the Financial Statements For the Year Ended 31 December 2019

The financial report covers Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division and controlled entities ("the Group" or "the Reporting Unit").

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

1 Basis of Preparation

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

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

Where required, comparative figures have been adjusted to conform with changes in presentation in the current financial year.

2 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in Note 21 to the financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of consolidation (Continued)

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Joint Arrangements

AASB 11 *Joint Arrangements* defines a joint arrangement as an arrangement of which two or more parties have joint control and classifies these arrangements as either joint ventures or joint operations.

Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division has determined that it has only joint ventures.

Joint ventures

Joint ventures are those joint arrangements which provide the venturer with right to the net assets of the arrangements. Interests in joint ventures are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the venturer's share of losses of a joint venture equals or exceeds its interest in the joint venture, the venturer discontinues recognising its share of further losses.

The venturer's share in the joint ventures gains or losses arising from transactions between a venturer and its joint venture are eliminated.

Adjustments are made to the joint ventures accounting policies where they are different from those of the venturer for the purpose of the consolidated financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

(c) Income tax

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

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(d) Leases

(i) Leases - accounting policy from 1 January 2019

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

This involves an assessment of whether:

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

Lessee accounting

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

Right-of-use asset

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

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

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

Lease liability

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

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(d) Leases (Continued)

Lease liability (Continued)

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

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

The Group as a lessor

Lessor accounting

When the Group is a lessor, the lease is classified as either an operating or finance lease at inception date based on whether substantially all of the risks and rewards incidental to ownership of the underlying asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income from operating leases is recognised on a straight line basis over the lease term. Finance income under a finance lease is recorded on a basis to reflect a constant periodic rate of return on the Group's net investment in the lease.

(ii) Operating leases - accounting policy applied prior to 1 January 2019

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term; leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(e) Revenue and other income

Revenue from contracts with customers - from 1 January 2019

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

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

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

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

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

Specific revenue streams

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

Member income and capitation fees

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

Rental income

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

Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(e) Revenue and other income (Continued)

Other income

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

Rendering of Services - accounting policy applied prior to 1 January 2019

Revenue from member subscriptions, capitations and campaign fees are accounted for on an accruals basis and is recorded as revenue in the year to which it relates.

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

(f) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(g) Property, plant and equipment

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

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

Depreciation

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

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

Fixed asset class	Depreciation rate
Buildings	2 - 20 %
Furniture, Fixtures and Fittings	5 - 40%
Motor Vehicles	22.5%

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

(h) Financial instruments

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through other comprehensive income.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(h) Financial instruments (Continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. All the Group's debt instruments are classified as amortised cost, whereby all assets are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. These are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

The Group subsequently measures all equity instruments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the statement of profit or loss and other comprehensive income as applicable.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 17 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(i) Impairment of non-financial assets

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

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

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

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(i) Impairment of non-financial assets (Continued)

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

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

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

(j) Intangibles

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, on-demand deposits and short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(I) Employee benefits

Defined contribution schemes

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

Short-term obligations

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

Other long-term employee benefit obligations

The liabilities for long service leave, annual leave, accumulating personal leave and separation and redundancy entitlements that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments 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.

(m) Provisions

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

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Summary of Significant Accounting Policies (Continued)

(n) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised thorough profit or loss, except where they relate to an item of other comprehensive income.

(o) Capitation fees

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

(p) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time during the year 31 December 2019. Refer to note 18 for the details of the changes due to the standards adopted.

(q) New Standards and Interpretations not yet adopted

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

Notes to the Financial Statements For the Year Ended 31 December 2019

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

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

Key estimates - useful lives of depreciable assets

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

Key estimates - receivables

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

Key estimates - employee entitlements

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

Notes to the Financial Statements For the Year Ended 31 December 2019

3 Critical Accounting Estimates and Judgments (Continued)

Control assessment

The Committee of Management have determined that they do not control a company called Auscoal Superannuation Pty Limited even though the Union holds 50% of the issued capital of this entity. Auscoal Superannuation Pty Ltd is the trustee of Mine Superannuation Fund. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$4 (2018: \$4) and is included in unlisted shares.

The Committee of Management have determined that they do not control a company called Coal Services Pty Limited even though the union holds S0% of the issued capital of this entity. It is not a controlled entity of the Union because the Union is not exposed, and has no right, to variable returns from this entity and is not able to use its power over the entity to affect those returns. The investment has a fair value of \$1 (2018: \$1) and is included in unlisted shares.

The Committee of Management have determined that they control a company called NMEAF Pty Limited even though the union owns no shares in the company. As both the parent and subsidiary are not-for-profit entities, control has been determined in accordance with the implementation guidance for not-for-profit entities included in AASB 10 Consolidated Financial Statements. NMEAF Pty Limited is the trustee of the National Assistance Fund and therefore the Union is deemed to also control this trust. The Union is the income beneficiary of the trust and receives the net income of the trust on an annual basis. The Union will receive the repository assets of the fund at the vesting date of the trust. Refer to note 21 for further information regarding the restriction of the assets and capital reserve of the fund.

The Committee of Management have determined that they control a company called Unity Law Pty Limited, incorporated in July 2017, even though the union owns no shares in the company. Control has been determined in accordance with the implementation guidance included in AASB 10 Consolidated Financial Statements. Unity Law Pty Limited is currently dormant.

Notes to the Financial Statements For the Year Ended 31 December 2019

4 Revenue and other income

Revenue from contracts with customers		
	2019	2018
	\$	\$
Capitation fees by branch		
- Northern Mining and NSW Energy District	2,583,220	2,48 2,024
- Queensland District	1,945,722	1,876,467
- South West District	1,043,631	996,376
- AWU WA Branch	335,932	209,420
- Western Australian District	248,053	2 59,150
- Victorian District	171,894	170,858
- Tasmanian District	30,622	3 3,210
Campaign and special administration funds received	1,192,404	2,564,417
	7,551,478	8,591,922
Other revenue		
- Rental Income	1,35 3 ,599	1,430,615
- Interest Received	289,757	4 18,494
- Dividend received	749,479	764,226
- Other income	311,781	259,968
	2,704,616	2,873,303
	10,256,094	11,465,225
Other Income		
Fair value (loss)/gain to financial assets through profit or		
loss	2,426,488	(1,379,316)

Notes to the Financial Statements For the Year Ended 31 December 2019

4 Revenue and other income (Continued)

Disaggregation of revenue from contracts with customers

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

			2019
			\$
1	Timing of revenue recognition		
-	- At a point in time		1,192,404
-	- Over time		6,359,074
F	Revenue from contracts with customers		7,551,478
5 F	Result for the year		
((a) Employee benefits expense comprises:		
		2019	2018
		\$	\$
	Office holders:		
	- Wages and salaries	558,071	597,897
	- Superannuation	49,380	52,400
	- Leave and other entitlements	629,495	112,258
	- Other employee expenses (including FBT, payroll tax		
	other expenses)	82,228	95,472
		1,319,174	858,027
	Employees other than office holders:		
	- Wages and salaries	2,888,054	2,635,536
	- Superannuation	589,296	420,092
	- Leave and other entitlements	870,3 19	5 7 6,573
	- Separation and redundancies	-	141,843
	- Other employee expenses (including FBT, payroll tax,		
	uniforms and other expenses)	242,100	3 0 5,555
		4,589,769	4,079,599
	Total employee benefits expense	5,908,943	4,937,626

Notes to the Financial Statements For the Year Ended 31 December 2019

5 Result for the year (Continued)

(b)) C)ther	expense	dîscl	osures
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Affiliation Fees CFMMEU 345,345 345,345 IndustriALL Global Union 57,253 53,396 The McKell Institute 25,000 25,000 NSW ALP Left 509 500 NSW ALP Left 509 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 240,003 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	(b) Other expense disclosures		
Affiliation Fees CFMMEU 345,345 345,345 IndustriALL Global Union 57,253 53,396 The McKell Institute 25,000 25,000 NSW ALP Left 509 - Unions NSW - Sydney May Day Committee - 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 20,003 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098		2019	2018
CFMMEU 345,345 345,345 IndustriALL Global Union 57,253 53,396 The McKell Institute 25,000 25,000 NSW ALP Left 509 - Unions NSW - Sydney May Day Committee - 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Legal costs - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 20,003 365,000 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098		\$	\$
IndustriALL Global Union 57,253 53,396 The McKell Institute 25,000 25,000 NSW ALP Left 509 - Unions NSW - Sydney May Day Committee - 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents Cash on hand 346 361 Cash t bank 9,727,953 10,034,098	Affiliation Fees		
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NSW ALP Left 509 - Unions NSW - Sydney May Day Committee - 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	IndustriALL Global Union	57,253	53,396
Unions NSW - Sydney May Day Committee - 500 Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	The McKell Institute	25,000	25,000
Total 428,107 424,241 Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Legal costs - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	NSW ALP Left	509	-
Conference and meeting expenses 14,951 90,473 Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Unions NSW - Sydney May Day Committee		500
Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Total	428,107	4 24,24 1
Operating lease rentals- Minimum lease payments - 6,239 Donations - total paid that were less \$1,000 or less 3,016 5,235 Donations - total paid that exceeded \$1,000 12,500 73,202 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Conference and meeting expenses	14,951	90,473
Donations - total paid that exceeded \$1,000 12,500 73,202 15,516 78,437 Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash at bank 9,727,953 10,034,098		•	•
Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents 346 361 Cash at bank 9,727,953 10,034,098	Donations - total paid that were less \$1,000 or less	3,016	5,235
Legal costs - litigation 787,255 545,154 Legal costs - other legal matters 41,066 74,849 828,321 620,003 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Donations - total paid that exceeded \$1,000	12,500	73,202
Legal costs - other legal matters 41,066 74,849 828,321 620,003 Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents Cash on hand 346 361 Cash at bank 9,727,953 10,034,098		15,516	78,437
Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Legal costs - litigation	787,255	545,154
Compulsory levies - paid to CFMMEU National Office for campaigning purposes 575,750 1,365,000 Cash and cash equivalents Cash on hand 346 361 Cash at bank 9,727,953 10,034,098	Legal costs - other legal matters	41,066	74,849
Cash and cash equivalents 575,750 1,365,000 Cash on hand 346 361 Cash at bank 9,727,953 10,034,098		828,321	620,003
Cash on hand 346 361 Cash at bank 9,727,953 10,034,098		575,750	1,365,000
Cash at bank 9,727,953 10,034,098	Cash and cash equivalents		
	Cash on hand	346	361
9,728,299 10,034,459	Cash at bank	9,727,953	10,034,098
		9,728,299	10,034,459

Notes to the Financial Statements For the Year Ended 31 December 2019

6 Cash and cash equivalents (Continued)

Restricted cash

The Group has restricted cash balance of \$4,133,253 (2018: \$1,778,129) which is held for a specific purpose and cannot be used to settle the liabilities of the Group. Refer note 21 for further information.

7 Trade and other receivables

		2019 \$	2018 \$
	de Receivables from contracts with customers vision for impairment	1,467,950 -	1 ,487,026
Oth	er receivables	594,484	705,231
		2,062,434	2,192,257
(a)	Aged analysis		
	The ageing analysis of trade receivables is as follows:		
	0-30 days	1,244,946	1,483,756
	31-60 days	217,997	2,324
	61-90 days (past due not impaired)	391	946
	61-90 days (considered impaired)	-	-
	91+ days (past due not impaired)	4,616	-
	91+ days (considered impaired)		
		1,467,950	1,487,026

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2019

7 Trade and other receivables (Continued)

(b) Impairment of receivables

(c)

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2019 is determined as follows, the expected credit losses incorporate forward looking information.

31 December 2019 Expected loss rate (%) Gross carrying amount (\$)	Current - 1,244,946	< 30 days overdue - 217,997	< 90 days overdue - 391	> 90 days overdue - 4,616	Tota! - 1,467,950
ECL provision	- 1,244,540	-	- 331	4,010	1,407,330
Receivables from other re	porting units			2019 ¢	2018

	2019	2018
	\$	\$
CFMMEU - Mining and Energy Division		
- Queensland District Office	434,409	901,678
- Northern Mining and NSW Energy District	290,512	253,987
- South Western District	332,679	192,836
- AWU Western Australian Branch	177,578	1,098
- Western Australian District	50,117	60,924
- Victorian District	24,414	23, 6 70
- Tasmanian District	23,346	22,000
CFMMEU Construction and General Division - National		
Office	282	-
Unions NSW	-	664
CFMMEU National Office	65	_

Receivables from other reporting units are not considered impaired (2018: Nil).

Othe	er financial assets			
			2019	2018
		Note	\$	\$
CUR	RENT			
Fina	ncial assets at fair value through profit or loss	(a)	14,783,770	15,20 8,573
Othe	er financial assets at amortised cost	(b)	6,916,067	6,226,961
Tota	l current assets		21,699,837	21,435,534
NON	I-CURRENT	•		
Fina	ncial assets at fair value through profit or loss	(a)	3,671,445	3,237,883
(a)				
`,	Financial assets at fair value through profit or loss compris CURRENT Listed investments, at fair value - shares in listed corporations	e:	14,783,770	15,208,573
.,	CURRENT Listed investments, at fair value	e:	14,783,770	15,208,573
,,	CURRENT Listed investments, at fair value - shares in listed corporations NON-CURRENT Listed investments - fair value - shares in listed corporations	e:	14,783,770 3,671,430	1 5,208,573 3 ,237,868
,,	CURRENT Listed investments, at fair value - shares in listed corporations NON-CURRENT Listed investments - fair value	e:		·
,,	CURRENT Listed investments, at fair value - shares in listed corporations NON-CURRENT Listed investments - fair value - shares in listed corporations Unlisted investments	e:	3,671,430	3 ,237,868
(b)	CURRENT Listed investments, at fair value - shares in listed corporations NON-CURRENT Listed investments - fair value - shares in listed corporations Unlisted investments	e:	3,671,430 15	3,2 37 ,8 68

(c) Classification of financial assets at fair value through profit or loss

The Group classifies equity investments for which the Group has not elected to recognise fair value gains and losses through other comprehensive income as fair value through profit or loss.

Notes to the Financial Statements For the Year Ended 31 December 2019

9 Other Assets

2019	2018		
\$	\$		
325,874	237,710		

10 Leases

Prepayments

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

The Group as a lessee

The Group has a lease over IT equipment.

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

Terms and conditions of leases:

Office equipment is leased over 2 to 5 year period with no option to extend. The lease payments are fixed during the lease term.

Right-of-use assets

	Plant and Equipment
	\$
Year ended 31 December 2019	
Balance at 1 January 2019	14,174
Depreciation charge	(5,865)
Balance at end of year	8,309

Notes to the Financial Statements
For the Year Ended 31 December 2019

10 Leases (Continued)

Lease liabilities

		1 January	
	2019	2019	
	\$	\$	
Current	5,948	5,659	
Non-current	2,567	8,515	
Total	8,515	14,174	

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Consolidated Balance Sheet
	\$	\$	\$	\$	\$
2019					
Lease liabilities	6,240	2,600		8,840	8,515

Consolidated Statement of Profit or Loss and Other Comprehensive Income

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

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	2019
	\$
Interest expense	580
Depreciation of right-of-use assets	5,865
	6,445
Consolidated Statement of Cash Flows	
Total cash outflow for leases	6,240

Notes to the Financial Statements For the Year Ended 31 December 2019

10 Leases (Continued)

The Group as a lessor

Operating leases

The Group leases out a number of properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as property plant and equipment in the consolidated balance sheet (refer note 11).

Operating leases

Minimum lease payments receivable on leases of property are as follows:

	2019 \$	2018 \$
Less than 1 year	955,34	6 1,019,889
Between 1 – 2 years	749,09	6 840,886
Between 2 – 3 years	683,92	5 690,861
Between 3 – 4 years	111,22	2 683,926
Between 4 – 5 years	76,37	2 111,222
Greater than 5 years		- 76,372
	2,575,96	1 3,423,156

Notes to the Financial Statements For the Year Ended 31 December 2019		
1 Property, plant and equipment		
	2019	2018
	\$	\$
Land & buildings		
At cost	29,689,498	28,647,184
Accumulated depreciation and impairment	(5,506,940)	(4,846,204)
	24,182,558	23,800,980
Furniture, fixture and fittings		
At cost	849,984	829,825
Accumulated depreciation	(790,435)	(763,901)
	59,549	65,924
Motor vehicles		
At cost	866,877	733,822
Accumulated depreciation	(274,153)	(334,858)
	592,724	398,964
Total property, plant and equipment	24,834,831	24,265,868

Notes to the Financial Statements For the Year Ended 31 December 2019

11 Property, plant and equipment (Continued)

(a) Movements in carrying amounts of property, plant and equipment

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

		Furniture,		
	Land & Buildings	Fixtures and Fittings	Motor Vehicles	Total
	\$	\$	\$	\$
Year ended 31 December 2019				
Balance at the beginning of year	23,800,980	65,924	398,964	24,265,868
Additions	1,042,314	20,159	413,793	1,476,266
Disposals - written down value	-	-	(123,580)	(123,580)
Depreciation expense	(660,736)	(26,534)	(96,453)	(783,723)
Balance at the end of the year	24,182,558	59,549	592,724	24,834,831

	Land & Buildings \$	Furniture, Fixtures and Fittings \$	Motor Vehicles \$	Total \$
Year ended 31 December 2018				
Balance at the beginning of year	24,423,378	59,446	455,423	24,938,247
Additions	30,763	41,867	75,340	147,970
Disposals - written down value	-	-	(44,234)	(44,234)
Depreciation expense	(653,161)	(35,389)	(87,565)	(776,115)
Balance at the end of the year	23,800,980	65,924	398,964	24,265,868

	tes to the Financial Statements the Year Ended 31 December 2019		
12	Intangible Assets		
		2019	2018
		\$	\$
	Computer software		
	At cost	341,550	341,550
	Accumulated amortisation	(273,240)	(136,620)
		68,310	204,930
	(a) Movements in carrying amounts of intangible assets		
			Computer software
	Year ended 31 December 2019		•
	Balance at the beginning of the year		204,930
	Amortisation		(136,620)
		-	
	Closing value at 31 December 2019	=	68,310
			Computer
			software
			\$
	Year ended 31 December 2018		
	Balance at the beginning of the year		2 99 ,550
	Additions		42,000
	Amortisation	_	(136,620)
	Closing value at 31 December 2018	_	204,930

Notes to the Financial Statements		
For the Year Ended 31 December 2019		
13 Trade and other payables		
	2019	2018
	\$	\$
Trade Payables	539,582	492,947
Other Payables	926,574	890,521
Income in advance		25,965
	1,466,156	1,409,433

All amounts are short term and the carrying values are considered to be a reasonable approximations of fair value.

Payables to other reporting entities: (a) CFMMEU - Mining and Energy Division - Queensland District Office 116,919 - Northern Mining and NSW Energy District 76,818 22,869 - South Western District 55,516 **CFMMEU National Office** 341,250 590,503 22,869 Amounts included in payables: Legal fees payable - litigation 99,829 88,283 Legal fees payable - other legal matters 4,309 24,484

104,138

112,767

Total

14 Emp	loyee benefits		
		2019	2018
		\$	\$
CUR	RRENT		
Prov	vision for employee benefits	3,001,846	2,674,413
(a)	Total employee benefits attributable to:		
	Office Holders - Current:		
	Annual leave	195,107	192,508
	Long service leave	406,709	385,137
	Less: Right of indemnity (note (b))	(406,709)	(385,137)
	Separations and redundancies	254,961	241,628
	Personal leave	241,703	224,909
		691,771	659,045
	Employees other than Office Holders - Current:		
	Annual leave	743,888	701,426
	Long service leave	1,136,188	946,741
	Personal leave	429,999	367,201
		2,310,075	2 ,015,368
	National Officers other than Office Holders - Current:		
	Long service leave	2,816,880	2,661,057
	Less: Right of indemnity (note(b))	(2,816,880)	(2,661,057)
			-
	Total	3,001,846	2,674,413

(b) Right of indemnity

All long service leave entitlements relating to National Officers are the responsibility of 'The CFMEU Mining & Energy Employees' Entitlement Trust' from which all relevant long service leave entitlements and obligations are settled from. Accordingly, the provision for long service leave is reduced by the fair value of trust assets available and set aside to settle those entitlements. The Trust is an ATO approved Employee Entitlement Trust.

2018 \$

22,059,666

1,662,852

(3,681,452)

20,041,066

(3,979,453)

19,051,466

_	tes to the Financial Statements the Year Ended 31 December 2019	
15	Reserves	
		2019
		\$
	Capital reserve	
	Opening balance	20,041,066
	Capital contributions	2,989,853

Capital reserve

Closing balance

Capital distributions

The capital reserve are restricted funds. Refer note 21.

16 Capital and leasing commitments

Contracted commitments

Contracted commitments for:

Membership software 20,505 68,000

Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments:

- no later than 1 year	~	6,228
- between 1 year and 5 years	-	8,823
	-	15,051

Operating leases have been taken out for office equipment for a period up to 5 years.

Refer to note 10 for information on leases for 2019.

17 Financial risk management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and equity price risk.

Notes to the Financial Statements For the Year Ended 31 December 2019

17 Financial risk management (Continued)

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

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

		2019	2018
	Note	\$	\$
Financial Assets			
Cash and cash equivalents	6	9,728,299	10,034,459
Trade receivables	7	1,467,950	1,487,026
Other receivables	7	594,484	705,231
Other financial assets at amortised cost	8	6,916,067	6,226,961
Financial assets at fair value through profit or loss			
- listed investments	8	18,445,200	18,446,441
- unlisted investments	8	15	15
Total financial assets		37,152,015	36,900,133
Financial Liabilities			
Financial liabilities at amortised cost			
- Trade and other payables	13	1,466,156	1,383,468
- Lease liabilities	1 0	8,515	~
Total financial liabilities		1,474,671	1,383,468

Liquidity risk

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

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

Notes to the Financial Statements For the Year Ended 31 December 2019

17 Financial risk management (Continued)

Liquidity risk (Continued)

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

Less than 1 year		
2019	2018	
\$	\$	
1.466.156	1.383.468	

Trade and other payables (excluding estimated annual leave)

Credit risk

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

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

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

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

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

The Group does not have any material credit risk exposure to any single receivable or group of receivables.

Market risk

The following table illustrates the sensitivity of the net result for the year and equity in regard to the Group's financial assets and the United States Dollar - Australian Dollar exchange rate. There have been no changes in the assumptions calculating this sensitivity from prior years.

Notes to the Financial Statements For the Year Ended 31 December 2019

17 Financial risk management (Continued)

Market risk (Continued)

It assumes a +/- 10% change of the Australian Dollar / United States Dollar exchange rate for the year ended 31 December 2019 (31 December 2018: 10%). This percentage has been determined based on the average market volatility in exchange rates in the previous 12 months.

If the Australian Dollar had strengthened and weakened against the United States Dollar by 10% (31 December 2018: 10%) then this would have had the following impact:

	2019	2019		2018	
	+10%	-10%	+10%	-10%	
USD					
Net results	804	(804)	661	(661)	

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk. There are no other material exposures to foreign exchange risk.

Other price risk

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

The Group is not exposed to commodity price risk.

At reporting date, if the Australian Stock Exchange index had increased / decreased by 5.00% with all other variables held constant and all of the Group's equity instruments moved according to the historical correlation with the index, the impact on profit and equity is shown in the table below:

	201	19	201	.8
	+5.00%	-5.00%	+5.00%	-5.00%
ASX Index Impact on result	767,533	(767,533)	817,441	(8 1 7,441)
International Markets Impact on result	\$6,285	(56,285)	5 1 ,256	(51,256)

Notes to the Financial Statements For the Year Ended 31 December 2019

17 Financial risk management (Continued)

Other price risk (Continued)

In the prior period there is no profit impact, except for investments held at fair value through profit or loss. Equity would increase / decrease as a result of fair value movements through the investment reserve.

The price risk for the unlisted securities held by the Group 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.

Net income and expense from Financial Assets

	2019	2018
	\$	\$
Financial assets at amortised cost		
Interest revenue	289,75 5	418,494
Financial assets held at fair value through profit or loss		
Gain/(loss) recognised in profit or loss	2,426,488	(1,379,316)
Dividends	749,479	764,226
Brokerage fees	(143,801)	(141,702)

18 Change in Accounting Policy

On 1 January 2019 the Union adopted the following new accounting standards that were mandatory for the first time:

- AASB 15 Revenue from contracts with customers
- AASB 16 Leases
- AASB 1058 Income for Not-for-Profit Entities

All standards have been applied to the year ended 31 December 2019, however, as allowed, comparatives have not been restated.

AASB 15 and AASB 1058 resulted in changes to accounting policies, however no adjustments were required to be recognised in the financial statements.

Notes to the Financial Statements For the Year Ended 31 December 2019

18 Change in Accounting Policy (Continued)

The following changes were required to be made a result of adopting AASB 16:

	1 January 2019		
	Previously stated	Adjustments	Restated
	\$	\$	\$
Consolidated Balance Sheet			
Non-current assets			
Right-of-use assets	-	14,174	14,174
Total non-current assets	27,708,681	14,174	27,722,855
Total assets	61,608,641	14,174	61,622,815
Current liabilities			
Lease liabilities		5,659	5,659
Total current liabilities	4,083,846	5,659	4,089,505
Non-current liabilities			
Lease liabilities	-	8,515	8,515
Total non-current liabilities		8,515	8,515
Total Liabilities	4,083,846	14,174	4,098,020
Net assets	57,524,795		57,524,795

19 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2019	2018
	\$	\$
Salary (including annual leave taken)	485,265	500,063
Leave accrued	76,488	74,988
	561,753	575,051
Long service leave	13,810	13,540
Superannuation	42,021	42,744
	617,584	631,335

Notes to the Financial Statements For the Year Ended 31 December 2019		
20 Auditor's remuneration		
	2019	2018
	\$	\$
Remuneration of the auditor of the Union, Daley Audit, for:		
- auditing the financial report	41,850	44,200
- taxation and consulting services	12,550	1,850
- secondment of non-assurance staff for non-assurance services	-	24,670

21 Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2019	Percentage Owned (%)* 2018
Subsidiaries:			
Unite Organising Pty Limited	Australia	100	100
NMEAF Pty Limited	Australia	-	-
National Assistance Fund	Australia	-	~
Unity Law Pty Limited	Australia	-	-

54,400

70,720

Significant restrictions relating to subsidiaries

The assets and capital reserve of the National Assistance Fund are restricted by the terms and provisions of its Trust Deed and cannot be used to settle the liabilities of the other entities within the Group. The total assets of the restricted assets as at balance date are \$20,995,571 (2018: \$19,576,964) and the restricted capital funds as at balance date are \$19,051,466 (2018: \$20,041,066).

^{*}The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries. Refer note 3 for further information regarding control assessment.

Notes to the Financial Statements For the Year Ended 31 December 2019

22 Material Subsidiaries

The amounts disclosed below are prior to any inter-entity eliminations.		
	2019	2018
	\$	\$
National Assistance Fund		
Summarised Balance Sheet		
Current Assets	21,028,245	19,491,235
Non-current assets	94,497	85,729
Current Liabilities	(2,117,767)	(7,000)
Non-current liabilities	-	
Net Assets	19,004,975	19,569,964
Summarised Statement of profit or loss and other comprehensive income		
Revenue	668,156	759,352
Profit/(Loss)	2,535,377	(424,610)
Total comprehensive income	2,535,377	(424,610)

Notes to the Financial Statements For the Year Ended 31 December 2019

23 Interests in Joint Ventures

Material joint ventures

The following information is provided for joint ventures that are material to the Group and is the amount per the Joint Venture financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than the Group's share.

2019	Ableshore Joint Venture
Summarised consolidated balance sheet	
Cash and cash equivalents	730,549
Other current assets	2,038,595
Non-current assets	92,519,717
Other current liabilities	(2,340,993)
Other non-current liabilities	(14,173,815)
Net assets	78,774,053
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	153,070
Interest income	17,647
Depreciation and amortisation	(22,708)
Finance costs	(1,048,427)
Profit / (loss) from continuing operations	(2,762,560)

On 20 December 2018, this Joint Venture became a party to the United Wambo Joint Venture. At the date of this report, there are still significant uncertainties regarding the timing and extent of cashflows to be received by the Union. This has been previously evident through significant delays in the project to date. In addition to this, there are still some uncertainties in the economic and legal environment on which the Joint Venture operates, and there is doubt whether any investment in the Joint Venture will be recovered. Therefore, the Union has fully impaired its investment in the joint venture.

Notes to the Financial Statements For the Year Ended 31 December 2019

23 Interests in Joint Ventures (Continued)

Material joint ventures (C	Continued)
----------------------------	------------

material joint ventures (continues)	
2018	Ableshore Joint Venture
Summarised consolidated balance sheet	
Cash and cash equivalents	1,444,723
Other current assets	1,772,021
Non-current assets	86,276,088
Other current liabilities	(4,723,724)
Other non-current liabilities	(12,732,184)
Net assets	72,036,924
Summarised consolidated statement of profit or loss and other comprehensive income	
Revenue	12 3, 132
Interest income	10,487
Depreciation and amortisation	(23,421)
Finance costs	(1,131,947)
Profit / (loss) from continuing operations	(455,263)

Notes to the Financial Statements For the Year Ended 31 December 2019

23 Interests in Joint Ventures (Continued)

Reconciliation of carrying amount of interest in joint venture to summarised financial information for joint ventures accounted for using the equity method:

	2019	2018
	\$	\$
Ableshore Joint Venture		
Group's share of 5% of net assets	3,938,703	3,601,846
Provision for impairment	(3,938,703)	(3,601,846)
Carrying amount		<u> </u>

24 Fair Value Measurement

The Group measures its financial assets, being shares at fair value on a recurring basis.

Fair value hierarchy

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

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

Notes to the Financial Statements For the Year Ended 31 December 2019

24 Fair Value Measurement (Continued)

Fair value hierarchy (Continued)

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

	Level 1	Level 2	Level 3	Total
31 December 2019	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed shares	18,455,200	-	-	18,455,200
Unlisted shares	-	-	15	15
	Level 1	Level 2	Level 3	Total
31 December 2018	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Listed shares	18,446,441	-	_	18,446,441
Unlisted shares	-	-	15	15

Level 3 measurements

The Committee of Management believe that the fair value of these shares is equal to the cost that was paid for them, as they have no right to variable return for the entities.

25 Contingencies

In the opinion of the Committee of Management, the Union did not have any contingencies as at 31 December 2019 (31 December 2018: None).

Notes to the Financial Statements For the Year Ended 31 December 2019

26 Related parties

(a) Parent entity

The ultimate parent entity, which exercises control over the Group, is Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division.

(b) Key management personnel

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

For details of remuneration disclosures relating to key management personnel, refer to Note 19: Key Management Personnel Disclosures.

(c) Joint venture entities that are accounted for under the equity method

The Group has a 5% interest in the joint venture entity, Ableshore Joint Venture. The interest in joint venture is accounted for in these consolidated financial statements of the Group, using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 23: Interests in Joint Ventures.

(d) Transactions with related parties

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

Notes to the Financial Statements For the Year Ended 31 December 2019

26 Related parties (Continued)

The following transactions occurred with related parties and other reporting units:

	2019	2018
	\$	\$
(i) Purchase of goods and services:		
CFMMEU - National Office		
- Campaign fees	110,000	-
- International affiliation costs	57,252	-
- Conferences and advertising	-	51,491
Northern Mining and NSW Energy District		
- Director fees	111,032	91,556
- Legal officer costs	93,754	93,005
- LSL entitlement payment	54,647	-
- ISHR funding	28,077	25,000
- Central council wages	6,798	9,791
- Travel costs	1,003	9,953
- Publications	247	-
Queensland District		
- LSL entitlements payment	231,694	136,359
- Legal officer costs	94,199	85,326
- Campaign costs	28,134	-
- Travel costs	12,208	10,281
- Central council wages	5 ,25 4	9,424
- Office rental expenses	-	32,293
South Western District		
- LSL entitlement payment	183,909	42,546
- Director fees	111,032	9 1, 556
- ISHR funding	73,001	65,000
- Central council wages	6,112	10,770
- Travel	913	3,696

Notes to the Financial Statements
For the Year Ended 31 December 2019

26 Rela

lated parties (Continued)		
	2019	2018
	\$	\$
Tasmanian District		
- Training	-	45
Victorian District		
- Central council wages	7,649	10,770
- Travel	1,123	2,027
Western Australia District		
- Central council wages	6,799	10,097
- Travel	294	1,275
- LSL entitlement payment	-	153,452
Unions NSW		
- Training	-	1,045
- Donations	-	500
Australian Manufacturing Workers Union		
- Training	-	109
Maritime Union of Australia		
- Function costs	2,750	1, 13 2

Notes to the Financial Statements
For the Year Ended 31 December 2019

26 Related parties (Continued)

	2013	2010
	\$	\$
(ii) Revenue:		
Named and Maining and MCM Francis District		
Northern Mining and NSW Energy District		
- Campaign and special administration fees	489,160	1,082,968
Queensland District		
- Campaign and special administration fees	379,335	742,856
South Western District		
- Campaign and special administration fees	200,582	438,326
- Legal assistant fees	93,818	91,444
Tasmanian District		
- Campaign and special administration fees	6,453	4,740
Victorian District		
- Campaign and special administration fees	5 3,810	132,960
Western Australia District		
- Campaign and special administration fees	63,064	162,568
CFMMEU C&G National Office		
- Rental income	60,588	142,563

2019

2018

Receivables and payables with related parties are disclosed in notes 7 and 13 respectively. Other transactions with related parties are shown within their respective notes.

(iii) Receivables from Committee of Management:

As at 31 December 2019, Sharon Smoothy owed the Union \$155 (2018: nil). This relates to personal travel costs that were booked in conjunction with business related travel and are to be reimbursed to the Union. They are considered ordinary trade receivables, are not considered impaired, and are at arms length, with terms no more favourable than other receivables. This amount has been repaid in the current financial year.

Notes to the Financial Statements For the Year Ended 31 December 2019

27 Cash flow information

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

Reconciliation of net income to net cash provided by operating activities:

	2019 \$	2018 \$
Result for the year	1,387,627	(713,394)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	926,208	912,735
- net capital fund reserve movement	(989,600)	(2,018,600)
 net gain/(loss) on disposal of property, plant and equipment 	(147)	12,216
 unrealised gain/(losses) on fair value through profit and loss financial assets 	(2,426,488)	1,379,315
Changes in assets and liabilities:		
- decrease in trade and other receivables	129,823	(498,227)
- (increase)/decrease in other assets	-	(138,258)
- (increase)/decrease in prepayments	(88,165)	(54,119)
- increase/(decrease) in trade and other payables	82,689	147,585
- increase/(decrease) in employee benefits	301,468	51,043
Cashflow from operations	(676,585)	(919,704)

Notes to the Financial Statements For the Year Ended 31 December 2019

27 Cash flow information (Continued)

(b) Cash flow information - other reporting units

	2019	2018
	\$	\$
Cash inflows		
Northern Mining and NSW Energy District	3,347,718	4,156,521
Queensland District	3,078,226	2,475,943
South Western District	1,419,268	1,649,328
Western Australian District	35 4,5 4 3	445,868
Victorian District	247,751	352,283
AWU Western Australian Branch	184,188	209,420
CFMMEU C&G National Office	60,588	154,680
Tasmanian District	57,557	55,871
	8,749,83 9	9,499,611
Cash outflows		
CFMMEU National Office	(1,185,459)	-
South Western District	(324,000)	(311,124)
Queensland District	(276,741)	(277,141)
Northern Mining and NSW Energy District	(248,387)	(29 7,771)
Victorian District	(8,772)	(12,873)
Western Australian District	(7,093)	(164,824)
Maritime Union of Australia	(2,750)	(1,245)
Unions NSW	<u>-</u>	(1,700)
	(2,053,202)	(1,066,678)

In the current year, the parent entity was entitled to receive a trust distribution of \$2,110,767 (2018: \$Nil) from a subsidiary, the National Assistance Fund, which has been eliminated on consolidation for the purposes of this financial report.

28 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Notes to the Financial Statements For the Year Ended 31 December 2019

29 Parent entity

The following information has been extracted from the books and records of the parent, Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2019	2018
	\$	\$
Balance Sheet		
Assets		
Current assets	14,949,746	14,460,683
Non-current assets	28,439,203	27,575,486
Total Assets	43,388,949	42,036,169
Liabilities		
Current liabilities	4,466,950	4,076,846
Non-current liabilities	2,567	
Total Liabilities	4,469,517	4,076,846
Equity		
Retained earnings	38,919,43 0	37,959,323
Total Equity	38,919,430	37,959,323
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Total profit or loss for the year	960,107	(288,645)
Total comprehensive income	960,107	(288,645)

Notes to the Financial Statements For the Year Ended 31 December 2019

30 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009

As required under the reporting guidelines provided for under section 255 of the Fair Work Act (Registered Organisations) Act 2009, it is confirmed that:

1. The Union has agreed to provide financial support as necessary to the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) National Office. The support will be in proportion to the Divisions membership of the CFMMEU in accordance with the National Rule 23(i).

31 Section 272 Fair Work (registered Organisations) Act 2009

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

Information to be provided to members or the Commissioner:

- 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).

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) on the Union for the year ended 31 December 2019.

Categories of expenditure	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	5,908,943	4,937,626
Advertising	368,764	161,865
Operating costs	3,262,296	4,128,735
Donations to political parties	-	26,123
Legal costs	828,321	620,003

Grahame Kelly General Secretary

Dated: 18 March 2020

Officer Declaration Statement

I, Grahame Kelly, being the General Secretary of the Construction Forestry Maritime Mining and Energy Union Mining and Energy Division (the Union and its subsidiaries), declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

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

Officer Declaration Statement

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

Grahame Kelly General Secretary

Dated: 18 March 2020



Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Construction Forestry Maritime Mining and Energy Union - Mining and Energy Division (the Union and its subsidiaries (the Group or Reporting Unit)), which comprises the consolidated balance sheet as at 31 December 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2019, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management statement, the subsection 255(2A) report and the Officer Declaration Statement.

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

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

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

Basis for Opinion

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





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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

Responsibilities of Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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



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

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



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

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

Daley Audit

Stephen Migate

Partner

Wollongong

18 March 2020

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

Liability limited by a scheme approved under Professional Standards Legislation