CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

ABN 71 560 759 083

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

COMMITTEE OF MANAGEMENT OPERATING REPORT

FOR THE YEAR ENDED 31 MARCH 2019

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management ("the Committee") presents its Operating Report on the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division South Australian Divisional Branch ("Union"), for the year ended 31 March 2019.

Principal Activities

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

- Implementation of the decisions of the Divisional Branch Executive, Divisional Branch Management Committee and resolutions of the State Delegates' convention.
- The development and implementation of the Union policy through effective communications with members at the workplace.
- The administration of State awards, the variation of awards following major test cases (ie State wage case) and making other variations to awards for other industrial matters.
- Industrial support including representation of members grievances and/or advice at their workplaces and/or through the various industrial tribunals (ie Industrial Relations Commission, Workers Compensation etc).
- Ongoing communication to members and the broader community through meetings, rallies, media releases, journals and flyers.
- Growing the organisation through good on the job organisation and strong links between the organisers and members.

The results of those activities were ongoing in providing effective leadership to officers, organisers, delegates and membership in the development, advancement and delivery of policy through a delegation of responsibilities and effective communication strategies in the areas of organising, policy/administration, and Industrial Relations/ Training/ Workcover.

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

Operating Results

The operating deficit for the financial year amounted to $513,209 (31 March 2018: surplus $222,027)

Significant Changes in Financial Affairs

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

Events subsequent to reporting date

No matter or circumstances have risen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

Future Developments

Likely developments in the operations of the Union and the expected results of those operations in future financial years have not been included in this report as such information is likely to result in unreasonable prejudice to the Union.

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Environmental Issues

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

Members Right to Resign

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

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

There are no officers or members who hold a position of trustee or director of an entity, scheme or company as described in s.254 (2) (d) of the *Fair Work (Registered Organisations) Act 2009*.

Number of Members

The number of members at the end of the financial period recorded in the register of members and taken to be members of the Union was 2,457 (2018: 2,277).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 9.5 (2018: 3).

Members of the Committee of Management

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

Name	Position	Period of appointment
Craig Fry	Divisional Branch President	Whole period
Scott Jeffs	Former Branch Vice President	1/4/18 – 31/5/18
Desmond Savage	Divisional Branch Vice President	10/4/19 - current
Aaron Cartledge	Former Branch Secretary	1/4/18 – 27/6/18
James O'Connor	Former Assistant Branch Secretary	1/4/18 – 21/9/18
Colin Fenney	Assistant Branch Secretary	20/11/2018 – 1/4/19
Mark McEwen	Branch Treasurer	Whole period
David Sahilberg	Branch Trustee	Whole period
Antony Priddle	Branch Trustee	1/4/18 – 5/5/19
Duncan Campbell	Branch member	Whole period
Geoffrey Hill	Branch member	1/4/18 – 13/2/19
Michael Hope	Branch member	Whole period
Gregory Natt	Branch member	Whole period
Joseph Wetini	Branch member	1/4/18 – 9/5/18
Marcus Pare	Branch member	10/4/19 – current
Ryan Dolman	Branch member	6/3/2019 – current
Derek Stapleton	Branch organiser	Whole period
Adrian McManus	Branch organiser	6/3/19 - current

Indemnifying Officers or Auditors

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

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

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2019 and 31 March 2018.

Disclosure Statements - Remuneration and Non-Cash Benefits of Highest Paid Officers

The five highest paid officers of the Union for the disclosure period ended 31 March 2019 and the amounts of the relevant remuneration paid to them and the value or form of non-cash benefits received by them are set out in Note 13 of the financial statements.

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

....

Colin Fenney
Divisional Branch Assistant Secretary

26 June 2019

Adelaide

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

On 26 June 2019, the Committee of Management of the Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division, South Australian Divisional Branch ("Union") passed the following resolution to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 31 March 2019.

The Committee of Management declares in relation to the GPFR that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the *RO Act*);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Union for the financial year to which they relate;

(d) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

i. meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Union concerned; and

ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of the Union concerned; and

iii. the financial records of the Union have been kept and maintained in accordance with the *RO Act;* and

iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and

v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; and

vi. where any order for inspection of the financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

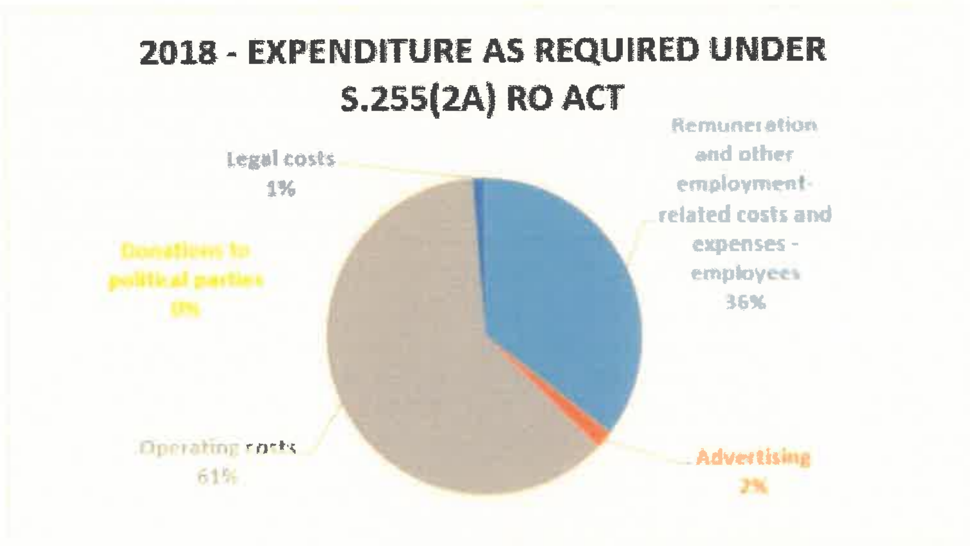
Name of Designated Officer:	**Colin Fenney**
Title of Designated Officer:	Divisional Branch Assistant Secretary
Signature:	....
Date:	26 June 2019

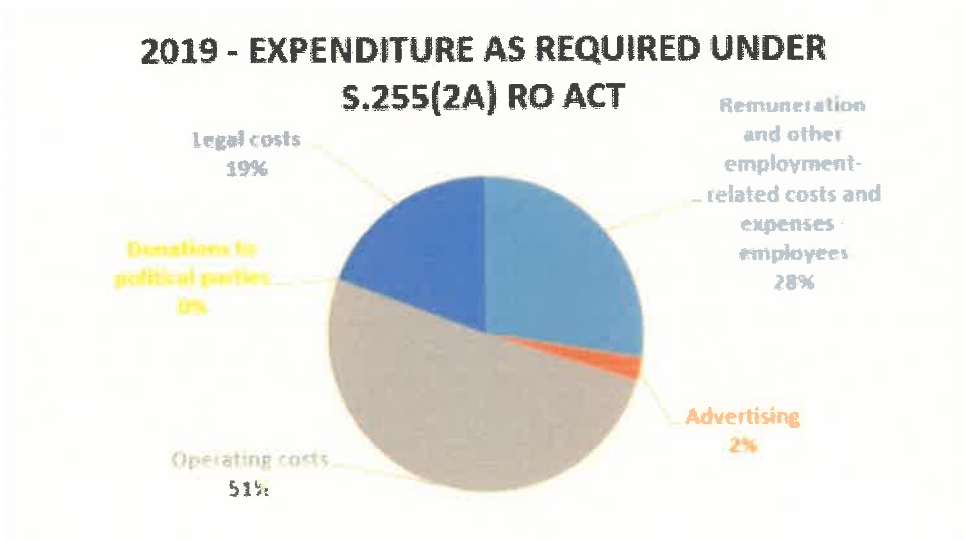
CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

REPORT REQUIRED UNDER SUBSECTION 255(2A)

FOR THE YEAR ENDED 31 MARCH 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2018 and 31 March 2019.





Name of Designated Officer:	**Colin Fenney**
Title of Designated Officer:	Divisional Branch Assistant Secretary
Signature:	....
Date:	26 June 2019

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	31 March 2019 $	31 March 2018 $
Revenue			
Membership subscription		1,287,631	1,247,055
Capitation fees		-	-
Levies – Compulsory or Voluntary		-	-
Interest	3A	1,278	850
Interest on Trust and Port Pirie accounts		1,636	-
Other revenue	3D	726,314	989,468
Total revenue		2,016,859	2,237,373
Other Income			
Grants and/or donations	3B	-	-
Net gains from sale of assets	3C	-	-
Wages recovered		40,011	15,086
Revenue from recovery of wages		-	-
Total other income		40,011	15,086
Total income		2,056,870	2,252,459
Expenses			
Employee expenses	4A	591,915	600,935
Capitation fees	4B	117,879	105,704
Affiliation fees	4C	37,029	19,222
Administration expenses	4D	54,617	55,072
Grants or donations	4E	58,113	1,406
Depreciation and amortisation	4F	5,075	6,158
Finance costs	4G	14,089	11,643
Legal costs	4H	413,194	19,634
Accounting and audit fees	4I	17,930	6,750
Other expenses	4J	1,260,238	1,203,908
Total expenses		2,570,079	2,030,432
Surplus (deficit) for the year		(513,209)	222,027
Other comprehensive income		-	(1,085)
Total comprehensive income for the year		(513,209)	220,942

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	31 March 2019 $	31 March 2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	419,858	305,810
Trade and other receivables	5B	23,031	9,525
Other current assets	5C	47,000	47,514
Total current assets		489,889	362,849
Non-Current Assets			
Loan to Australian Building Construction Workers' Federation (ABCWF)		-	(2,864)
Property, plant and equipment	5D	14,552	15,094
Total non-current assets		14,552	12,230
Total assets		504,441	375,079
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	102,035	77,801
Employee provisions	6B	40,657	26,025
Revenue in Advance	6C	155,882	54,985
Total current liabilities		298,574	158,811
Non-Current Liabilities			
Trade and other payables	6A	497,902	-
Employee provisions	6B	4,906	-
Total non-current liabilities		502,808	-
Total liabilities		801,382	158,811
Net assets		(296,941)	216,268
EQUITY			
Retained earnings		(296,941)	216,268
Total equity		(296,941)	216,268

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN DIVISIONAL BRANCH

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2019

	Retained Earnings			Total
	General Fund	Trust Account	Port Pirie Welfare Fund	
	$	$		$
Balance as at 1 January 2018	(28,557)	434	23,449	(4,674)
Surplus (deficit) for the period	222,027	-	-	222,027
Other comprehensive income for the period	-	-	(1,085)	(1,085)
Closing balance as at 31 March 2018	**193,470**	**434**	**22,364**	**216,268**
Surplus (deficit) for the year	(514,845)	22	1,614	(513,209)
Other comprehensive income for the year	-	-	-	-
Closing balance as at 31 March 2019	**(321,375)**	**456**	**23,978**	**(296,941)**

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

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

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	31 March 2019 $	31 March 2018 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	7B	9,495	4,076
Receipts from members and other customers		2,333,247	1,831,311
Interest from Trust and Port Pirie account		1,636	-
Interest		1,278	850
Other		-	7,446
Cash used			
Employees and suppliers		(1,908,659)	(1,449,381)
Finance cost		(14,089)	-
Payment to other reporting units	7B	(304,327)	(165,643)
Net cash from (used by) operating activities	7A	118,581	228,659
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		-	-
Cash used			
Purchase of plant and equipment		(4,533)	-
Net cash from (used by) investing activities		(4,533)	-
FINANCING ACTIVITIES			
Net cash from (used by) investing activities		-	-
Net increase (decrease) in cash held		114,048	228,659
Cash & cash equivalents at the beginning of the reporting period.		305,810	77,151
Cash & cash equivalents at the end of the reporting period	5A	419,858	305,810

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

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INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by IASB. For the purpose of preparing the general purpose financial statements, the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division South Australian Divisional Branch ('Union') is a not-for-profit entity. The Union has applied the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards.*

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

<u>Key Estimates</u>

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

<u>Key Judgements</u>

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The Union has adopted AASB 9: *Financial Instruments* with a date of initial application of 1 April 2018. As a result, the Union has changed its financial instruments accounting policies as detailed in the significant accounting policies note.

There has been no significant impact on the financial statements as a result of adoption of AASB 9. AASB 9 requires retrospective application with some exceptions.

Disclosure: Initial application of AASB 9

There were no financial assets/liabilities which the Union had previously designated as fair value through profit or loss under AASB 139: *Financial Instruments: Recognition and Measurement* that were subject to reclassification/elected reclassification upon the application of AASB 9.

The Union applied AASB 9 (as revised in July 2014) and the related consequential amendments to other AASBs. New requirements were introduced for the classification and measurement of financial assets and financial liabilities, as well as for impairment.

Financial assets in terms of AASB 9 need to be measured subsequently at either amortised cost or fair value on the basis of the entity's business model and the cash flow characteristics of the financial assets, as follows:

- debt investments that are held within a business model whose goal is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost;
- debt investments that are held within a business model whose goal is both to collect contractual cash flows and to sell it, and that have contractual cash flows that are purely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income; and
- all other debt investments and equity investments are measured at fair value through profit or loss.

Despite the issues mentioned above, the entity may make irrevocable election at initial recognition of a financial asset as follows:

- the entity may choose to present subsequent changes in fair value of an equity investment that is not held for trading and not a contingent consideration in a business combination in other comprehensive income; and
- the entity may choose to present a debt investment that meets the amortised cost or fair value through other comprehensive income criteria as measured at fair value through profit or loss if this choice significantly reduces an accounting mismatch.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

Disclosure: Initial application of AASB 9 (continued)

When an equity investment at fair value through other comprehensive income has a gain or loss previously recognised in other comprehensive income, it is not reclassified to profit or loss. However, when a debt investment at fair value through other comprehensive income is derecognised, the gain or loss recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at fair value through other comprehensive income are subject to impairment.

The Committee of Management of the Union determined the existing financial assets as at 1 April 2018 based on the facts and circumstances that were present and determined that the initial application of AASB 9 had the following effect:

- the Union's investments in equity instruments not held for trading that were previously classified as available-for-sale financial assets and were measured at fair value have been designated as at fair value through profit and loss.
- financial assets as held-to-maturity and loans and receivables that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding; and
- financial assets measured at fair value through profit or loss (AASB 139) are still measured as such under AASB 9.

This note contains a table that shows the effect of classification of the financial assets upon initial application.

Impairment

As per AASB 9, an expected credit loss model is applied, not an incurred credit loss model as per the previous standard applicable (AASB 139). To reflect changes in credit risk, this expected credit loss model requires the Union to account for expected credit losses since initial recognition.

AASB 9 also determines that a loss allowance for expected credit loss be recognised on debt investments subsequently measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets, loan commitments and financial guarantee contracts as the impairment provision would apply to them.

If the credit risk on a financial instrument did not show significant change since initial recognition, an expected credit loss amount equal to 12-month expected credit losses are used. However, a loss allowance is recognised at an amount equal to the lifetime expected credit loss if the credit risk on that financial instrument has increased significantly since initial recognition, or if the instrument is an acquired credit-impaired financial asset.

1.4 New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard requirements (continued)

Disclosure: Initial application of AASB 9 (continued)

A simple approach is followed in relation to trade receivables as the loss allowance is measured at lifetime expected credit loss.

Given that the only financial assets to which the impairment provision applies are trade and other receivables, the Union uses the simplified approach and recognises lifetime expected credit loss. This change in approach did not materially impact the expected provision and as such no adjustment was made.

The consequential amendments to AASB 9 have also resulted in more extensive disclosures about the Union's exposure to credit risk in the consolidated financial statements.

Classification and measurement of financial liabilities

AASB 9 determines that the measurement of financial liabilities and also the classification relates to changes in the fair value designated as FVTPL attributable to changes in the credit risk.

AASB 9 further states that the movement in the fair value of financial liabilities that is attributable to changes in the credit risk of that liability needs to be shown in other comprehensive income unless the effect of the recognition constitutes accounting mismatch in profit or loss. Changes in fair value in relation to the financial liability's credit risk are transferred to retained earnings when the financial liability is derecognised and not reclassified through profit or loss. AASB 139 requires the fair value amount of the change of the financial liability designated as at FVTPL to be presented in profit or loss.

Apart from the above, the application of AASB 9 has had no impact on the classification and measurement of the Union's financial liabilities.

The following table represents the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application, 1 April 2018. There has been no change to the carrying value of the Union's financial assets.

1.4 New Australian Accounting Standards (continued)

Adoption of New Australian Accounting Standard requirements (continued)

Disclosure: Initial application of AASB 9 (continued)

	Financial instrument category	
	AASB 139 Original	**AASB 9 New**
Financial assets		
Current and non-current		
Accounts receivable and other debtors	Loans and receivables (amortised cost)	Financial assets at amortised cost
Cash and cash equivalents	Loans and receivables (amortised cost)	Financial assets at amortised cost
Held for trading non-derivative financial assets	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss
Listed investments – shares in listed corporations	Available-for-sale financials	Financial asset at fair value through other comprehensive income
Government and fixed interest securities	Held-to-maturity	Financial assets at amortised cost
Financial liabilities		
Current and non-current		
Accounts payable and other payables	Amortised cost	Financial liabilities at amortised cost

The Union have elected to classify financial assets that were previously categorised as available for sale financial assets as at fair value through profit or loss at the date of initial application of AASB 9.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Union include:

AASB 15: Revenue from Contracts with Customers
(applicable for annual reporting periods beginning on or after 1 January 2019 for NFP entities)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. To achieve this objective, AASB 15 provides the following five-step process:

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

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The Committee of Management are currently still quantifying the impact that AASB 15 will have on the financial statements.

AASB 16: Leases
(applicable for annual reporting periods beginning on or after 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards (Continued)

AASB 16: Leases (Continued)

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or unlikely to exercise an option to terminate the lease.

The Committee of Management have considered the application of this standard and do not believe the value of the assets and liabilities to be recognised will every significantly from the commitments receivable disclosed in Note 9.

AASB 1058: Income for Not-for-profit entities
AASB 2016-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities
(applicable for annual reporting periods beginning on or after 1 January 2019)

AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately.

The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.

Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.

The Committee of Management are currently still quantifying the impact that AASB 1058 will have on the financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Employee benefits (continued)

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

1.9 Leases

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

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

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

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

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

1.10 Borrowing costs

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

1.11 Cash and cash equivalents

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

1.12 Provisions

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial instruments

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

1.14 Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Financial assets (Continued)

Financial assets at amortised cost

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

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

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

1.14 Financial assets (Continued)

Impairment

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Financial Liabilities

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.16 Contingent Liabilities and Contingent Assets

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

1.17 Property, Plant and Equipment

Asset Recognition Threshold

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

Depreciation

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

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

	31 March 2019	31 March 2018
Office furniture & equipment	20-100%	20-100%

Derecognition

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

1.18 Impairment

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Income Tax

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

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

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

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

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

1.20 Fair value measurement

The Union measures financial instruments, such as, financial asset as at fair value through the profit and loss, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 12.

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.20 Fair value measurement (Continued)

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

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

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

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

1.21 Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Union incurred an operating deficit of $513,209 during the year ended 31 March 2019 (31 March 2018: surplus $222,027), and as at that date the Union's total liabilities exceeded total assets by $296,941. The Union owes a cumulative $497,902 to related parties. To this extent, The Construction, Forestry, Maritime, mining & Energy Union, Construction & General Division – National Office (CFMEU-NA) has provided a letter of financial support to the Union whereby it agreed to not to seek repayment of the intercompany receivables from the Union for a period of 12 months from the date of signing this financial report. The Committee of management are confident of the Union's ability to continue as a going concern and the commitment from CFMEU-NA to continue to provide support.

The Union has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.22 Acquisition of Assets and Liabilities

The Union did not acquire any assets or liabilities during the year as a result of:

(a) an amalgamation under Part 2 of Chapter 3 of the RO Act in with the organisation (of which the reporting unit form part) was the amalgamated organisation; or
(b) a restructure of the branches of the organisation; or
(c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
(d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organization under subsection 245(1).

The Union did not acquire any assets or liabilities during the year as a part of a business combination.

1.23 Recovery of Wages

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

1.24 Service Fees and Consulting charges

The Union employees Union Organisers and Administrative staff from the Australian Building and Construction Workers' Federation (ABCWF). The Union pays the ABCWF, "service charged & consulting fee" for the use of those staff in the Division's administrative and management functions.

From 12 December 2018, all employees of the ABCWF were transferred to the Construction Forestry Maritime Mining and Energy Union Construction and General Division South Australia Branch. As a result, the ABCWF no longer charges service charges & consulting fees to the Union from 12 December 2018.

1.25 Compulsory Levies or Voluntary Contributions

The Union has not collected any compulsory levies or voluntary contribution during the financial year. The Union does not have a fund or an account for compulsory levies or voluntary contribution at there is nil compulsory levies or voluntary contributions.

1.26 Retained Earnings

All funds required by the rules of the Union are included in the statement of changes in equity.

There has been no withdrawals or transfer from a fund other than the general fund.

NOTE 2 EVENTS AFTER REPORTING DATE

There were no events that occurred after 31 March 2019, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

NOTE 3 INCOME

	31 March 2019 $	31 March 2018 $
Note 3A: Interest		
Interest	1,278	850
Total Interest	1,278	850
Note 3B: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-
Note 3C: Net gains from sale of assets		
Gain on sale of property, plant and equipment	-	-
Total net gain from sale of assets	-	-
Note 3D: Other Revenue		
Meeting attendance & board fees	48,617	41,723
Members' Health contribution	183,659	245,509
BIRST Distribution	422,733	624,290
Promotion & Advertising income	22,500	15,500
Sponsorship	12,500	55,000
Merchandise sales	16,891	3,553
EBA Processing fee	9,818	-
Sundry income and reimbursements	9,596	3,893
Financial support from another reporting unit	-	-
Total other revenue	726,314	989,468

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 4 EXPENSES	**31 March 2019 $**	**31 March 2018 $**
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	187,284	399,794
Superannuation	23,799	62,279
Leave and other entitlements	(36,632)	(17,547)
*Separation and redundancies	3,210	9,280
Other employee expenses	12,965	27,743
Subtotal employee expenses holders of office	190,626	481,549
Employees other than office holders:		
Wages and salaries	294,624	92,113
Superannuation	41,189	13,817
Leave and other entitlements	38,975	3,400
*Separation and redundancies	6,104	3,120
Other employee expenses	20,397	6,936
Subtotal employee expenses employees other than office holders	401,289	119,386
Total employee expenses	591,915	600,935

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU C&G National Office	117,879	105,704
Total Capitation fees	117,879	105,704

Note 4C: Affiliation fees

Australian Labor Party South Australian Branch	24,575	-
SA Unions	10,162	14,323
Other Affiliations	2,292	4,899
Total Affiliation fees	37,029	19,222

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Levies	34,143	50,268
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	20,474	4,804
Total administration expenses	54,617	55,072

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 4 EXPENSES (CONTINUED)	31 March 2019 $	31 March 2018 $
Note 4E: Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	57,587	1,406
Total paid that exceeded $1,000	526	-
Total grants or donations	58,113	1,406
Note 4F: Depreciation and amortisation		
Depreciation:		
Property, plant and equipment	5,075	6,158
Total depreciation	5,075	6,158
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	5,075	6,158
Note 4G: Finance costs		
Bank charges and credit card fees	14,089	11,643
Total finance costs	14,089	11,643
Note 4H: Legal costs		
Litigation	408,907	18,975
Other legal matters	4,287	659
Total legal costs	413,194	19,634
Note 4I: Accounting and Audit fees		
Accounting and audit expenses	16,540	5,550
Other accounting services	1,390	1,200
Total accounting and audit fees	17,930	6,750

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 4 EXPENSES (CONTINUED)

	31 March 2019 $	31 March 2018 $
Note 4J: Other expenses		
Penalties – via RO Act or the *Fair Work Act 2009*	-	-
Advertising	459	-
Barbecue costs	883	344
Building Industry Redundancy scheme	-	8,480
Cleaning	6,072	7,460
Computer expenses	2,033	432
Emergency Transport	103,344	83,067
Insurance (General, Members & Income Protection)	218,214	230,995
Light & power	16,385	21,375
Minor asset purchases	-	691
Motor vehicle expenses	46,433	60,511
Office expenses	18,000	40,333
Papers & publications	1,743	2,010
Photocopier rental	9,384	9,624
Picnic	23,694	41,729
Port Pirie Social club	1,020	1,412
Postage, Printing & stationery	39,147	29,117
Promotional items	37,057	14,754
Rallies	1,037	600
Rent to ABCWF	100,000	100,000
Repairs & maintenance	6,544	1,914
Service fees & consulting charges – Note 1.24	549,551	465,210
Subscription	2,333	4,112
Sundry expenses	3,031	6,525
Telephone & communication	33,533	37,108
Travel and accommodation	40,341	36,105
Total other expenses	1,260,238	1,203,908

NOTE 5 ASSETS

	31 March 2019 $	31 March 2018 $
Note 5A: Cash and Cash Equivalents		
Cheque account	176,412	45,272
Trust account	456	454
Petty cash	500	500
Business online saver	218,512	237,220
Port Pirie Bank accounts	23,978	22,364
Total cash and cash equivalents	419,858	305,810
Note 5B: Trade and Other Receivables		
Current		
Trade receivable	-	1,200
Membership dues receivable	396,905	242,775
Other receivables	-	-
Receivables from other reporting units		
CFMEU C&G National Office	-	2,505
Total current trade and other receivables	396,905	246,480
Less allowance for expected credit losses	(373,874)	(236,955)
Total allowance for expected credit losses	(373,874)	(236,955)
Total current trade and other receivables (net)	23,031	9,525
Non-current		
Receivables from other reporting units	-	-
Total non-current trade and other receivables	-	-
Total trade and other receivables	23,031	9,525

No allowance for expected credit losses has been raised against the reporting units balances shown.

	31 March 2019 $	31 March 2018 $
Note 5C: Other Current Assets		
Prepayments	47,000	47,514
Total other current assets	47,000	47,514

NOTE 5 ASSETS (CONTINUED)

	31 March 2019 $	31 March 2018 $
Note 5D: Property, Plant and Equipment		
Property, Plant and Equipment comprises of:		
Office furniture & equipment	14,552	15,094
Total property plant and equipment	14,552	15,094
Office Furniture & Equipment:		
At cost	70,920	88,779
Less accumulated depreciation	(56,368)	(73,685)
Total office furniture & equipment	14,552	15,094

	Plant & Equipment $	Total $
Balance at beginning of the year	15,094	15,094
Additions	4,533	4,533
Disposals	-	-
Depreciation expense – Note 4F	(5,075)	(5,075)
Carrying amount at end of the year	14,552	14,552

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6 LIABILITIES	**31 March 2019**	**31 March 2018**
	$	**$**
Note 6A: Trade and Other Payables		
Trade payables and accruals	65,810	33,405
Payables to other reporting units	-	-
- CFMEU C&G National Office	-	33,808
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	30,000	-
Other legal matters	-	-
GST payable	6,225	10,588
Wages collected on behalf of members	-	-
Total current trade and other payables	102,035	77,801
Payables to other reporting units		
- CFMEU C&G National Office	397,902	-
- ABCWF	100,000	-
Total non-current trade and other payables	497,902	-
Total trade and other payables	599,937	77,801

Note 6B: Employee Provisions

Employee provisions comprises of:

Current		
Provision for annual leave	40,657	11,715
Provision for long service leave	-	4,150
Provision for BIRST	-	10,160
	40,657	26,025
Non-current		
Provision for long service leave	4,906	-
Total employee provisions	45,563	26,025

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

Balance at beginning of the year	26,025	65,593
Net provision movement during the year	19,538	(39,568)
Balance at the end of the year	45,563	26,025

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 6 LIABILITIES (CONTINUED)	**31 March 2019**	**31 March 2018**
	$	**$**
Note 6B: Employee Provisions (Continued)		
Office Holders:		
Annual leave	6,197	7,615
Long service leave	761	-
Separations and redundancies	-	3,800
Other	-	-
Subtotal employee provisions—office holders	6,958	11,415
Employees other than office holders:		
Annual leave	34,460	4,100
Long service leave	4,145	4,150
Separations and redundancies	-	6,360
Other	-	-
Subtotal employee provisions—employees other than office holders	38,605	14,610
Total current employee provisions	45,563	26,025

Note 6C: Revenue in Advance

Revenue in advance comprises of:

Current		
Membership dues in advance	155,882	54,985
Other revenue in advance	-	-
	155,882	54,985
Non-current		
Other revenue in advance	-	-
Total revenue in advance	155,882	54,985

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 7 CASH FLOW	**31 March 2019 $**	**31 March 2018 $**
Note 7A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of financial position to Statement of cash flows:		
Cash and cash equivalents as per:		
Statement of cash flows	419,858	305,810
Statement of financial position	419,858	305,810
Difference	-	-
Reconciliation of surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	(513,209)	222,027
Adjustments for non-cash items		
Depreciation expense – Note 4F	5,075	6,158
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(15,142)	121,035
(Increase)/decrease in prepayments	514	6,648
Increase/(decrease) in trade and other payables	519,272	1,607
Increase/(decrease) in revenue in advance	100,897	(113,171)
Increase/(decrease) in employee provisions	19,538	(14,544)
Increase/(decrease) in Welfare fund equity	1,636	(1,101)
Net cash from (used by) operating activities	118,581	228,659
Note 7B: Cash flow information		
Cash inflows		
CFMEU C&G National Office	9,495	4,076
Total cash inflows	9,495	4,076
Cash outflows		
ABCWF	19,107	-
CFMEU C&G National Office	284,520	165,643
CFMEU C&G WA branch	700	-
Total cash outflows	304,327	165,643

Note 7C: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2019 (31 March 2018: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 8 RELATED PARTY DISCLOSURES

Note 8A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units

The names of those persons who held office for all or part of the year are deemed to be a related party for financial reporting purposes as set out in the accompanying Committee of Management Operating Report. The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	31 March 2019 $	31 March 2018 $
Income received includes the following:		
Airfares reimbursement from CFMEU C&G National office	5,906	2,277
Other reimbursements from CFMEU C&G National office	493	-
Expenses paid includes the following:		
Capitation fees to CFMEU C&G National Office	117,879	105,704
Campaign levy to CFMEU C&G National Office	34,143	36,860
Staff expense contribution to CFMEU C&G National Office	2,500	-
Legal cost contribution to CFMEU C&G National Office	89,172	11,930
Legal penalties contribution to CFMEU C&G National Office	293,190	6,835
ABCC campaign contribution to CFMEU C&G National Office	-	13,408
ACTU change the rules campaign donation to CFMEU C&G National Office	26,294	-
CFMEU National campaign donation to CFMEU C&G National Office	26,294	-
Conference expenses to CFMEU C&G WA branch	636	-
Rent paid to ABCWF	100,000	100,000
Service fees paid to ABCWF (Note 4J)	549,551	465,210
Amounts owed by includes the following:		
CFMEU C&G National Office	-	2,505
Amounts owed to includes the following:		
CFMEU C&G National Office	397,902	33,808
ABCWF	100,000	-
Loans to ABCWF:	-	(2,864)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Holders of office and related reporting units (continued)

Terms and conditions of transactions with related parties (continued)

Related party transactions also occur between the Union and other reporting units including the National Office of the Construction & General Division (CFMEU C&G National Office).

Related Party disclosures in the financial report are presented on an accrual basis. Whilst the financial records of the Union have been kept, as far as practicable, in a manner consistent with each other reporting units of the organisation, the balances and transactions reported in this financial report may differ to those recorded in the financial report of the counterparty reporting unit. This may arise due to timing difference in the respective recordkeeping of the related reporting units, for example, in the receipt of payments, correspondence in transit or the alternative categorisation of balances/transactions.

From time-to-time, the National Office of the Construction & General Division of the CFMEU (CFMEU C&G National Office) coordinates various administrative activities on behalf of the Union. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoiced in full. Accordingly, with the National Office merely being the facilitator of such transactions between the Union and independent third parties (and there is no profit component in recharging these costs), these are not considered to be related party expenditures of the Union and hence are not required to be disclosed.

Notwithstanding this, the transfer of funds to meet these obligations remain related party transactions, and accordingly have been disclosed in the related party cash flows reported at Note 7B. Additionally, any amounts outstanding as at balance date between related parties have been disclosed at Note 8A.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

Note 8B: Key Management Personnel Remuneration for the Reporting Period
Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Union. The Union has determined that key management personnel comprises of:

- Colin Fenney (Assistant State Secretary)
- Aaron Cartledge (Former State Secretary) – Resigned 7/12/2018
- James O'Connor (Former Assistant State Secretary) – Resigned 11/9/2018

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

	31 March 2019 $	31 March 2018 $
Short-term employee benefits		
Salary (including annual leave taken)	187,284	181,034
Annual leave movement	224	(1,388)
Performance bonus	-	-
Other employee benefits	12,965	13,871
Total short-term employee benefits	200,473	193,517
Post-employment benefits:		
Superannuation	23,799	29,963
Redundancy fund	3,210	6,240
Total post-employment benefits	27,009	36,203
Other long-term benefits:		
Long-service leave	(36,856)	8,320
Total other long-term benefits	(36,856)	8,320
Termination benefits	-	-
Total	190,626	238,040

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 9 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Operating lease commitments

The Union does not have any operating lease commitments.

(b) Contingent liabilities and commitments

There are continually numerous ongoing unsettled legal actions against the Union regarding industrial relations matters.

If at year end, a judgement has been awarded against the Union or a matter has been settled and the amount is unpaid, the Union accrues an expense for estimated costs and penalties in relation to the matter.

No provision is made for any settlement costs or penalties for ongoing unresolved matters where the outcome cannot be reliably determined as the Union intends to defend the claims.

(c) Finance lease commitments

The Union does not have any finance lease commitments at 31 March 2019 (2018: Nil).

(d) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2019 (2018: Nil).

	31 March 2019 $	31 March 2018 $
NOTE 10 REMUNERATION OF AUDITORS		
Value of the services provided		
Financial statement audit services	9,000	5,550
Other services – Accounting fees	1,390	1,200
Total remuneration of auditors	10,390	6,750

Other services include the audit of the political membership return and FBT return.

NOTE 11 FINANCIAL INSTRUMENTS

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

The Committee of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

The Union's financial instruments are listed below:

	31 March 2019 $	31 March 2018 $
Financial Assets		
Cash and cash equivalents	419,858	305,810
Trade and other receivables	23,031	9,525
	442,889	315,335
Financial Liabilities		
Trade and other payables	599,937	77,801
	599,937	77,801

Note 11A: Credit Risk

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Expected loss rate	94.2%	0%	0%	0%	94.2%
Gross Carrying amount	396,905	-	-	-	396,905
Expected credit loss	373,874	-	-	-	373,874

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Expected loss rate	96.1%	0%	0%	0%	96.1%
Gross Carrying amount	246,480	-	-	-	246,480
Expected credit loss	236,955	-	-	-	236,955

The "amounts written off" are all due to debtors declaring bankruptcy or accounts receivable that have now become unrecoverable.

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

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

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

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

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 March 2019 (31 March 2018: Nil).

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

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

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

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

Contractual maturities for financial liabilities

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
2019		$	$	$	$	$
Trade and other payables	599,937	-	-	-	-	599,937
	599,937	-	-	-	-	599,937
2018						
Trade and other payables	77,801	-	-	-	-	77,801
	77,801	-	-	-	-	77,801

Note 11C: Market Risk

i. Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Union's exposure to interest rate risk arises from its cash at bank, term deposits and floating rate instruments.

The financial instruments which expose the Union to interest rate risk are limited to its cash reserves.

ii. Foreign exchange risk
The Union is not exposed to fluctuations in foreign currencies.

iii. Price risk
The Union is exposed to equity securities price risk.

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

Sensitivity Analysis

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

No sensitivity analysis has been performed on foreign exchange risk, as the Union is not exposed to foreign currency fluctuations.

NOTE 12 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

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

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Union.

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

		31 March 2019		31 March 2018	
	Footnote	Carrying value	Fair value	Carrying value	Fair value
		$	$	$	$
Financial assets					
Cash and cash equivalents	(i)	419,858	419,858	305,810	305,810
Trade and other receivables	(i)	23,031	23,031	9,525	9,525
Total financial assets		442,889	442,889	315,335	315,335

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

NOTE 12 FAIR VALUE MEASUREMENT (CONTINUED)

	Footnote	31 March 2019 Carrying value	31 March 2019 Fair value	31 March 2018 Carrying value	31 March 2018 Fair value
		$	$	$	$
Financial liabilities					
Trade and other payables	(i)	599,937	599,937	77,801	77,801
Loan payable	(i)	-	-	2,864	2,864
Total financial liabilities		599,937	599,937	80,665	80,665

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

NOTE 13 DISCLOSURE OF OFFICERS' REMUNERATION AND NON-CASH BENEFITS

Pursuant to Rule 24B of the Union's Rules and s. 293B of the *Fair Work (Registered Organisation) Amendment Act 2016*, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2019 financial year.

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

	Colin Fenney Assistant Divisional Branch Secretary	Aaron Cartledge Former Divisional Branch Secretary	James O'Connor Former Assistant Divisional Branch Secretary	Total
	$	$	$	$
Salary and allowance	34,979	88,743	63,562	187,284
Movement in annual and long service leave provisions	6,958	(29,445)	(14,145)	(36,632)
Superannuation	7,197	4,468	12,134	23,799
Redundancy	1,050	720	1,440	3,210
Other employee benefits	2,421	6,144	4,400	12,965
	52,605	70,630	67,391	190,626

The non-cash benefit provided to the officers of the Union are motor vehicles which are owned by the Union. The motor vehicles are primarily used for work related purposes but maybe used for personal use during non-working hours.

There were only three paid officers during the financial year.

NOTE 13 DISCLOSURE OF OFFICERS' REMUNREATION AND NON-CASH BENEFITS (CONTINUED)

(b) Superannuation has been received by the following officers of the Union from a board position attained because of their position with the Union:

Colin Fenney	Assistant Divisional Branch Secretary	$Nil
Aaron Cartledge	Former Divisional Branch Secretary	$Nil
James O'Connor	Former Assistant Branch Secretary	$Nil

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

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

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2019.

NOTE 14 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

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

NOTE 15 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

NOTE 16 UNION DETAILS

The registered office of the Union is:

Level 1, 32 South Terrace
Adelaide SA 5000

NOTE 17 SEGMENT INFORMATION

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

LEE · GREEN
STRATEGIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Construction Forestry Maritime Mining and Energy Union, Construction & General Division – South Australian Divisional Branch

Report on the Audit of the Financial Report

We have audited the financial report of Construction Forestry Maritime Mining and Energy Union, Construction & General Division – South Australian Divisional Branch ("the Union"), which comprises the statement of financial position as at 31 March 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the report required under Subsection 255(2A) and the designated officers certificate.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 31 March 2019 and of their financial performance and cash flows for the year then ended 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').

Basis for opinion

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

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

Responsibility of Committee of Management for the Financial Report

The committee of management of the Union is responsible for the preparation of the financial report 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 a 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 Union's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 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 Union'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 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 Union'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 Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

LEE · GREEN
STRATEGIC ACCOUNTANTS

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. We have nothing to report in this regard.

Lee Green & Co Pty Ltd

D Charlesworth

David Charlesworth
Principal
Registration Number (as required by the RO commissioner under the RO Act): AA2019/2

Dated 26 June 2019

190 Fullarton Road
Dulwich SA 5065

Auditor's Independence Declaration under the Corporations Act 2001 to the Members of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – South Australian Divisional Branch

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2019, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Lee Green & Co Pty Ltd

David Charlesworth
Principal

Registration number (as required by the RO commissioner under the RO Act): AA 2019/2
190 Fullarton Rd, Dulwich SA 5065
Dated this 26 June 2019

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