

CFMEU

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

ABN 46 243 168 565

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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

FOR THE YEAR ENDED 31 MARCH 2023

Operating Report

The Committee of Management ("the Committee") presents its Operating Report on the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ("the Union"), for the year ended 31 March 2023.

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 Union, fall into the following categories:

- Implementation of Divisional Executive Decisions.
- Maintenance of Union Rules, Registrations and Affiliations.
- Organising Executive Meetings and Divisional Conferences as well as National Safety Officer Meetings.
- Conducting activities for Parliamentary, Divisional Branch elections, including assisting with statutory requirements.
- Co-ordinating seminars / education courses for Branch Officers to inform them of current developments or to seek collective input in the development of national policies.
- Representing the Division's interest on various national committees and organisations.
- Co-ordinating the involvement of the Union in relevant international Trade Union bodies and conferences.
- Responsibility for servicing national awards and enterprise agreements and maintaining related information services. Divisional Office also advises Branches on Industrial matters.
- Provision to Branches with economic and industrial research.
- Provision to Branches of assistance with administration and financial management.
- Provision to Branches of a National Library including information service / library through an electronic database.
- Co-ordinating OH&S nationally and maintaining a national policy database and information service.
- Providing prime responsibility of initiating and leading the conduct of legal action launched in defence of the Division's constitutional work.
- Providing a National Computer Department to service each Branch and Divisional Office.
- Provision of National Publicity Services in respect of the national newspaper, safety newsletter and various brochures of Industrial issues, media issues, etc.
- Provision of National Training Agenda by representing the Union on various Boards and Committees.

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

Operating Results

The operating deficit for the financial year amounted to \$2,193,278 (31 March 2022: \$12,575 surplus)

Significant Changes in Financial Affairs

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

Review of operations

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

Environmental Issues

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

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

AS AT 31 MARCH 2023

Members Right to Resign

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

Officers or members who are superannuation fund trustee(s) (include position details) 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

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

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

Number of Members

The number of financial members at the end of the financial period recorded in the register of members was 71,022 (31 March 2022: 63,372).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 9 (2022: 12).

Indemnifying Officers or Auditor

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

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

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2023 and 31 March 2022.

Events after reporting period

As of 3 April 2023, Zachary Smith was appointed as the Divisional Secretary of the Union. Other than this, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

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

AS AT 31 MARCH 2023

Members of the Committee of Management

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

Names	Position	Period of appointment
Dave Noonan	Divisional Secretary	1/4/22-31/3/23
Andrew Sutherland	Divisional Assistant Secretary	1/4/22-31/3/23
Jason Jennings	Divisional Assistant Secretary	1/4/22-31/3/23
Jade Ingham	Divisional President	1/4/22-31/3/23
Rob Kera	Divisional Senior Vice President	1/4/22-31/3/23
John Setka	Divisional Vice President	1/4/22-31/3/23
John Setka	VIC-TAS Divisional Executive Member	1/4/22-31/3/23
Derek Christopher	VIC-TAS Divisional Executive Member	1/4/22-31/3/23
Elias Spornovasilis	VIC-TAS Divisional Executive Member	1/4/22-31/3/23
Darren Greenfield	NSW Divisional Executive Member	1/4/22-31/3/23
Michael Greenfield	NSW Divisional Executive Member	1/4/22-31/3/23
Michael Ravbar	QLD Divisional Executive Member	1/4/22-31/3/23
Kane Lowth	QLD Divisional Executive Member	1/4/22-31/3/23
Mick Buchan	WA Divisional Executive Member	1/4/22-31/3/23
Zachary Smith	ACT Divisional Executive Member	1/4/22-31/3/23

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

Name of Designated Officer: Zachary Smith

Title of Designated Officer: Divisional Secretary

Signature:

Date:

21 June 2023



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

FOR THE YEAR ENDED 31 MARCH 2023

On 21 June 2023, the Committee of Management of the Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division – National Office ("the Union") passed the following resolution to the General Purpose Financial Report (GPFR) of the Union for the year ended 31 March 2023.

The Committee of Management declares that in its opinion:

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

Title of Designated Officer: Divisional Secretary

Signature:

Date:

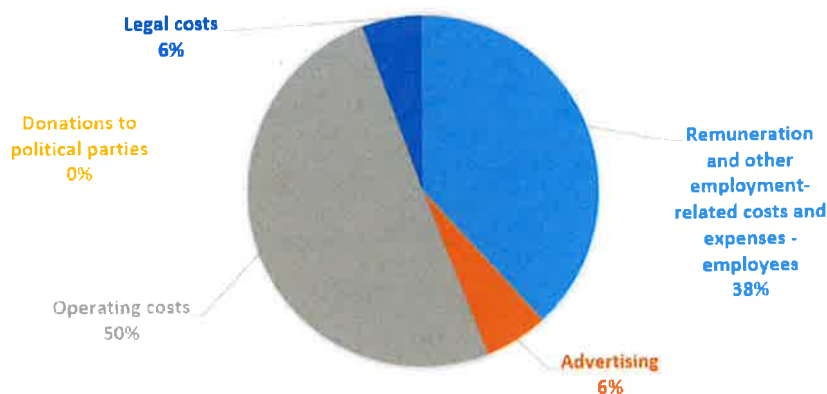
21 June 2023

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

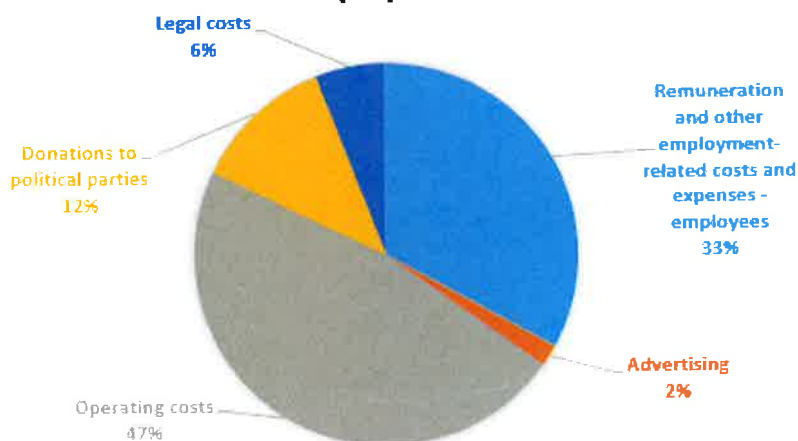
FOR THE YEAR ENDED 31 MARCH 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 March 2022 and 31 March 2023.

**2022 - EXPENDITURE AS REQUIRED UNDER
S.255(2A) RO ACT**



**2023 - EXPENDITURE AS REQUIRED UNDER
S.255(2A) RO ACT**



Name of Designated Officer: Zachary Smith

Title of Designated Officer: Divisional Secretary

Signature:

Date:

21 June 2023

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31 March 2023 \$	31 March 2022 \$
Revenue from contracts with customers			
Membership subscription		-	-
Capitation fees	3A	5,249,723	4,501,812
Levies	3B	633,720	659,130
Interest	3C	138,937	81,518
Other revenue	3F	718,485	877,551
Total revenue		6,740,865	6,120,011
Income for furthering objectives			
Grants and/or donations	3E	-	95,000
Total income for furthering objectives		-	95,000
Other Income			
Net gains from sale of assets	3D	48,851	-
Total other income		48,851	-
Total income		6,789,716	6,215,011
Expenses			
Employee expenses	4A	2,776,620	2,282,183
Capitation fees	4B	1,228,681	1,142,307
Affiliation fees		-	-
Administration expenses	4C	47,045	282,550
Grants or donations	4D	1,009,500	136,700
Depreciation and amortisation	4E	197,782	226,969
Finance costs	4F	15,885	16,956
Legal costs	4G	490,752	327,839
Accounting and audit fees	4H	32,948	30,985
Other expenses	4I	3,183,781	1,755,947
Total expenses		8,982,994	6,202,436
Surplus/ (deficit) for the year		(2,193,278)	12,575
Other comprehensive income		-	-
Total comprehensive income for the year		(2,193,278)	12,575

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

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

AS AT 31 MARCH 2023

	Notes	31 March 2023 \$	31 March 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	4,937,581	7,561,621
Trade and other receivables	5B	926,863	122,433
Other current assets	5C	184,480	194,842
Financial assets	5D	5,000,000	5,000,000
Total current assets		11,048,924	12,878,896
Non-Current Assets			
Trade and other receivables	5B	-	384,510
Right of use asset	9	273,052	315,928
Property, plant and equipment	5E	270,937	371,209
Total non-current assets		543,989	1,071,647
Total assets		11,592,913	13,950,543
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	427,784	594,613
Employee provisions	6B	1,208,457	1,114,304
Lease liability	9	41,499	38,137
Total current liabilities		1,677,740	1,747,054
Non-Current Liabilities			
Lease liability	9	279,263	320,040
Employee provisions	6B	18,480	72,741
Total non-current liabilities		297,743	392,781
Total liabilities		1,975,483	2,139,835
Net assets		9,617,430	11,810,708
EQUITY			
Retained earnings		9,617,430	11,810,708
Total equity		9,617,430	11,810,708

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Retained Earnings - General Funds	Total
	\$	\$
Balance as at 1 April 2021	11,798,133	11,798,133
Surplus for the year	12,575	12,575
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2022	11,810,708	11,810,708
Surplus/(deficit) for the year	(2,193,278)	(2,193,278)
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2023	9,617,430	9,617,430

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31 March 2023 \$	31 March 2022 \$
OPERATING ACTIVITIES			
Capitation fees received		4,574,594	5,024,659
Payments to suppliers and employees		(8,696,482)	(6,056,187)
Interest received		69,098	90,539
Other receipts		1,487,199	1,764,372
Finance cost		-	-
Net cash from/ (used by) operating activities	7A	(2,565,591)	823,383
INVESTING ACTIVITIES			
Purchase of plant and equipment		(129,797)	(111,016)
Proceeds from sale of PPE		124,098	22,180
Net cash from/ (used by) investing activities		(5,699)	(88,836)
FINANCING ACTIVITIES			
Repayment of lease liability		(52,750)	(51,096)
Net cash used by financing activities		(52,750)	(51,096)
Net increase/ (decrease) in cash held		(2,624,040)	683,451
Cash & cash equivalents at the beginning of the reporting period.		7,561,621	6,878,170
Cash & cash equivalents at the end of the reporting period	5A	4,937,581	7,561,621

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. The Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ('the Union') is a not-for-profit entity. The Union has applied the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars. Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

Key estimates and judgements

Impairment of property, plant and equipment

The Union assesses impairment at each reporting period by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. No impairment has been recognised in respect of the current year.

Provisions

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

Receivables

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Significant accounting judgements and estimates (continued)

Useful lives of property, plant and equipment

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The Union has adopted all standards which became effective for the first time during the year, and the adoption of these standards has not caused any material adjustments to the reported financial position or performance.

Future Australian Accounting Standards Requirements

Certain new accounting standards have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Union. These standards are not expected to have a material impact on the Union in the current or future reporting periods and on foreseeable future transactions.

1.5 Revenue

The Union enters into various arrangements where it received consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, sponsorships, donations and interest.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or service to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership Subscription

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Union.

If there is only one distinct membership service promised in the arrangement, the Union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Union's promise to stand ready to provide assistance and support to the member as required.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

Capitation fees

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

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise capitation fees as income upon receipt as specified in the income recognition policy below.

Levies

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

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

Income of the Union as a Not-for-Profit Entity

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- The Union's recognition of the cash contribution does not give rise to any related liabilities.

The Union receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- donations and voluntary contributions from members (including whip arounds); and
- government grants

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

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

1.6 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 in the circumstances set up below.

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.

1.7 Borrowing costs

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.8 Leases

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

This involves an assessment of whether:

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

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred. At the lease commencement, the Union recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Union believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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

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

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

Adoption of short-term leases or low value asset exception

The Union has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Union recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Cash and cash equivalents

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

1.10 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.

1.11 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.

1.12 Financial assets

Contract assets and receivables

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

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

Initial recognition and measurement

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

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

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

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

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 into categories as:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Financial assets at fair value through profit or loss

Financial assets at amortised cost

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

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

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

The Union's financial assets at amortised cost includes trade receivables, receivables from other reporting units and term deposits. The Union does not have financial assets at fair value through other comprehensive income.

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

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.

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

The Union recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).
- For those credit exposures for which 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 exposure, irrespective of the timing of the default (a lifetime ECL).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

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.

1.13 Financial Liabilities

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.14 Liabilities relating to contracts with customers

Contract liabilities

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 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.

1.16 Property, Plant and Equipment

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

Depreciation

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

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

	31 March 2023	31 March 2022
Buildings	2%	2%
Furniture, fixtures and fittings	5-25%	5-25%
Motor Vehicles	20%	20%
Computer equipment and software	20-33.3%	20-33.3%

Derecognition

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

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CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.17 Impairment of non-financial assets

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

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1.18 Taxation

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

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

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

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

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

1.19 Fair value measurement

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Fair value measurement (continued)

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.

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.

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.

1.20 Going concern

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

The Union has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis. The Union had previously agreed to provide CFMEU Construction and General Division South Australian Divisional Branch with financial support, however this was withdrawn during the year.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.21 Acquisition of Assets and Liabilities

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

1.22 Recovery of Wages

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

1.23 Economic dependence

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

1.24 Related party disclosures

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

1.25 Retained Earnings

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.26 Current versus non-current classification

The Union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional rights to defer the settlement of the liability for at least 12 months after the reporting period.

The terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification. The Union classified all other liabilities as non-current.

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 2 EVENTS AFTER REPORTING DATE

As of 3 April 2023, Zachary Smith was appointed as the Divisional Secretary of the Union. Other than this, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods.

NOTE 3 INCOME

31 March	31 March
2023	2022
\$	\$

Disaggregation of revenue from contracts with customers

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

Type of customer

Members	-	-
Other reporting units	6,245,879	5,352,284
Government	-	-
Other parties	494,986	767,727
Total revenue from contracts with customers	6,740,865	6,120,011

Disaggregation of income for furthering activities

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

Income funding sources

Members	-	-
Other reporting units	-	95,000
Government	-	-
Other parties	-	-
Total income for furthering activities	-	95,000

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 INCOME (CONTINUED)	31 March 2023	31 March 2022
	\$	\$

Note 3A: Capitation fees

Capitation fees by branch (CFMEU Construction & General)

Victoria and Tasmania	2,272,169	1,868,064
New South Wales	1,354,461	1,183,494
Queensland	-	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	892,527	791,721
South Australia	156,401	130,954
Western Australia	423,925	392,702
Australian Capital Territory	150,240	134,877
Total capitation fees	5,249,723	4,501,812

Note 3B: Levies

Campaign levies fees received (CFMEU Construction & General)

Victoria and Tasmania	265,020	274,830
New South Wales	156,190	167,560
Queensland	-	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	116,880	114,980
South Australia	18,980	18,930
Western Australia	55,750	63,120
Australian Capital Territory	20,900	19,710
Total levies	633,720	659,130

Note 3C: Interest

Interest – financial assets at amortised cost	138,937	81,518
Total interest	138,937	81,518

Note 3D: Net gains from sale of assets

Gain on sale of assets	48,851	-
Total net gain from sale of assets	48,851	-

Note 3E: Grants or donations

Grants	-	-
Donations	-	95,000
Total grants or donations	-	95,000

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 3 INCOME (CONTINUED)

	31 March 2023	31 March 2022
	\$	\$
Note 3F: Other Revenue		
Attendance Fees	160,560	254,845
Wages reimbursements	362,436	191,342
Advertising revenue	159,125	145,000
Divisional conference sponsorship	36,364	286,364
Other income	-	-
Financial support from another reporting unit	-	-
Total other revenue	718,485	877,551

NOTE 4 EXPENSES

Note 4A: Employee expenses

Holders of office:

Wages and salaries	709,719	554,791
Superannuation	76,237	65,167
Leave and other entitlements	(20,815)	103,325
*Separation and redundancies	19,895	17,940
Other employee expenses	75,289	56,743
Subtotal employee expenses holders of office	860,325	797,966

Employees other than office holders:

Wages and salaries	1,528,527	1,148,795
Superannuation	160,193	129,653
Leave and other entitlements	60,706	94,510
*Separation and redundancies	50,025	42,090
Other employee expenses	116,844	69,169
Subtotal employee expenses non- office holders	1,916,295	1,484,217
Total employee expenses	2,776,620	2,282,183

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU National Office	1,228,681	1,142,307
Total Capitation fees	1,228,681	1,142,307

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CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 4 EXPENSES (CONTINUED)

	31 March 2023 \$	31 March 2022 \$
Note 4C: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levy	-	-
Voluntary levy	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	47,045	282,550
Total administration expenses	<u>47,045</u>	<u>282,550</u>

Note 4D: Grants or donations

Grants:

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

Donations:

Total paid that were \$1,000 or less	-	1,700
Total paid that exceeded \$1,000	1,009,500	135,000
Total grants or donations	<u>1,009,500</u>	<u>136,700</u>

Note 4E: Depreciation and amortisation

Depreciation:

Land and Building	-	-
Furniture, fixtures and fittings	86,623	86,775
Motor vehicles	38,933	33,520
Computer equipment and software	28,538	63,098
Right of Use asset – Note 9	43,688	43,576
Total depreciation and amortisation	<u>197,782</u>	<u>226,969</u>

Note 4F: Finance costs

Bank fees and charges	1,362	915
Interest expense – lease liability – Note 9	14,523	16,041
Total finance costs	<u>15,885</u>	<u>16,956</u>

Note 4G: Legal costs

Litigation	485,635	277,178
Other legal matters	5,117	50,661
Total legal costs	<u>490,752</u>	<u>327,839</u>

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 4 EXPENSES (CONTINUED)

	31 March 2023	31 March 2022
	\$	\$

Note 4H: Accounting and Audit fees

External audit expense	30,900	28,520
Other services	2,048	2,465
Total accounting and audit fees	32,948	30,985

Note 4I: Other expenses

Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Administration and Finance	77,912	150,709
Advertising & Marketing	151,760	347,609
Bad Debts – CFMEU C&G SA Branch	384,510	-
Campaign expenses	1,052,537	-
Communications	27,433	11,238
Computer and website expenses	845,453	857,930
Insurance	36,306	29,719
Loss on disposal of assets	728	866
Media monitoring costs	48,000	52,000
Merchandise purchases	305	5,662
Motor vehicle expenses	25,179	18,936
Occupancy expenses	87,592	98,899
Printing, Postage and Stationery	8,696	2,705
Sponsorship	-	6,250
Travel expenses	425,815	161,862
Other expenses	11,555	11,562
Total other expenses	3,183,781	1,755,947

NOTE 5 ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	4,937,581	7,561,621
Total cash and cash equivalents	4,937,581	7,561,621

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5 ASSETS (CONTINUED)	31 March 2023 \$	31 March 2022 \$
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Note 5B: Trade and Other Receivables

Current

Trade receivables	17,501	51,482
Other receivables	86,660	16,821

Current receivables from other reporting units

CFMEU Construction and General Division

- Victoria and Tasmania Branch	444,516	-
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- New South Wales Branch	188,063	-
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- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	110,887	54,130
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- South Australia Branch	27,991	-
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- Western Australia Branch	34,345	-
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- Australian Capital Territory Branch	16,900	-
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Total current trade and other receivables	926,863	122,433
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Non-current receivables from other reporting units

CFMEU Construction and General Division

- South Australia Branch	-	384,510
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Total non-current trade and other receivables	-	384,510
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Less allowance for expected credit losses	-	-
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Total allowance for expected credit losses	-	-
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Total trade and other receivables (net)	926,863	506,943
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Please refer to note 1.24 for further commentary in relation to the consistency of transactions and balances between reporting units.

No allowance for expected credit losses has been raised against the reporting units balances shown, in accordance with the accounting policy note 1.12 and note 12A.

Note 5C: Other Current Assets

Prepayments – other	184,480	194,842
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Total other current assets	184,480	194,842
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Note 5D: Financial Assets

Financial assets at amortised cost	5,000,000	5,000,000
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Total financial assets	5,000,000	5,000,000
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CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 5 ASSETS (CONTINUED)

**31 March
2023**
\$

**31 March
2022**
\$

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Furniture, fixtures and fittings	99,436	184,857
Motor vehicles	122,096	126,964
Computer equipment and software	49,405	59,388
Total property plant and equipment	270,937	371,209

Furniture, fixtures and fittings:

At cost	439,309	438,107
Less accumulated depreciation	(339,873)	(253,250)

Total furniture, fixtures and fittings

99,436	184,857
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Motor vehicles:

At cost	165,668	220,340
Less accumulated depreciation	(43,572)	(93,376)

Total motor vehicles

122,096	126,964
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Computer equipment and software:

At cost	360,685	370,608
Less accumulated depreciation	(311,280)	(311,220)

Total computer equipment and software

49,405	59,388
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	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
2023				
	\$	\$	\$	\$
Balance at beginning of the year	184,857	126,964	59,388	371,209
Additions	1,202	109,313	19,282	129,797
Disposals	-	(75,248)	(727)	(75,975)
Depreciation expense – Note 4E	(86,623)	(38,933)	(28,538)	(154,094)
Carrying amount at end of the year	99,436	122,096	49,405	270,937

	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
2022				
	\$	\$	\$	\$
Balance at beginning of the year	271,632	101,431	71,389	444,452
Additions	-	59,053	51,963	111,016
Disposals	-	-	(866)	(866)
Depreciation expense – Note 4E	(86,775)	(33,520)	(63,098)	(183,393)
Carrying amount at end of the year	184,857	126,964	59,388	371,209

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6	LIABILITIES	31 March 2023	31 March 2022
		\$	\$
Note 6A: Trade and Other Payables			
<i>Current</i>			
	Trade payables and accruals	304,928	192,590
Trade Payables to other reporting units			
CFMEU Construction and General Division			
	- Victoria and Tasmania Branch	-	179,905
	- New South Wales Branch	-	135,483
	- South Australia Branch	-	8,092
	- Western Australia Branch	-	38,791
	- Australian Capital Territory Branch	42,612	2,563
	CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	7,493	7,700
	Consideration to employers for payroll deductions	-	-
Legal costs			
	Litigation	-	18,559
	Other legal matters	-	-
	GST payable	72,751	10,930
	Wages collected on behalf of members	-	-
	Total trade and other payables	427,784	594,613

Please refer to note 1.24 for further commentary in relation to the consistency of transactions and balances between reporting units.

Note 6B: Employee Provisions

Employee provisions comprises of:

<i>Current</i>			
	Provision for other leave	257,597	217,046
	Provision for annual leave	482,591	526,913
	Provision for long service leave	468,269	370,345
		1,208,457	1,114,304
<i>Non-current</i>			
	Provision for long service leave	18,480	72,741
	Total employee provisions	1,226,937	1,187,045

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 6	LIABILITIES (CONTINUED)	31 March 2023	31 March 2022
		\$	\$

Note 6B: Employee Provisions (Continued)

Office Holders:

Annual leave	116,795	159,769
Long service leave	223,421	223,581
Separations and redundancies	-	-
Other	94,242	71,921

<i>Subtotal employee provisions—office holders</i>	434,458	455,271
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Employees other than office holders:

Annual leave	365,796	367,143
Long service leave	263,328	219,505
Separations and redundancies	-	-
Other	163,355	145,126

<i>Subtotal employee provisions—employees other than office holders</i>	792,479	731,774
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Total employee provisions	1,226,937	1,187,045
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NOTE 7 CASH FLOW

Note 7A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Statement of cash flows	4,937,581	7,561,621
Statement of financial position	4,937,581	7,561,621
<i>Difference</i>	-	-

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 7	CASH FLOW	31 March 2023 \$	31 March 2022 \$
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Note 7A: Cash Flow Reconciliation

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

Surplus/(deficit) for the year	(2,193,278)	12,575
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Adjustments for non-cash items

Depreciation expense – Note 4E	197,782	204,791
(Gain)/Loss on disposal of assets	(48,123)	866
Finance costs on lease liability	14,523	16,041

Changes in assets/liabilities

(Increase)/decrease in trade and other receivables	(419,920)	78,981
(Increase)/decrease in prepayments	10,362	(124,078)
Increase/(decrease) in trade and other payables	(166,829)	410,258
Increase/(decrease) in employee provisions	39,892	223,949
Net cash from (used by) operating activities	(2,565,591)	823,383

Note 7B: Cash flow information

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

CFMEU Construction and General		
- Victoria and Tasmania Branch	2,705,601	3,068,062
- New South Wales Branch	1,642,135	2,020,602
- Queensland Branch	-	-
- South Australia Branch	217,798	239,457
- Western Australia Branch	499,020	685,986
- Australian Capital Territory Branch	236,801	263,006
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,119,537	1,014,287
CFMMEU National Office	(1,364,878)	(1,253,233)
CFMEU Mining and Energy VIC	720	720
Maritime Union of Australia	-	(5,433)
Maritime Union of Australia – WA Branch	-	(60,000)
Net cash flows	5,056,734	5,973,454

Please refer to note 1.24 for further commentary in relation to the consistency of transactions and balances between reporting units.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 7 CASH FLOW (CONTINUED)	31 March 2023	31 March 2022
	\$	\$

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility		
Used facility	20,210	23,567
Unused facility	49,790	46,433
Total facility	70,000	70,000

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2023 (31 March 2022: Nil).

NOTE 8 RELATED PARTY DISCLOSURES

Note 8A: Related Party Transactions for the Reporting Period

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

The Union's main related parties are as follows:

(a) Key management personnel

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

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

(b) Other related parties

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

(c) Related Party Transactions

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

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

Please refer to note 1.24 for further commentary in relation to the consistency of transactions and balances between reporting units.

Related Party Information

Transactions with related parties:

(i) Capitation fees charged (excluding GST)

Refer to Note 3A.

(ii) Campaign levies charged (excluding GST)

Refer to Note 3B.

(iii) Wages reimbursement received from branches

	31 March 2023 \$	31 March 2022 \$
CFMEU Construction and General		
- Victoria and Tasmania Branch	362,436	191,342

(iv) Sponsorship contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	6,250
- New South Wales Branch	-	6,250
Maritime Union of Australia	-	6,250

(v) Legal Penalties contributions received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	181,956
- New South Wales Branch	-	117,793
- South Australia Branch	-	12,291
- Western Australia Branch	-	38,032
- Australian Capital Territory Branch	-	12,193
CFMEU Industrial Union of Employees Queensland State	-	65,985
Construction and General Division (CFMEUQ)		

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(vi) Donation contribution for Myanmar strike fund received from branches

	31 March 2023	31 March 2022
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	10,000
- New South Wales Branch	-	15,000
- Western Australia Branch	-	10,000
- Australian Capital Territory Branch	-	10,000

(vii) Donation contribution for Qube dispute received from branches

CFMEU Construction and General		
- New South Wales Branch	-	10,000
- South Australia Branch	-	10,000
- Western Australia Branch	-	10,000
- Australian Capital Territory Branch	-	10,000
CFMEU Industrial Union of Employees Queensland State	-	10,000
Construction and General Division (CFMEUQ)		

(viii) Capitation fees expense

CFMMEU National Office	1,228,681	1,142,307
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(ix) Rent expense and outgoings

CFMEU Construction and General – Victoria and Tasmania Branch	80,868	80,868
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(x) IT costs reimbursement

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	5,748
- New South Wales Branch	-	2,953
Maritime Union of Australia	-	10,621

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(xi) Donation expense

	31 March 2023	31 March 2022
	\$	\$
-CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ) for Tonga Appeal	-	10,000
Maritime Union of Australia WA Branch for Qube dispute	-	60,000

(xii) Airfare expenses

CFMEU Construction and General		
- Western Australia Branch	1,475	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	9,558	14,019

(xiii) Bad Debts Written Off

CFMEU Construction and General		
- South Australia Branch	384,510	-

(xiv) Electricity charges

CFMEU Construction and General		
- New South Wales Branch	4,233	3,174

(xv) Reimbursement of Travel expenses

CFMEU Construction and General		
- Australian Capital Territory Branch	38,738	-

(xvi) Reimbursement of staff cost

CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	77,912	79,264
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(xvii) Reimbursement of accommodation expenses

CFMMEU National Office	16,560	-
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**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(xviii) Other expenses (income)

	31 March 2023 \$	31 March 2022 \$
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	60
CFMMEU National Office	-	1,208
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,664	-

Related Party Balances

(i) Trade and other receivables

Refer to Note 5B.

(ii) Trade and other payables

Refer to Note 6A.

(iii) Prepayments

Refer to Note 5C.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

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

- Dave Noonan (Divisional Secretary) – resigned 31/3/2023
- Nigel Davies (Former Divisional Assistant Secretary)
- Andrew Sutherland (Divisional Assistant Secretary)
- Jason Jennings (Divisional Assistant Secretary)

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

	31 March 2023 \$	31 March 2022 \$
Short-term employee benefits		
Salary	732,040	596,063
Annual leave movement	(42,975)	34,484
Performance bonus	-	-
Other employee benefits	75,289	56,743
Total short-term employee benefits	<u>764,354</u>	<u>687,290</u>
Post-employment benefits:		
Superannuation	76,237	65,167
Redundancy fund	19,895	17,940
Total post-employment benefits	<u>96,132</u>	<u>83,107</u>
Other long-term benefits:		
Long-service leave	(161)	27,569
Total other long-term benefits	<u>(161)</u>	<u>27,569</u>
Termination benefits		-
Total	<u>860,325</u>	<u>797,966</u>

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

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 9 LEASES

The Union as a lessee

The Union has a lease over property.

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

Terms and conditions of leases:

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

Right-of-use assets

	Property \$
Year ended 31 March 2023	
Balance at 1 April 2022	315,928
Additions to right-of-use assets	-
Remeasurement	812
Depreciation charge	(43,688)
Balance at end of year	<u><u>273,052</u></u>

Right-of-use assets

	Property \$
Year ended 31 March 2022	
Balance at 1 April 2021	359,504
Additions to right-of-use assets	-
Depreciation charge	(43,576)
Balance at end of year	<u><u>315,928</u></u>

Lease liabilities

	2023 \$	2022 \$
Current	41,499	38,137
Non-current	279,263	320,040
Total	<u><u>320,762</u></u>	<u><u>358,177</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

NOTE 9 LEASES (CONTINUED)

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 Balance Sheet
	\$	\$	\$	\$	\$
2023					
Lease liabilities	54,333	239,130	78,811	367,274	320,762
2022					
Lease liabilities	52,629	226,362	139,375	418,366	358,177

Extension options

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

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

Statement of Profit or Loss and Other Comprehensive Income

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

	2023	2022
	\$	\$
Interest expense	14,523	16,041
Depreciation of right-of-use assets	43,688	43,576
	<u>58,211</u>	<u>59,617</u>

Statement of Cash Flows

Total cash outflow for leases	<u>52,750</u>	<u>51,096</u>
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CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 10 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Contingent liabilities and commitments

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

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

(b) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2023 (2022: Nil).

	31 March 2023	31 March 2022
	\$	\$

NOTE 11 REMUNERATION OF AUDITOR

Value of the services provided

Financial statement audit services	30,900	28,520
Other services	2,048	2,465
Total remuneration of auditor	32,948	30,985

Other services include accounting and tax services.

NOTE 12 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

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

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

Specific Financial Risk Exposures and Management

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

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

The Union's financial instruments are listed below:

	31 March 2023 \$	31 March 2022 \$
Financial Assets		
Cash and cash equivalents	4,937,581	7,561,621
Trade and other receivables	926,863	506,943
Financial assets – at amortised cost	5,000,000	5,000,000
	<u>10,864,444</u>	<u>13,068,564</u>
Financial Liabilities		
Trade and other payables	355,123	583,681
Lease Liability	320,762	358,177
	<u>675,885</u>	<u>941,858</u>

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 2023 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.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

Financial assets that were past due but not impaired for 2023

	Within trade terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	0%	0%
Gross Carrying amount	926,863	-	-	-	-	926,863
Expected credit loss	-	-	-	-	-	-

Financial assets that were past due but not impaired for 2022

	Within trade terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
		\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	0%	0%
Gross Carrying amount	506,943	-	-	-	-	506,943
Expected credit loss	-	-	-	-	-	-

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

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

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

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 2023 (31 March 2022: Nil).

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12B: Liquidity Risk

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

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

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

Contractual maturities for financial liabilities

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
2023		\$	\$	\$	\$	\$
Trade and other payables	427,874	-	-	-	-	427,874
Lease Liability	-	41,499	44,959	157,687	76,617	320,762
	427,874	41,499	44,959	157,687	76,617	748,636

2022

Trade and other payables	594,613	-	-	-	-	594,613
Lease Liability	-	38,138	41,400	145,720	132,919	358,177
	594,613	38,138	41,400	145,720	132,919	952,790

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12C: Market Risk (Continued)

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

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

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

- iii. Price risk
 The Union is not exposed to equity securities price risk as it does not have equity instruments.

Sensitivity Analysis

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

Note 12D: Changes in liabilities arising from financing activities

2023	1 April 2022	Cash flows	New Leases	Other	31 March 2023
	\$	\$	\$	\$	\$
Current interest- bearing loans and borrowings	38,137	(38,137)	-	41,499	41,499
Non-current interest-bearing loans and borrowings	320,040	-	-	(40,777)	279,263
Total liabilities from financing activities	358,177	(38,137)	-	722	320,762

2022	1 April 2021	Cash flows	New Leases	Other	31 March 2022
	\$	\$	\$	\$	\$
Current interest- bearing loans and borrowings	35,055	(35,055)	-	38,137	38,137
Non-current interest-bearing loans and borrowings	358,177	-	-	(38,137)	320,040
Total liabilities from financing activities	393,232	(35,055)	-	-	358,177

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 13 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

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

Footnote	31 March 2023		31 March 2022	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,937,581	4,937,581	7,561,621	7,561,621
Trade and other receivables	926,863	926,863	506,943	506,943
Financial assets	5,000,000	5,000,000	5,000,000	5,000,000
Total financial assets	10,864,444	10,864,444	13,068,564	13,068,564
Financial liabilities				
Trade and other payables	427,784	427,784	594,613	594,613
Lease Liabilities	320,762	320,762	358,177	358,177
Total financial liabilities	748,546	748,546	952,790	952,790

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

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

FOR THE YEAR ENDED 31 MARCH 2023

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

Pursuant to Rule 24B of the Union's Rules and s. 293BC(3) of the *Fair Work (Registered Organisation) Amendment Act 2016*, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2023 financial year.

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

	Dave Noonan Former Divisional Secretary	Nigel Davies Former Divisional Assistant Secretary	Andrew Sutherland Divisional Assistant Secretary	Jason Jennings Divisional Assistant Secretary	Total
	\$	\$	\$	\$	\$
Salary and allowance	213,031	106,082	206,543	184,063	709,719
Movement in annual and long service leave provisions	43,318	(98,984)	8,502	26,349	(20,815)
Superannuation	24,478	6,535	23,554	21,670	76,237
Redundancy	5,980	1,955	5,980	5,980	19,895
Other employee benefits	22,731	10,662	22,078	19,818	75,289
	<u>309,538</u>	<u>26,250</u>	<u>266,657</u>	<u>257,880</u>	<u>860,325</u>

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

There were only four paid officers during the financial year.

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

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

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2023.

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

FOR THE YEAR ENDED 31 MARCH 2023

NOTE 15 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

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

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

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

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 17 UNION DETAILS

The registered office of the Union is:

Level 1, 1 Miller Lane
Pyrmont NSW 2009

NOTE 18 SEGMENT INFORMATION

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

NOTE 19 OFFICER DECLARATION STATEMENT

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

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office ("the Union"), which comprises the statement of financial position as at 31 March 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2023, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office as at 31 March 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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Information Other than the Financial Report and Auditors Report Thereon

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

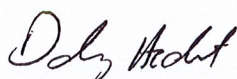
As part of an audit in accordance with the Australian Auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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.

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



Daley Audit



Stephen Milgate
Partner

Wollongong
21 June 2023

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

Liability limited by a scheme approved under Professional Standards Legislation.