

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 2021

CONTENTS

Page No

Committee of Management Operating Report.....	3
Committee of Management Statement.....	6
Report required under Subsection 255(2A).....	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows.....	11
Notes to the Financial Statements.....	12
Independent Auditor's Report.....	53
Designated Officer Certificate.....	56

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

FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

Principal Activities

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 surplus for the financial year amounted to \$208,821 (31 March 2020: \$1,942,207 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 (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

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 Trustees / Director of a Company that is a Superannuation Fund Trustee

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	- Divisional Secretary of the Union - Director of United Super Pty Ltd which acts as Trustee of C Bus - Director of C Bus Property Pty Ltd
Frank O’Grady	- Former Assistant Divisional Secretary of the Union - Director of United Super Pty Ltd which acts as Trustee of C Bus
Rita Mallia	- 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 65,913 (31 March 2020: 68,535).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 10 (2020: 11).

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 2021 and 31 March 2020.

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

FOR THE YEAR ENDED 31 MARCH 2021

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:

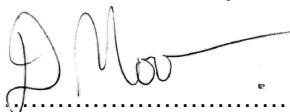
Names	Position	Period of appointment
Dave Noonan	Divisional Secretary	1/4/20 - 31/3/21
Andrew Sutherland	Divisional Assistant Secretary	1/4/20 - 31/3/21
Nigel Davies	Divisional Assistant Secretary	1/4/20 - 31/3/21
Jade Ingham	Divisional President	1/4/20 - 31/3/21
Rob Kera	Senior Divisional Vice President	1/4/20 - 31/3/21
John Setka	VIC-TAS Divisional Executive Member	1/4/20 - 31/3/21
Elias Spernovasilis	VIC-TAS Divisional Executive Member	1/4/20 - 31/3/21
Darren Greenfield	NSW Divisional Executive Member	1/4/20 - 31/3/21
Michael Greenfield	NSW Divisional Executive Member	1/4/20 - 31/3/21
Michael Ravbar	QLD Divisional Executive Member	1/4/20 - 31/3/21
Kane Lowth	QLD Divisional Executive Member	1/4/20 - 31/3/21
Mick Buchan	WA Divisional Executive Member	1/4/20 - 31/3/21
Jason O'Mara	ACT Divisional Executive Member	1/4/20 - 31/3/21

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: **Dave Noonan**

Title of Designated Officer: Divisional Secretary

Signature:



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Date: 19 August 2021

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

FOR THE YEAR ENDED 31 MARCH 2021

On 19 August 2021, 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 2021.

The Committee of Management declares that in its opinion:

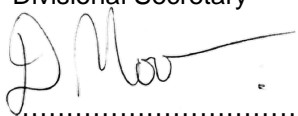
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the *RO Act*);
- (c) 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 to each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the Union or the Commissioner duly made under section 272 of the *RO Act*, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of 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: **Dave Noonan**

Title of Designated Officer: Divisional Secretary

Signature:


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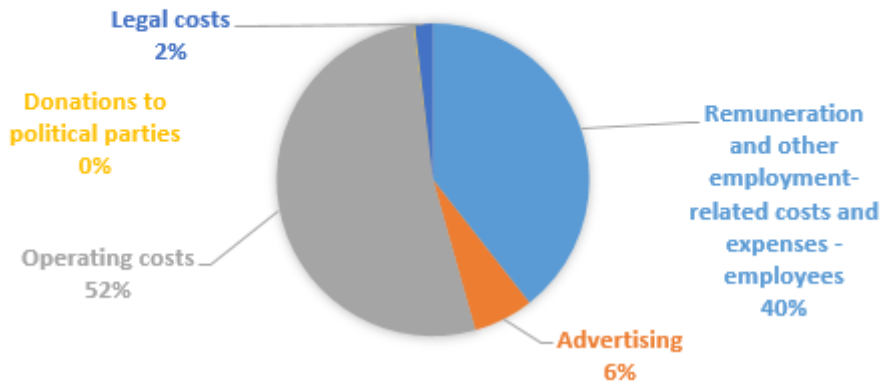
Date: 19 August 2021

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

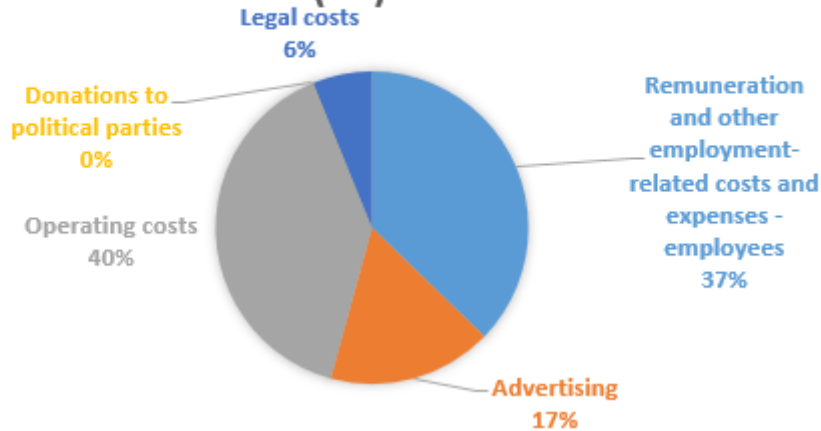
FOR THE YEAR ENDED 31 MARCH 2021

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 March 2020 and 31 March 2021.

**2020 - EXPENDITURE AS REQUIRED UNDER
 S.255(2A) RO ACT**



**2021 - EXPENDITURE AS REQUIRED UNDER
 S.255(2A) RO ACT**



Name of Designated Officer: Dave Noonan

Title of Designated Officer: Divisional Secretary

Signature: 

Date: 19 August 2021

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

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
Revenue from contracts with customers			
Membership subscription			-
Capitation fees	3A	4,819,016	4,747,637
Levies	3B	685,350	606,589
Interest	3C	129,819	132,395
Other revenue	3F	672,678	848,941
Total revenue		<u>6,306,863</u>	<u>6,335,562</u>
Income for furthering objectives			
Grants and/or donations	3E	5,000	100,000
Total income for furthering objectives		<u>5,000</u>	<u>100,000</u>
Other Income			
Net gains from sale of assets	3D	-	1,690,958
Total other income		<u>-</u>	<u>1,690,958</u>
Total income		<u>6,311,863</u>	<u>8,126,520</u>
Expenses			
Employee expenses	4A	2,183,831	2,336,999
Capitation fees	4B	1,173,290	1,190,998
Affiliation fees*		-	1,416
Administration expenses	4C	537	351,082
Grants or donations	4D	6,750	158,919
Depreciation and amortisation	4E	224,097	199,817
Finance costs	4F	19,803	15,152
Legal costs	4G	360,995	110,666
Accounting and audit fees	4H	32,562	31,929
Other expenses	4I	2,101,177	1,787,335
Total expenses		<u>6,103,042</u>	<u>6,184,313</u>
Surplus (deficit) for the year		<u>208,821</u>	<u>1,942,207</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>208,821</u>	<u>1,942,207</u>

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

*The affiliation fees is for The International Centre for Trade Union Rights

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

AS AT 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	6,878,170	6,468,361
Trade and other receivables	5B	201,414	457,592
Other current assets	5C	70,764	42,628
Financial assets	5D	5,000,000	5,000,000
Total current assets		12,150,348	11,968,581
Non-Current Assets			
Trade and other receivables	5B	384,510	384,510
Right of use asset	9	359,504	403,080
Property, plant and equipment	5E	444,452	610,571
Total non-current assets		1,188,466	1,398,161
Total assets		13,338,814	13,366,742
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	184,353	574,959
Employee provisions	6B	910,306	734,421
Lease liability	9	35,055	32,146
Total current liabilities		1,129,714	1,341,526
Non-Current Liabilities			
Lease liability	9	358,177	393,231
Employee provisions	6B	52,790	42,673
Total non-current liabilities		410,967	435,904
Total liabilities		1,540,681	1,777,430
Net assets		11,798,133	11,589,312
EQUITY			
Retained earnings		11,798,133	11,589,312
Total equity		11,798,133	11,589,312

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**

AS AT 31 MARCH 2021

	Retained Earnings - General Funds	Total
	\$	\$
Balance as at 1 April 2019	9,647,105	9,647,105
Surplus (deficit) for the period	1,942,207	1,942,207
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2020	11,589,312	11,589,312
Surplus (deficit) for the year	208,821	208,821
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2021	11,798,133	11,798,133

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 2021

	Notes	31 March 2021 \$	31 March 2020 \$
OPERATING ACTIVITIES			
Capitation fees received		5,565,362	6,067,452
Payments to suppliers and employees		(6,706,063)	(6,333,548)
Interest received		145,593	158,415
Other receipts		1,471,311	1,193,036
Finance cost		(2,340)	(1,280)
Net cash from (used by) operating activities	7A	473,863	1,084,075
INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment		-	20,317
Proceeds from sale of assets held for sale		-	2,200,000
Purchase of plant and equipment		(14,446)	(483,334)
Net (purchase)/ proceeds from investments		-	-
Net cash from (used by) investing activities		(14,446)	1,736,983
FINANCING ACTIVITIES			
Repayment of lease liability		(49,608)	(24,259)
Net cash used by financing activities		(49,608)	(24,259)
Net increase (decrease) in cash held		409,809	2,796,799
Cash & cash equivalents at the beginning of the reporting period.		6,468,361	3,671,562
Cash & cash equivalents at the end of the reporting period	5A	6,878,170	6,468,361

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

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Assets
Note 6	Liabilities
Note 7	Cash flow
Note 8	Related party disclosures
Note 9	Leases
Note 10	Contingent liabilities, assets and commitments
Note 11	Remuneration of auditor
Note 12	Financial instruments
Note 13	Fair value measurement
Note 14	Disclosure of Officers' remuneration and non-cash benefits
Note 15	Administration of financial affairs by a third party
Note 16	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
Note 17	Union Details
Note 18	Segment Information
Note 19	Officer Declaration Statement

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

FOR THE YEAR ENDED 31 MARCH 2021

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

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. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of the current year.

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 2021

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.

Impact of COVID19

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year:

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

The amendments provide a new definition of material that states, “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Union. No other accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

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

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

(applicable for annual reporting periods beginning on or after 1 January 2023)

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The Committee of Management anticipate that the adoption of AASB 2020-1 will not have a significant impact on the Union’s financial statements.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 service 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.

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.

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

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.

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.

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 – (Cash Flow Boost).

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 when it is probable that settlement will be required and they are capable of being measured reliably.

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

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

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

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

1.7 Leases

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

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

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

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

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

1.8 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 2021

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

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 in three categories as:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income

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 financials at fair value through other comprehensive income and investments in equity instruments designated 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.

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the 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

Expected credit losses

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (**ECLs**) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

FOR THE YEAR ENDED 31 MARCH 2021

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.

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).

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.14 Liabilities relating to contracts with customers (continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Union's refund liabilities arise from customers' right of return. The liabilities is measured at the amount the Union's ultimately expects it will have to return to the customer. The Union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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 2021	31 March 2020
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 land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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

FOR THE YEAR ENDED 31 MARCH 2021

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

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 the 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

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Fair value measurement (continued)

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 agreed to provide Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division South Australian Divisional branch (CFMEU C&G SA) with financial support to ensure they can continue on a going concern basis. This agreed financial and other support is to continue for a period of not less than 12 months from the date of signing this financial reports to allow CFMEU C&G SA to realise its assets and discharge its liabilities in the normal course of business. Furthermore, the Union will not seek repayment of the intercompany receivable from CFMEU C&G SA (refer note 5B) for a period of at least 12 months from the date of signing this financial report.

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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in any assets.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 2 EVENTS AFTER REPORTING DATE

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 2021	31 March 2020
	\$	\$

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	5,504,366	5,354,226
Government	100,000	-
Other parties	702,497	981,336
Total revenue from contracts with customers	6,306,863	6,335,562

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	-	100,000
Government	-	-
Other parties	5,000	-
Total income for furthering activities	5,000	100,000

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 INCOME (CONTINUED)	31 March 2021 \$	31 March 2020 \$
Note 3A: Capitation fees		
Capitation fees by branch (CFMEU Construction & General)		
Victoria and Tasmania	2,047,521	1,986,655
New South Wales	1,325,500	1,397,269
Queensland	-	738,547
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	742,512	-
South Australia	138,310	133,035
Western Australia	427,966	368,617
Australian Capital Territory	137,207	123,514
Total capitation fees	<u>4,819,016</u>	<u>4,747,637</u>
Note 3B: Levies		
Campaign levies fees received (CFMEU Construction & General)		
Victoria and Tasmania	312,120	-
New South Wales	172,330	-
Queensland	-	134,860
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	108,590	-
South Australia	21,680	-
Western Australia	52,510	-
Australian Capital Territory	18,120	-
Campaign levies received in advance	-	471,729
Total levies	<u>685,350</u>	<u>606,589</u>
Note 3C: Interest		
Interest – financial assets at amortised cost	129,819	132,395
Total Interest	<u>129,819</u>	<u>132,395</u>
Note 3D: Net gains from sale of assets		
Gain on sale of assets	-	11,848
Gain on sale of assets – Swanston Street	-	1,679,110
Total net gain from sale of assets	<u>-</u>	<u>1,690,958</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	5,000	100,000
Total grants or donations	<u>5,000</u>	<u>100,000</u>

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 INCOME (CONTINUED)	31 March 2021 \$	31 March 2020 \$
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Note 3F: Other Revenue

Attendance Fees	207,482	191,770
Wages reimbursements	175,196	192,588
Advertising revenue	190,000	125,000
Divisional conference sponsorship	-	331,818
Rent received	-	-
Other income	100,000	7,765
Financial support from another reporting unit	-	-
Total other revenue	<u>672,678</u>	<u>848,941</u>

NOTE 4 EXPENSES

Note 4A: Employee expenses

Holders of office:

Wages and salaries	552,572	576,338
Superannuation	64,624	62,225
Leave and other entitlements	13,693	58,355
*Separation and redundancies	17,790	16,700
Other employee expenses	51,630	62,465
Subtotal employee expenses holders of office	<u>700,309</u>	<u>776,083</u>

Employees other than office holders:

Wages and salaries	1,081,025	1,349,404
Superannuation	125,095	151,428
Leave and other entitlements	172,309	(46,701)
*Separation and redundancies	45,815	28,375
Other employee expenses	59,278	78,410
Subtotal employee expenses non- office holders	<u>1,483,522</u>	<u>1,560,916</u>
Total employee expenses	<u>2,183,831</u>	<u>2,336,999</u>

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU National Office	1,173,290	1,190,998
Total Capitation fees	<u>1,173,290</u>	<u>1,190,998</u>

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

**31 March
2021
\$** **31 March
2020
\$**

Note 4C: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levy	-	-
Voluntary levy	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	537	351,082
Total administration expenses	537	351,082

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	250	-
Total paid that exceeded \$1,000	6,500	158,919

Total grants or donations

6,750 158,919

Note 4E: Depreciation and amortisation

Depreciation:

Land and Building	-	57
Furniture, fixtures and fittings	87,084	61,834
Motor vehicles	32,258	29,817
Computer equipment and software	61,179	75,427
Right of Use asset – Note 9	43,576	32,682

Total depreciation and amortisation

224,097 199,817

Note 4F: Finance costs

Bank fees and charges	2,340	1,279
Interest expense – lease liability – Note 9	17,463	13,873
Total finance costs	19,803	15,152

Note 4G: Legal costs

Litigation	324,716	189,304
Other legal matters	36,279	9,712
Costs reimbursed by CFMEU Branches – Note 8(a)	-	(88,350)
Total legal costs	360,995	110,666

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

31 March	31 March
2021	2020
\$	\$

Note 4H: Accounting and Audit fees

External audit expense	27,920	28,300
Other services	4,642	3,629
Total accounting and audit fees	32,562	31,929

Note 4I: Other expenses

Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Administration and Finance	80,158	-
Advertising & Marketing	997,967	368,413
ATO – PAYG payment	-	60,184
Communications	16,185	26,667
Computer and website expenses	598,074	496,246
Insurance	56,239	60,116
Loss on disposal of assets	44	6,746
Media monitoring costs	44,727	43,636
Merchandise purchases	6,237	-
Motor vehicle expenses	19,520	15,633
Occupancy expenses	118,431	219,247
Printing, Postage and Stationery	3,006	5,850
Sponsorship	-	1,500
Travel expenses	152,489	449,492
Other expenses	8,100	33,605
Total other expenses	2,101,177	1,787,335

NOTE 5 ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	6,878,170	6,468,361
Total cash and cash equivalents	6,878,170	6,468,361

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5 ASSETS (CONTINUED)	31 March 2021 \$	31 March 2020 \$
Note 5B: Trade and Other Receivables		
<i>Current</i>		
Trade receivables	-	-
Other receivables	29,743	45,517
Current receivables from other reporting units		
CFMEU Construction and General Division		
- Victoria and Tasmania Branch	88,992	90,339
- New South Wales Branch	(7,832)	206,890
- Queensland Branch	-	7,403
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	4,362	-
- South Australia Branch	5,803	16,671
- Western Australia Branch	65,284	81,876
- Australian Capital Territory Branch	15,062	8,896
Total current trade and other receivables	201,414	457,592
Non-current receivables from other reporting units		
CFMEU Construction and General Division		
- South Australia Branch (Note 1.20)	384,510	384,510
Total non-current trade and other receivables	384,510	384,510
	585,924	842,102
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Total trade and other receivables (net)	585,924	842,102

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	66,600	42,628
Prepayments from other reporting units		
CFMEU Construction and General Division Victoria and Tasmania Branch	4,164	-
Total other current assets	70,764	42,628

Note 5D: Financial Assets

Financial assets at amortised cost	5,000,000	5,000,000
Total financial assets	5,000,000	5,000,000

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5	ASSETS (CONTINUED)	31 March 2021	31 March 2020
		\$	\$

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Furniture, fixtures and fittings	271,632	358,716
Motor vehicles	101,431	133,689
Computer equipment and software	71,389	118,166
Total property plant and equipment	444,452	610,571

Furniture, fixtures and fittings:

At cost	438,107	438,107
Less accumulated depreciation	(166,475)	(79,391)
Total furniture, fixtures and fittings	271,632	358,716

Motor vehicles:

At cost	161,288	161,288
Less accumulated depreciation	(59,857)	(27,599)
Total motor vehicles	101,431	133,689

Computer equipment and software:

At cost	353,626	339,224
Less accumulated depreciation	(282,237)	(221,058)
Total computer equipment and software	71,389	118,166

	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
	\$	\$	\$	\$
Balance at beginning of the year	358,716	133,689	118,166	610,571
Additions	-	-	14,446	14,446
Disposals	-	-	(44)	(44)
Depreciation expense – Note 4E	(87,084)	(32,258)	(61,179)	(180,521)
Carrying amount at end of the year	271,632	101,431	71,389	444,452

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6	LIABILITIES	31 March 2021	31 March 2020
		\$	\$
Note 6A: Trade and Other Payables			
<i>Current</i>			
	Trade payables and accruals	126,228	180,774
Trade Payables to other reporting units			
CFMEU Construction and General Division			
	- Victoria and Tasmania Branch	-	2,149
	- Queensland Branch	-	39,635
	CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	7,604	-
	CFMEU Mining & Energy Division National Office	-	360
	Consideration to employers for payroll deductions	-	-
Legal costs			
	Litigation	38,491	-
	Other legal matters	-	-
	GST payable	12,030	352,041
	Wages collected on behalf of members	-	-
	Total trade and other payables	184,353	574,959

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	173,683	135,440
	Provision for annual leave	400,646	288,784
	Provision for long service leave	335,977	310,197
		<u>910,306</u>	<u>734,421</u>
<i>Non-current</i>			
	Provision for long service leave	<u>52,790</u>	<u>42,673</u>
	Total employee provisions	963,096	777,094

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6	LIABILITIES (CONTINUED)	31 March 2021	31 March 2020
		\$	\$

Note 6B: Employee Provisions (Continued)

Office Holders:

Annual leave	125,285	101,789
Long service leave	196,013	193,545
Separations and redundancies	-	-
Other	30,648	42,918

Subtotal employee provisions—office holders

351,946	338,252
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Employees other than office holders:

Annual leave	275,361	186,994
Long service leave	192,754	159,325
Separations and redundancies	-	-
Other	143,035	92,523

Subtotal employee provisions—employees other than office holders

611,150	438,842
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Total employee provisions

963,096	777,094
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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	6,878,170	6,468,361
Statement of financial position	6,878,170	6,468,361
<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 2021

NOTE 7 CASH FLOW	31 March 2021	31 March 2020
	\$	\$

Note 7A: Cash Flow Reconciliation

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

Surplus/(deficit) for the year	208,821	1,942,207
Adjustments for non-cash items		
Depreciation expense – Note 4E	180,521	199,817
(Gain)/Loss on disposal of assets	44	(1,690,958)
Finance costs on lease liability	61,039	13,874
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	256,178	847,438
(Increase)/decrease in prepayments	(28,136)	380,146
Increase/(decrease) in trade and other payables	(390,606)	(148,375)
Increase/(decrease) in revenue in advance	-	(471,729)
Increase/(decrease) in employee provisions	186,002	11,655
Net cash from (used by) operating activities	473,863	1,084,075

Note 7B: Cash flow information

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

CFMEU Construction and General		
- Victoria and Tasmania Branch	2,814,329	7,093,702
- New South Wales Branch	1,999,592	2,658,998
- Queensland Branch	(32,903)	1,931,001
- South Australia Branch	226,173	348,690
- Western Australia Branch	562,403	738,681
- Australian Capital Territory Branch	198,486	194,547
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	917,649	(29,450)
CFMEU National Office	(559,469)	(3,880,808)
CFMEU Mining and Energy Division	(48,171)	(1,259)
CFMEU Manufacturing (formerly CFMEU FFPD)	(233,267)	(77,516)
CFMEU Mining and Energy VIC	719	720
Net cash flows	5,845,541	9,055,997

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 2021

NOTE 7 CASH FLOW (CONTINUED)	31 March 2021	31 March 2020
	\$	\$

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility		
Used facility	19,758	16,926
Unused facility	50,242	53,074
Total facility	<u>70,000</u>	<u>70,000</u>

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2021 (31 March 2020: 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
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2021

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 2021	31 March 2020
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	175,196	93,795
- Queensland Branch	-	102,425

(iv) Legal fees contribution received from branches

CFMEU Construction and General		
- Queensland Branch	-	55,000

(v) Legal Penalties contributions received from branches

CFMEU Construction and General		
- South Australia Branch	-	33,350

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(vi) CFMEU National campaign contribution received from branches

	31 March 2021	31 March 2020
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	902,786
- New South Wales Branch	-	541,157
- Queensland Branch	-	366,234
- South Australia Branch	-	55,735
- Western Australia Branch	-	179,513
- Australian Capital Territory Branch	-	54,576

(vii) Dentsu X cost contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	426,891
- New South Wales Branch	-	255,892
- Queensland Branch	-	173,177
- South Australia Branch	-	26,355
- Western Australia Branch	-	84,884
- Australian Capital Territory Branch	-	25,807

(viii) Bossman Media cost contribution received from branches

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	395,480
- New South Wales Branch	-	237,063
- Queensland Branch	-	160,435
- South Australia Branch	-	24,416
- Western Australia Branch	-	78,638
- Australian Capital Territory Branch	-	23,908

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(ix) Bushfire Appeal contribution received from branches (donation income)

	31 March 2021 \$	31 March 2020 \$
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	42,990
- New South Wales Branch	-	25,769
- Queensland Branch	-	17,440
- South Australia Branch	-	2,654
- Western Australia Branch	-	8,548
- Australian Capital Territory Branch	-	2,599

x) Swanston Street property settlement received

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	2,200,000

(xi) Capitation fees expense

CFMEU National Office	1,173,290	1,190,998
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(xii) Rent expense and outgoings

CFMEU Construction and General – Victoria and Tasmania Branch	80,868	111,227
CFMEU Mining and Energy Divisional National	43,465	33,981

(xiii) Transfers of leave accrual

CFMEU Construction and General Queensland Branch	-	14,904
CFMEU Industrial Union of Employees Queensland State Construction and General Division (CFMEUQ)	-	29,450

(xiv) Bossman Media expense:

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	187,478

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(xv) Donation expense

	31 March 2021	31 March 2020
	\$	\$
CFMEU Construction and General		
- New South Wales Branch for Bushfire appeal	-	22,599
- ACT Branch for Security cost	-	50,000
- ACT Branch for Bushfire appeal	-	30,000

(xvi) Airfare expenses

CFMEU Construction and General		
- Victoria and Tasmania Branch	-	5,305
- New South Wales Branch	2,870	17,402
- Queensland Branch	610	21,344
- Western Australia Branch	-	12,734
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,278	-

(xvii) Legal fees reimbursement

CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	9,243	-
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(xviii) Conferences expenses

CFMEU Construction and General		
- Western Australia Branch	-	2,727

(xix) Director fees

CFMEU Construction and General		
- New South Wales Branch	-	39,051

(xx) Contribution to Election Robocalls

CFMEU National Office	-	50,000
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(xxi) Reimbursement of Website and Digital media costs

CFMEU National Office	2,496	74,800
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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 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

(xxii) Campaign expense

	31 March 2021	31 March 2020
	\$	\$
CFMEU National Office	-	2,027,273

(xxiii) Reimbursement of staff cost

CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	80,158	-
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(xxiv) Share of IComm expenses

CFMEU Construction and General - Victoria and Tasmania Branch	12,847	-
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(xxv) Other expenses (income)

CFMEU Construction and General - Victoria and Tasmania Branch	2,634	5,822
- New South Wales Branch	1,759	2,036
- Queensland Branch	-	770
- South Australia Branch	-	1,500
CFMEU National Office	-	3,653
CFMEU Mining & Energy Division National Office	920	-

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 2021

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)
- Nigel Davies (Assistant Divisional Secretary)
- Andrew Sutherland (Assistant Divisional Secretary)

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

	31 March 2021	31 March 2020
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	540,302	602,731
Annual leave movement	23,496	16,075
Performance bonus	-	-
Other employee benefits	51,630	62,465
Total short-term employee benefits	<u>615,428</u>	<u>681,271</u>
Post-employment benefits:		
Superannuation	64,624	62,225
Redundancy fund	17,790	16,700
Total post-employment benefits	<u>82,414</u>	<u>78,925</u>
Other long-term benefits:		
Long-service leave	2,467	15,887
Total other long-term benefits	<u>2,467</u>	<u>15,887</u>
Termination benefits	-	-
Total	<u><u>700,309</u></u>	<u><u>776,083</u></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.

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

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 9 LEASES

The Union as a lessee

The Union has a lease over real property.

Information relating to the lease in place for real 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 2021

Balance at 1 April 2020	403,080
Additions to right-of-use assets	-
Depreciation charge	(43,576)
Balance at end of year	<u><u>359,504</u></u>

Right-of-use assets

**Property
\$**

Year ended 31 March 2020

Balance at 1 April 2019	435,762
Additions to right-of-use assets	-
Depreciation charge	(32,682)
Balance at end of year	<u><u>403,080</u></u>

Lease liabilities

	2021	2020
	\$	\$
Current	35,055	32,146
Non-current	358,177	393,231
Total	<u><u>393,232</u></u>	<u><u>425,377</u></u>

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

FOR THE YEAR ENDED 31 MARCH 2021

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
	\$	\$	\$	\$	\$
2021					
Lease liabilities	51,096	219,902	198,465	469,463	393,232
2020					
Lease liabilities	49,608	218,316	251,146	519,070	425,377

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:

	2021	2020
	\$	\$
Interest expense	17,463	13,873
Depreciation of right-of-use assets	43,576	32,682
	<u>61,039</u>	<u>46,555</u>

Statement of Cash Flows

Total cash outflow for leases	<u>49,608</u>	<u>24,258</u>
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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 2021

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, the Construction Forestry Maritime Mining and Energy Union, Construction & General Division – South Australia Divisional Branch (“the SA Branch”) is currently involved in three matters with the ABCC. In all three cases, penalties decisions are reserved and have not yet been determined by the courts. As the CFMEU Construction and General Division – National Office has made an offer of financial support to the SA Branch, it may intervene to become liable for the penalties where the SA Branch cannot pay its debts as and when they fall due. The Executive of the CFMEU Construction and General Division – National Office have not made any decisions as to whom will bear these costs or whether these costs will be pro rata between all state branches. Accordingly, at present the obligation of the Union to settle this penalties cannot be measured reliably.

(b) Finance lease commitments

The Union does not have any finance lease commitments at 31 March 2021 (2020: Nil).

(c) Capital expenditure commitments

There are no capital expenditure commitments at 31 March 2021 (2020: Nil).

	31 March 2021	31 March 2020
	\$	\$

NOTE 11 REMUNERATION OF AUDITOR

Value of the services provided

Financial statement audit services	27,920	28,300
Other services	4,642	3,629
Total remuneration of auditor	32,562	31,929

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 2021

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

The Union's financial instruments are listed below:

	31 March 2021 \$	31 March 2020 \$
Financial Assets		
Cash and cash equivalents	6,878,170	6,468,361
Trade and other receivables	585,924	842,102
Financial assets – at amortised cost	5,000,000	5,000,000
	<u>12,464,094</u>	<u>12,310,463</u>
Financial Liabilities		
Trade and other payables	172,321	222,916
Lease Liability	393,232	425,377
	<u>565,553</u>	<u>648,293</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 2021 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 2021

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

Financial assets that were past due but not impaired for 2021

	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	201,414	-	-	-	384,510	585,924
Expected credit loss	-	-	-	-	-	-

Financial assets that were past due but not impaired for 2020

	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	457,592	-	-	-	384,510	842,102
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 2021 (31 March 2020: Nil).

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

FOR THE YEAR ENDED 31 MARCH 2021

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
2021		\$	\$	\$	\$	\$
Trade and other payables	184,353	-	-	-	-	184,353
Lease Liability	393,232	-	-	-	-	393,232
	<u>577,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>577,585</u>
2020						
Trade and other payables	222,916	-	-	-	-	222,916
Lease Liability	425,377	-	-	-	-	425,377
	<u>648,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,293</u>

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

FOR THE YEAR ENDED 31 MARCH 2021

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

	1 April 2020	Cash flows	New Leases	Other	31 March 2021
	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings	32,146	(32,145)	-	35,054	35,055
Non-current interest-bearing loans and borrowings	393,231	-	-	(35,054)	358,177
Total liabilities from financing activities	425,377	(32,145)	-	-	393,232

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

FOR THE YEAR ENDED 31 MARCH 2021

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 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	6,878,170	6,878,170	6,468,361	6,468,361
Trade and other receivables	(i)	585,924	585,924	842,102	842,102
Financial assets	(i)	5,000,000	5,000,000	5,000,000	5,000,000
Total financial assets		12,464,094	12,464,094	12,310,463	12,310,463
Financial liabilities					
Trade and other payables	(i)	184,353	184,353	222,916	222,916
Lease Liabilities	(i)	393,232	393,232	425,377	425,377
Total financial liabilities		577,585	577,585	648,293	648,293

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 2021

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 2021 financial year.

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

	Dave Noonan Divisional Secretary	Nigel Davies Assistant Divisional Secretary	Andrew Sutherland Assistant Divisional Secretary	Total
	\$	\$	\$	\$
Salary and allowance	186,892	169,279	196,401	552,572
Movement in annual and long service leave provisions	8,602	9,870	(4,779)	13,693
Superannuation	21,986	19,807	22,831	64,624
Redundancy	5,930	5,930	5,930	17,790
Other employee benefits	17,444	15,915	18,271	51,630
	<u>240,854</u>	<u>220,801</u>	<u>238,654</u>	<u>700,309</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 three 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.

Andrew Sutherland (Assistant Divisional Secretary) is also the Divisional Branch Secretary for the Construction, Forestry, Maritime, Mining and Energy Union, Construction & General Divisional South Australian Divisional Branch (CFMEU C&G SA branch). CFMEU C&G National Office pays 100% of Andrew Sutherland's remuneration.

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 2021.

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

FOR THE YEAR ENDED 31 MARCH 2021

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 Commissioner:

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

NOTE 17 UNION DETAILS

The registered office of the Union is:

Level 1, 1 Miller Lane
Pymont 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 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2021, 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 2021, 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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Scheme approved under
Professional Standards
Legislation.



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:

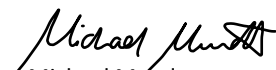
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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


Michael Mundt
Partner

Wollongong
19 August 2021

Registration number (as registered by the RO Commissioner under the RO Act): AA 2017/67

Liability limited by scheme approved under Professional Standards Legislation.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
DESIGNATED OFFICERS CERTIFICATE
FOR THE YEAR ENDED 31 MARCH 2021**

I, Dave Noonan, being the Divisional Secretary of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division – National Office for the period ended 31 March 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 20 August 2021; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 22 September 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

.....

Dave Noonan

Divisional Secretary

22 September 2021

Melbourne