

CFMEU

**CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE**

ABN 46 243 168 565

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

CONTENTS

Page No

Administrator's Operating Report	3
Administrator's 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 AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
ADMINISTRATOR’S OPERATING REPORT**

FOR THE YEAR ENDED 31 MARCH 2025

Operating Report

The Administrator presents its Operating Report on the Construction, Forestry and Maritime Employees Union Construction & General Division – National Office (“the Union”), for the year ended 31 March 2025.

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

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

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

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

Operating Results

The operating surplus for the financial year amounted to \$930,855 (31 March 2024: \$107,955 surplus)

Significant Changes in Financial Affairs

On 23 August 2024, the Union was put into administration by the Federal Government under the *Fair Work (Registered Organisations (CFMEU Construction and General Division Administration) Determination 2024*.

Other than the above, there was no other significant change in the financial affairs of the Union during the year.

Review of operations

Prior to the Union being placed into administration, a review of the operations and results of the Union was performed in the meetings of the Executive Officers and also at each meetings of the Divisional Executive. Additionally, such matters were considered at the regular meeting of the General Officers of the Union. These roles are now performed by the Administrator.

**CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
ADMINISTRATOR’S OPERATING REPORT**

FOR THE YEAR ENDED 31 MARCH 2025

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.

Members Right to Resign

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

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

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

Name	Position	Organisation	Duration
Rita Mallia	Member Director	United Super	01/04/24-29/08/24
Dave Noonan	Member Director	United Super	01/04/24-29/08/24
Jason O’Mara	Member Director	United Super	01/04/24-29/08/24 18/11/24-31/03/25
Paddy Crumlin	Member Director	United Super	18/11/24-31/03/25
Lucy Weber	Member Director	United Super	18/11/24-31/03/25

Number of Members

The number of financial members at the end of the financial period recorded in the register of members was 113,560 (31 March 2024: 108,044).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 21 (2024: 12).

Indemnifying Officers or Auditor

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

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

Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2025 and 31 March 2024.

**CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
ADMINISTRATOR'S OPERATING REPORT**

FOR THE YEAR ENDED 31 MARCH 2025

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management up until the Union was placed into administration, and the period for which he or she held such a position is as follows:

Names	Position	Period of appointment
Zachary Alan Smith	Divisional Secretary	1/4/24-31/3/25
Andrew Sutherland	Divisional Assistant Secretary	1/4/24-22/8/24
Jason Jennings	Divisional Assistant Secretary	1/4/24-02/8/24
Jade Ingham	Divisional President	1/4/24-22/8/24
Rob Kera	Divisional Senior Vice President	1/4/24-22/8/24
John Setka	Divisional Vice President	1/4/24-12/7/24
John Setka	VIC-TAS Divisional Executive Member	1/4/24-12/7/24
Derek Christopher	VIC-TAS Divisional Executive Member	1/4/24-22/8/24
Elias Spervovasilis	VIC-TAS Divisional Executive Member	1/4/24-22/8/24
Darren Greenfield	NSW Divisional Executive Member	1/4/24-22/8/24
Michael Greenfield	NSW Divisional Executive Member	1/4/24-12/8/24
Michael Ravbar	QLD Divisional Executive Member	1/4/24-22/8/24
Kane Lowth	QLD Divisional Executive Member	1/4/24-22/8/24
Mick Buchan	WA Divisional Executive Member	1/4/24-31/3/25
Zachary Smith	ACT Divisional Executive Member	1/4/24-31/3/25
Michael Hiscox	ACT Divisional Executive Member	1/4/24-31/3/25

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

Name of Designated Officer: Mark Irving

Title of Designated Officer: Administrator

Signature:


.....

Date: 21 August 2025

**CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
ADMINISTRATOR’S STATEMENT**

FOR THE YEAR ENDED 31 MARCH 2025

On 21 August 2025, the Administrator of the Construction, Forestry and Maritime Employees 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 2025.

The Administrator 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 up until administration were held in accordance with the rules of the organisation and the rules of the Union concerned; and
 - ii. the financial affairs of the Union have been managed in accordance with the rules of the organisation including the rules of the Union concerned; and
 - iii. the financial records of the Union have been kept and maintained in accordance with the *RO Act*; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the Union have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request of a member of the Union or the General Manager duly made under section 272 of the *RO Act*, that information has been provided to the member or the General Manager; and
 - vi. where any order for inspection of the financial records has been made by the Fair Work Commission under section 273 of the *RO Act*, there has been compliance.

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

Name of Designated Officer: Mark Irving

Title of Designated Officer: Administrator

Signature:



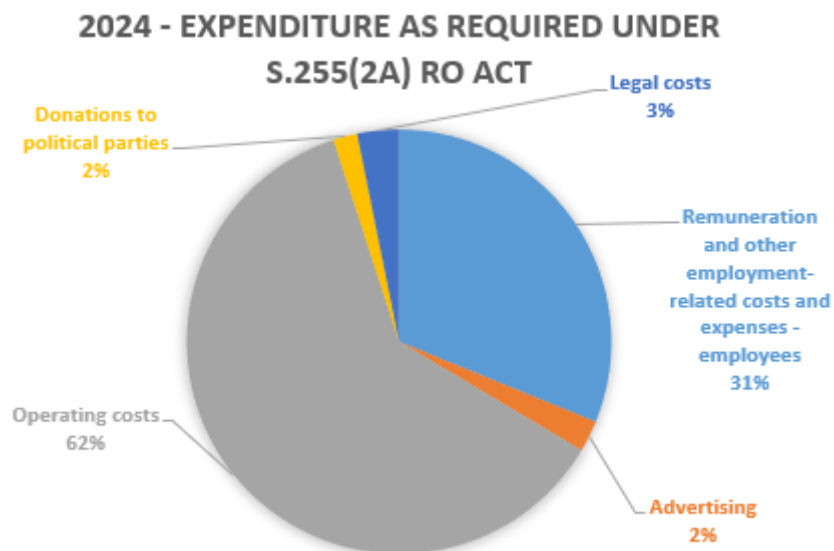
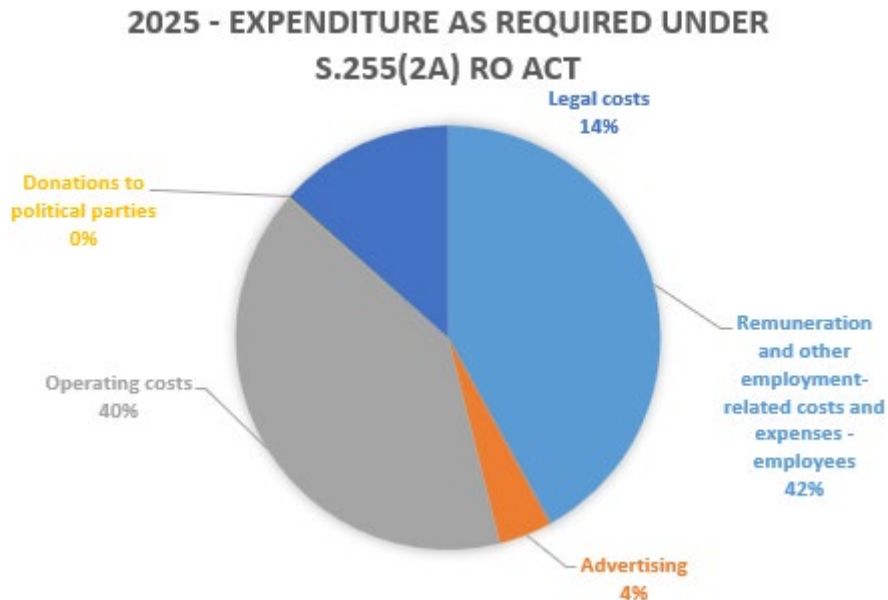
.....

Date: 21 August 2025

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

FOR THE YEAR ENDED 31 MARCH 2025

The Administrator presents the expenditure report as required under subsection 255(2A) on the Union for the year ended 31 March 2025 and 31 March 2024.



Name of Designated Officer: Mark Irving
Title of Designated Officer: Administrator

Signature:

Date: 21 August 2025

CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31 March 2025 \$	31 March 2024 \$
Revenue from contracts with customers			
Membership subscription		-	-
Capitation fees	3A	6,883,741	5,991,065
Levies	3B	798,980	710,220
Interest	3C	250,868	210,679
Administration charges	3G	4,400,000	-
Investment income		135,642	-
Other revenue	3F	608,702	1,528,473
Total revenue		13,077,933	8,440,437
Income for furthering objectives			
Grants and/or donations	3E	10,000	155,000
Total income for furthering objectives		10,000	155,000
Other Income			
Net gains from sale of assets	3D	-	-
Change in fair value of financial assets		254,225	-
Total other income		254,225	-
Total income		13,342,158	8,595,437
Expenses			
Employee expenses	4A	5,213,166	2,999,191
Capitation fees	4B	1,763,662	1,617,894
Affiliation fees	4J	7,739	23,438
Administration expenses	4C	12,117	906,583
Grants or donations	4D	10,000	174,353
Depreciation and amortisation	4E	85,649	174,595
Finance costs	4F	34,194	13,950
Legal costs	4G	1,669,664	266,246
Accounting and audit fees	4H	36,453	36,808
Professional fees – Korda Mentha		1,126,026	-
Other expenses	4I	2,452,633	2,274,424
Total expenses		12,411,303	8,487,482
Surplus/ (deficit) for the year		930,855	107,955
Other comprehensive income		-	-
Total comprehensive income for the year		930,855	107,955

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

CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2025

		31 March 2025	31 March 2024
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	5,291,657	11,762,908
Trade and other receivables	5B	3,467,156	798,949
Other current assets	5C	18,380	28,900
Loan - CFMEUQ	8	3,095,000	-
Financial assets	5D	7,392,216	3,000,000
Total current assets		19,264,409	15,590,757
Non-Current Assets			
Trade and other receivables	5B	214,129	-
Right of use asset	9	-	229,364
Property, plant and equipment	5E	125,882	216,722
Total non-current assets		340,011	446,086
Total assets		19,604,420	16,036,843
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	3,028,776	831,202
Revenue in advance	6D	125,000	-
Deposits held	6C	4,506,358	4,185,268
Employee provisions	6B	1,268,014	1,004,460
Lease liability	9	-	44,959
Total current liabilities		8,928,148	6,065,889
Non-Current Liabilities			
Lease liability	9	-	234,304
Employee provisions	6B	20,032	11,265
Total non-current liabilities		20,032	245,569
Total liabilities		8,948,180	6,311,458
Net assets		10,656,240	9,725,385
EQUITY			
Retained earnings		10,656,240	9,725,385
Total equity		10,656,240	9,725,385

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

CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025

	Retained Earnings - General Funds	Total
	\$	\$
Balance as at 1 April 2023	9,617,430	9,617,430
Surplus for the year	107,955	107,955
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2024	9,725,385	9,725,385
Surplus for the year	930,855	930,855
Other comprehensive income for the year	-	-
Closing balance as at 31 March 2025	10,656,240	10,656,240

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

CONSTRUCTION, FORESTRY AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	31 March 2025 \$	31 March 2024 \$
OPERATING ACTIVITIES			
Capitation fees received		7,396,161	6,721,452
Payments to suppliers and employees		(13,603,219)	(12,526,923)
Finance cost		(32,229)	-
Interest received		83,508	211,766
Other receipts		6,948,437	10,563,627
Net cash from/ (used by) operating activities	7A	<u>792,658</u>	<u>4,969,922</u>
INVESTING ACTIVITIES			
Purchase of plant and equipment		(93,211)	(97,602)
Proceeds from sale of PPE		26,438	7,341
Proceeds from disposal of financial assets		1,000,000	2,000,000
Purchase of financial assets		(5,137,991)	-
Loan to CFMEUQ	8A	(3,000,000)	-
Net cash from/ (used by) investing activities		<u>(7,204,764)</u>	<u>1,909,739</u>
FINANCING ACTIVITIES			
Repayment of lease liability		(59,145)	(54,334)
Net cash from/(used by) financing activities		<u>(59,145)</u>	<u>(54,334)</u>
Net increase/ (decrease) in cash held		<u>(6,471,251)</u>	<u>6,825,327</u>
Cash & cash equivalents at the beginning of the reporting period.		11,762,908	4,937,581
Cash & cash equivalents at the end of the reporting period	5A	<u>5,291,657</u>	<u>11,762,908</u>

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

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

Note 1	Summary of material 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 AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general purpose financial statements, The Construction, Forestry and Maritime Employees Union Construction & General Division – National Office ('the Union') is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

Key estimates and judgements

Impairment of property, plant and equipment

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

Provisions

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

Receivables

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.3 Significant accounting judgements and estimates (continued)

Useful lives of property, plant and equipment

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

Future Australian Accounting Standards Requirements

Certain new accounting standards have been published that are not mandatory for 31 March 2025 reporting periods and have not been early adopted by the Union. These standards are not expected to have a material impact on the Union in the current or future reporting periods and on foreseeable future transactions.

1.5 Revenue

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

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

Revenue from contracts with customers

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

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

Membership Subscriptions

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

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

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

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

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

Capitation fees

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

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

Levies

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

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

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

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

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

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

- donations and voluntary contributions from members (via branches) (including whip rounds); and
- government grants

Gains from sale of assets

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

Interest income

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

1.6 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set up below.

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

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

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

1.7 Borrowing costs

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.8 Leases

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

This involves an assessment of whether:

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

Lessee accounting

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

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

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

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

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

Adoption of short-term leases or low value asset exception

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL 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).

Initial recognition and measurement

The Union's financial assets include trade receivables and loans to related parties.

The Union's financial assets are classified as financial assets subsequently measured at amortised cost because 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.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

The Union initially measures a financial asset at its fair value plus transaction costs. However, contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

Subsequent measurement

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, the Union directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

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 (ECLs)

(i) Debt instruments other than trade receivables

The Union recognises an allowance for ECLs for all contract assets, receivables and any other financial assets measured at amortisation cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Trade receivables and contract assets

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating ECLs. Therefore, the [reporting unit] 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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.13 Financial Liabilities

Initial recognition, measurement and presentation

The Union's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

The Union's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

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 transfers 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).

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 liability 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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.15 Contingent liabilities and contingent assets

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

1.16 Property, Plant and Equipment

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. 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 2025	31 March 2024
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 or loss.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.17 Impairment of non-financial assets

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

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

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

1.18 Taxation

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

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

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

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

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

1.19 Fair value measurement

The fair values of financial instruments measured at fair value through profit and loss 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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.19 Fair value measurement (continued)

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

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

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.

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 and Maritime Employees 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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.21 Acquisition of Assets and Liabilities that do not constitute a Business Combination

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

1.22 Recovery of Wages

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

1.23 Economic dependence

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

1.24 Related party disclosures

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

1.25 Retained Earnings

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

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

1.26 Current versus non-current classification

In accordance with AASB 101, the Union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

FOR THE YEAR ENDED 31 MARCH 2025

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 2025 \$	31 March 2024 \$
----------------------	---------------------------------	---------------------------------

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	12,733,028	7,345,557
Government	-	-
Other parties	344,905	1,094,880
Total revenue from contracts with customers	13,077,933	8,440,437

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	10,000	-
Government	-	-
Other parties	-	155,000
Total income for furthering activities	10,000	155,000

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3	INCOME (CONTINUED)	31 March 2025	31 March 2024
		\$	\$

Note 3A: Capitation fees

Capitation fees by branch (CFMEU Construction & General)

Victoria and Tasmania	3,035,088	2,527,324
New South Wales	1,558,507	1,533,284
Queensland	-	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,366,396	1,100,154
South Australia	198,050	189,556
Western Australia	558,768	484,090
Australian Capital Territory	166,932	156,657
Total capitation fees	6,883,741	5,991,065

Note 3B: Levies

Campaign levies fees received (CFMEU Construction & General)

Victoria and Tasmania	351,930	315,480
New South Wales	179,100	162,810
Queensland	-	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	161,420	133,130
South Australia	23,920	21,700
Western Australia	60,550	58,660
Australian Capital Territory	22,060	18,440
Total levies	798,980	710,220

Note 3C: Interest

Interest – financial assets at amortised cost	155,868	210,679
Interest – Loan to CFMEUQ	95,000	-
Total Interest	250,868	210,679

Note 3D: Net gains from sale of assets

Gain on sale of assets	-	-
Total net gain from sale of assets	-	-

Note 3E: Grants or donations

Grants	-	-
Donations	10,000	155,000
Total grants or donations	10,000	155,000

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 3 INCOME (CONTINUED)

	31 March 2025	31 March 2024
	\$	\$

Note 3F: Other Revenue

Wages reimbursements	555,307	473,362
Advertising revenue	-	125,500
Divisional conference sponsorship	-	750,000
Other income	53,395	179,611
Financial support from another reporting unit	-	-
Total other revenue	608,702	1,528,473

Note 3G: Administration Charges

Administration charges by branch (CFMEU Construction & General)

Victoria and Tasmania	2,200,000	-
New South Wales	1,100,000	-
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,100,000	-
Total administration charges	4,400,000	-

NOTE 4 EXPENSES

Note 4A: Employee expenses

Holders of office:

Wages and salaries	326,002	651,280
Superannuation	20,797	50,718
Leave and other entitlements	(197,367)	(237,091)
*Separation and redundancies	8,740	12,075
^Other employee expenses	416,175	459,375
Subtotal employee expenses holders of office	574,347	936,357

Employees other than office holders:

Wages and salaries	3,442,899	1,687,456
Superannuation	394,879	179,536
Leave and other entitlements	418,971	25,879
*Separation and redundancies	142,348	53,360
Other employee expenses	239,722	116,603
Subtotal employee expenses non- office holders	4,638,819	2,062,834
Total employee expenses	5,213,166	2,999,191

*Separation and redundancies include contributions to the redundancy fund.

^Zachary Alan Smith is the current Divisional Secretary of CFMEU C&G National Office. The remuneration for Zach Smith is managed and recorded by the CFMEU C&G ACT branch. The CFMEU C&G National Office compensates the CFMEU C&G ACT branch through monthly Administration charges for Zach Smith's services to the CFMEU C&G National Office. The Administration charge to CFMEU C&G ACT Branch for Zach Smith's services was \$364,825 for the year ended 31 March 2025 (2024: \$376,650) and has been recorded as other employee expenses under Holders of Office.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 4 EXPENSES (CONTINUED)

	31 March 2025	31 March 2024
	\$	\$

Note 4B: Capitation fees

CFMEU National Office	1,763,662	1,617,894
Total Capitation fees	<u>1,763,662</u>	<u>1,617,894</u>

Note 4C: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levy	-	-
Voluntary levy	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	12,117	906,583
Total administration expenses	<u>12,117</u>	<u>906,583</u>

Note 4D: Grants or donations

Grants:

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

Donations:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	10,000	174,353

Total grants or donations	<u>10,000</u>	<u>174,353</u>
----------------------------------	---------------	----------------

Note 4E: Depreciation and amortisation

Depreciation:

Land and Building	-	-
Furniture, fixtures and fittings	21,850	77,409
Motor vehicles	21,455	25,885
Computer equipment and software	35,063	27,613
Right of Use asset – Note 9	7,281	43,688

Total depreciation and amortisation	<u>85,649</u>	<u>174,595</u>
--	---------------	----------------

Note 4F: Finance costs

Bank fees and charges	32,229	1,115
Interest expense – lease liability – Note 9	1,965	12,835
Total finance costs	<u>34,194</u>	<u>13,950</u>

Note 4G: Legal costs

Litigation	891,010	203,959
Other legal matters	778,654	62,287
Total legal costs	<u>1,669,664</u>	<u>266,246</u>

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 4 EXPENSES (CONTINUED)

31 March	31 March
2025	2024
\$	\$

Note 4H: Accounting and Audit fees

External audit expense	32,450	32,000
Other services	4,003	4,808
Total accounting and audit fees	36,453	36,808

Note 4I: Other expenses

Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Administration and Finance	173,362	180,320
Advertising & Marketing	504,835	200,736
Campaign expenses	319,816	897,541
Communications	26,116	(25,764)
Computer and website expenses	429,441	338,382
Insurance	74,570	82,739
Loss on disposal of assets	79,245	13,569
Media monitoring costs	48,000	48,000
Motor vehicle expenses	9,666	25,596
Occupancy expenses	363,586	79,299
Printing, Postage and Stationery	13,112	4,956
Travel expenses	414,161	418,379
Other expenses	(3,277)	10,671
Total other expenses	2,452,633	2,274,424

Note 4J: Affiliation Fees

Public Services International (Australia) Ltd	-	15,000
Australian Fair Trade & Investment Network Ltd	330	-
Australian People for Health & Education Development Abroad Inc	7,409	6,985
The International Centre for Trade Union Rights	-	1,453
Total Affiliation Fees	7,739	23,438

NOTE 5 ASSETS

Note 5A: Cash and Cash Equivalents

Cash at bank	5,291,657	11,762,908
Total cash and cash equivalents	5,291,657	11,762,908

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 5 ASSETS (CONTINUED)	31 March 2025 \$	31 March 2024 \$
Note 5B: Trade and Other Receivables		
<i>Current</i>		
Trade receivables	1,406,785	10,020
Other receivables	311,186	85,573
Current receivables from other reporting units		
CFMEU Construction and General Division		
- Victoria and Tasmania Branch	423,812	296,685
- New South Wales Branch	(43,668)	59,045
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,306,649	136,882
- South Australia Branch	-	190,274
- Western Australia Branch	55,521	19,550
- Australian Capital Territory Branch	6,871	920
Total current trade and other receivables	3,467,156	798,949
Non-current trade and other receivables		
CFMEU Construction and General Division		
- South Australia Branch (Note 1.20)	214,129	-
Total non-current trade and other receivables	214,129	-
Less allowance for expected credit losses	-	-
Total allowance for expected credit losses	-	-
Total trade and other receivables (net)	3,681,285	798,949

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	18,380	28,900
Total other current assets	18,380	28,900

Note 5D: Financial Assets

Financial assets at amortised cost	2,000,000	3,000,000
Financial assets at fair value through profit and loss	5,392,216	-
Total financial assets	7,392,216	3,000,000

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 5 ASSETS (CONTINUED)

**31 March
2025
\$**

**31 March
2024
\$**

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Furniture, fixtures and fittings	1,379	23,229
Motor vehicles	55,935	150,127
Computer equipment and software	68,568	43,366
Total property plant and equipment	125,882	216,722

Furniture, fixtures and fittings:

At cost	440,511	440,511
Less accumulated depreciation	(439,132)	(417,282)

Total furniture, fixtures and fittings

1,379 23,229

Motor vehicles:

At cost	82,036	184,139
Less accumulated depreciation	(26,101)	(34,012)

Total motor vehicles

55,935 150,127

Computer equipment and software:

At cost	442,523	382,259
Less accumulated depreciation	(373,955)	(338,893)

Total computer equipment and software

68,568 43,366

	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
2025	\$	\$	\$	\$
Balance at beginning of the year	23,229	150,127	43,366	216,722
Additions	-	32,946	60,265	93,211
Disposals	-	(105,683)	-	(105,683)
Depreciation expense – Note 4E	(21,850)	(21,455)	(35,063)	(78,368)
Carrying amount at end of the year	1,379	55,935	68,568	125,882

	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
2024	\$	\$	\$	\$
Balance at beginning of the year	99,436	122,096	49,405	270,937
Additions	1,202	74,826	21,574	97,602
Disposals	-	(20,910)	-	(20,910)
Depreciation expense – Note 4E	(77,409)	(25,885)	(27,613)	(130,907)
Carrying amount at end of the year	23,229	150,127	43,366	216,722

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 6	LIABILITIES	31 March 2025	31 March 2024
		\$	\$
Note 6A: Trade and Other Payables			
<i>Current</i>			
	Trade payables and accruals	2,051,440	566,379
Trade Payables to other reporting units			
	CFMEU Construction and General Division		
	- Australian Capital Territory Branch	7,140	9,236
	- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	-	8,762
	- Victoria and Tasmania Branch	14,974	-
	- Western Australia Branch	22,000	
	Legal costs		
	Litigation	45,026	-
	Other legal matters	270,962	-
	GST payable	617,234	246,825
	Wages collected on behalf of members	-	-
	Total trade and other payables	3,028,776	831,202

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	280,990	237,936
	Provision for annual leave	629,833	476,032
	Provision for long service leave	357,191	290,492
		1,268,014	1,004,460
<i>Non-current</i>			
	Provision for long service leave	20,032	11,265
	Total employee provisions	1,288,046	1,105,725

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 6	LIABILITIES (CONTINUED)	31 March 2025	31 March 2024
		\$	\$
Note 6B: Employee Provisions (Continued)			
Office Holders:			
	Annual leave	-	91,290
	Long service leave	-	47,220
	Separations and redundancies	-	-
	Other	-	57,976
	Subtotal employee provisions—office holders	-	196,486
Employees other than office holders:			
	Annual leave	629,833	384,742
	Long service leave	377,223	254,537
	Separations and redundancies	-	-
	Other	280,990	179,960
	Subtotal employee provisions—employees other than office holders	1,288,046	819,239
	Total employee provisions	1,288,046	1,015,725

Note 6C: Deposits held

Deposits held relates to funds received from Divisional Branches for the AS400 Modernisation Project. On 4 July 2025, the Administrator issued a determination to discontinue the AS400 project. The remaining deposit received from the Divisional Branches will be used for the ongoing support and maintenance of the AS400 system until a new modern database system is secured. Refer to Note 10(b) for further commentary on AS400 Project. The balance comprises of:

CFMEU Construction and General Division		
- Victoria and Tasmania Branch	6,877,039	3,303,330
- New South Wales Branch	4,099,465	1,969,145
- South Australia Branch	473,369	227,379
- Western Australia Branch	1,283,068	616,311
- Australian Capital Territory Branch	454,723	218,423
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	2,701,357	1,297,575
Less funds transferred to AS400 Project	(11,382,663)	(3,446,895)
	4,506,358	4,185,268

The deposit held for each branch as at 31 March 2025 are as follows:

CFMEU Construction and General Division	
- Victoria and Tasmania Branch	1,950,428
- New South Wales Branch	1,162,668
- South Australia Branch	134,255
- Western Australia Branch	363,897
- Australian Capital Territory Branch	128,966
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	766,144
	4,506,358

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 6	LIABILITIES (CONTINUED)	31 March 2025	31 March 2024
---------------	--------------------------------	--------------------------	--------------------------

\$ **\$**

Note 6D: Revenue in Advance

Grant from Australian Council of Trade Union	125,000	-
Total revenue in advance	125,000	-

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	5,291,657	11,762,908
Statement of financial position	5,291,657	11,762,908
Difference	-	-

Note 7A: Cash Flow Reconciliation

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

Surplus/(deficit) for the year	930,855	107,955
--------------------------------	---------	---------

Adjustments for non-cash items

Depreciation expense – Note 4E	85,649	174,595
(Gain)/Loss on disposal of assets	79,245	13,569
Finance costs on lease liability	1,965	12,835
Interest on loan to CFMEUQ	(95,000)	-
Change in fair value of financial assets	(254,225)	-

Changes in assets/liabilities

(Increase)/decrease in trade and other receivables	(2,882,336)	127,914
(Increase)/decrease in prepayments	10,520	155,580
Increase/(decrease) in trade and other payables	1,116,505	403,418
Increase/(decrease) in deposits held	1,402,159	4,185,268
Increase/(decrease) in revenue in advance	125,000	-
Increase/(decrease) in employee provisions	272,321	(211,212)
Net cash from (used by) operating activities	792,658	4,969,922

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 7 CASH FLOW (CONTINUED)	31 March 2025	31 March 2024
	\$	\$

Note 7B: Cash flow information

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

CFMEU Construction and General		
- Victoria and Tasmania Branch	10,631,210	7,731,502
- New South Wales Branch	6,339,853	4,500,394
- Queensland Branch	(4,588)	(3,475)
- South Australia Branch	669,705	420,745
- Western Australia Branch	1,447,097	1,347,806
- Australian Capital Territory Branch	(86,024)	(60,106)
CFMEU Industrial Union of Employees QLD (CFMEUQ)	647,086	2,830,961
CFMEU National Office	(1,906,456)	(1,845,559)
Maritime Union of Australia	-	(11,513)
Net cash flows	17,737,883	14,910,755

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility		
Used facility	14,905	23,310
Unused facility	55,095	46,690
Total facility	70,000	70,000

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2025 (31 March 2024: 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 and Maritime Employees 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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

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 and Maritime Employees 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").

(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.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

	31 March 2025 \$	31 March 2024 \$
(iii) Wages reimbursement received from branches		
CFMEU Construction and General		
- Victoria and Tasmania Branch	93,215	208,900
- New South Wales Branch	37,476	27,220
- Australian Capital Territory Branch	37,476	16,149
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	14,711	-
- CFMEU National Office	7,797	-
(iv) Administration charges received from branches		
CFMEU Construction and General		
- Victoria and Tasmania Branch	2,200,000	-
- New South Wales Branch	1,100,000	-
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	1,100,000	-
(v) Sponsorship contribution received from branches		
CFMEU Construction and General		
- Victoria and Tasmania Branch	-	100,000
(vi) Security charges received from branches		
CFMEU Construction and General		
- Victoria and Tasmania Branch	117,290	-
- New South Wales Branch	154,956	-
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	103,672	-
- South Australia Branch	52,441	
(vii) Reimbursement of conference received from branches		
Maritime Union of Australia	-	3,491
(viii) Donation contribution received from branches		
CFMEU Construction and General		
- Victoria and Tasmania Branch	10,000	155,000

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

	31 March 2025 \$	31 March 2024 \$
(ix) Other income received from branches		
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ) – Transfer of Leave entitlements	78,255	-
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ) – Interest on loan	95,000	-
(x) Capitation fees expense		
CFMEU National Office	1,763,662	1,617,894
(xi) Rent expense and outgoings		
Victoria and Tasmania Branch	71,368	70,868
(xii) IT costs reimbursement		
CFMEU Construction and General		
- Western Australia Branch	20,000	20,000
- Victoria and Tasmania Branch	155,298	-
- New South Wales Branch	3,091	-
- South Australia Branch	1,862	-
(xiii) Donation expense		
Maritime Union of Australia for ILWU Appeal	-	15,353
(xiv) Airfare expenses		
CFMEU Construction and General		
- Western Australia Branch	14,904	553
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	12,546	10,924
(xv) Reimbursement of leave transfers		
CFMEU Construction and General		
- Victoria and Tasmania Branch	23,576	-
- South Australia Branch	22,621	-

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

	31 March 2025 \$	31 March 2024 \$
(xvi) Electricity charges		
CFMEU Construction and General		
- New South Wales Branch	3,966	5,636
(xvii) Reimbursement of Travel expenses		
CFMEU Construction and General		
- Australian Capital Territory Branch	175,722	150,993
- Victoria and Tasmania Branch	7,348	-
(xviii) Reimbursement of staff cost		
CFMEU Construction and General		
- Australian Capital Territory Branch	504,165	413,309
CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	88,782	88,900
(xix) Reimbursement of ACTU Legal Fund		
CFMEU National Office	-	30,711
(xx) Reimbursement of campaign expenses		
CFMEU Construction and General		
- CFMEU Industrial Union of Employees QLD State C&G Division (CFMEUQ)	11,247	-
(xxi) Reimbursement of conference expenses		
CFMEU Construction and General		
- Australian Capital Territory Branch	3,437	4,486
- CFMEU National Office	-	8,340

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Related Party Information

Transactions with related parties:

	31 March 2025	31 March 2024
	\$	\$
(xxii) Other expenses		
CFMEU Construction and General		
- Victoria and Tasmania Branch	2,412	671
- New South Wales Branch	-	1,000
- Queensland and Northern Territory Branch	4,171	3,159
- Australian Capital Territory Branch	9,201	5,550
- South Australia Branch	909	-
- Western Australia Branch	264	

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.

(iv) Deposits held

Refer to Note 6C.

(v) Loan to CFMEUQ

The loan provided to CFMEUQ is \$3,000,000 for 12 months which incurs interest of 6% per annum. The loan and interest is payable on 20th September 2025, with interest of \$95,000 incurred to 31 March 2025. As at 31 March 2025, the balance of the loan is \$3,095,000.

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

FOR THE YEAR ENDED 31 MARCH 2025

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:

- Zachary Smith (Divisional Secretary)
- Andrew Sutherland (Divisional Assistant Secretary – removed 23 August 2024)
- Jason Jennings (Divisional Assistant Secretary – resigned 2 August 2024)
- Lucinda Weber (Director of National Office, Legal and Industrial Relations)
- Mark Irving (Administrator)

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

	31 March 2025	31 March 2024
	\$	\$
Short-term employee benefits		
Salary	857,494	615,894
Annual leave movement	(32,104)	(25,505)
Performance bonus	-	-
Other employee benefits	87,341	82,725
Total short-term employee benefits	<u>912,731</u>	<u>673,114</u>
Post-employment benefits:		
Superannuation	64,953	50,718
Redundancy fund	18,230	12,075
Total post-employment benefits	<u>83,183</u>	<u>62,793</u>
Other long-term benefits:		
Long-service leave	(36,333)	(176,200)
Total other long-term benefits	<u>(36,333)</u>	<u>(176,200)</u>
Termination benefits	-	-
Total	<u><u>959,581</u></u>	<u><u>559,707</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.

Zachary Smith is the current Divisional Secretary of CFMEU C&G National Office. The remuneration for Zach Smith is managed and recorded by the CFMEU C&G ACT branch. The CFMEU C&G National Office compensates the CFMEU C&G ACT branch through monthly Administration charges for Zach Smith's services to the CFMEU C&G National Office. The Administration charge to CFMEU C&G ACT Branch for Zach Smith's services was \$364,825 for the year ended 31 March 2025 (2024: \$376,650) and has been recorded as other employee expenses under Holders of Office. This charge is not included in the above table.

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

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 9 LEASES

The Union as a lessee

The Union has a lease over property.

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

Terms and conditions of leases:

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

Right-of-use assets

	Property \$
Year ended 31 March 2025	
Balance at 1 April 2024	229,364
Additions to right-of-use assets	-
Disposal	(222,083)
Depreciation charge	(7,281)
Balance at end of year	<u>-</u>

Right-of-use assets

	Property \$
Year ended 31 March 2024	
Balance at 1 April 2023	273,052
Additions to right-of-use assets	-
Remeasurement	-
Depreciation charge	(43,688)
Balance at end of year	<u>229,364</u>

Lease liabilities

	2025 \$	2024 \$
Current	-	44,959
Non-current	-	234,304
Total	<u>-</u>	<u>279,263</u>

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

FOR THE YEAR ENDED 31 MARCH 2025

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
	\$	\$	\$	\$	\$
2025					
Lease liabilities	-	-	-	-	-
2024					
Lease liabilities	55,963	241,154	15,824	312,941	279,263

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. The Union has not exercised its option to extend.

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:

	2025	2024
	\$	\$
Interest expense	1,965	12,835
Depreciation of right-of-use assets	7,281	43,688
	<u>9,246</u>	<u>56,523</u>

Statement of Cash Flows

Total cash outflow for leases	<u>9,100</u>	<u>54,334</u>
-------------------------------	--------------	---------------

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

FOR THE YEAR ENDED 31 MARCH 2025

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

(b) Capital expenditure commitments

The National Office of the Construction & General Division of the Construction, Forestry and Maritime Employees Union (“the Union”) was facilitating the AS400 Modernisation Project on the instruction from the Divisional Branches of the Union. The cost of the AS400 Modernisation Project was estimated to be \$23,499,954 over a 5 year period. The Divisional Branches of the Union were to contribute towards the project on a pro-rata basis and had signed an internal agreement to this effect. The Union was merely the facilitator of this transactions between the independent third parties and the divisional branches and there was no profit component in recharging the respective branches. Refer to Note 6C for deposits held on behalf of the branches. On 4 July 2025, the Administrator issued a determination that the AS400 project will be discontinued. This has resulted in the AS400 contract being terminated. The remaining capital expenditure commitment because of the termination of AS400 contract is the termination cost of \$1,081,070. Other than the above, there are no other capital expenditure commitments at 31 March 2025 (2024: Nil).

	31 March 2025	31 March 2024
	\$	\$

NOTE 11 REMUNERATION OF AUDITOR

Value of the services provided

Financial statement audit services	32,450	32,000
Other services	4,003	4,808
Total remuneration of auditor	36,453	36,808

Other services include accounting and tax services.

NOTE 12 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

The Administrator monitors the Union’s financial risk management policies and exposure and approves financial transactions within the scope of these policies.

The Administrator’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 and ASX price risk. There have been no substantive changes in the types of risks the Union is exposed to, how these risks arise, or the Administrator’s objectives, policies and processes for managing or measuring the risks from the previous period.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

The Union's financial instruments are listed below:

	31 March 2025 \$	31 March 2024 \$
Financial Assets		
Cash and cash equivalents	5,291,657	11,762,908
Trade and other receivables	3,681,285	798,949
Loan – CFMEUQ	3,095,000	-
Financial assets – at amortised cost	2,000,000	3,000,000
Financial assets – at fair value through profit and loss	5,392,216	-
	<u>19,460,158</u>	<u>15,561,857</u>
Financial Liabilities		
Trade and other payables	1,330,473	584,377
Lease Liability	-	279,263
	<u>1,330,473</u>	<u>863,640</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 2025 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 AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 12 FINANCIAL INSTRUMENTS (CONTINUED)

Note 12A: Credit Risk (Continued)

Financial assets that were past due but not impaired for 2025

	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	3,681,285	-	-	-	-	3,681,285
Expected credit loss	-	-	-	-	-	-

Financial assets that were past due but not impaired for 2024

	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	798,949	-	-	-	-	798,949
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 2025 (31 March 2024: Nil).

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

FOR THE YEAR ENDED 31 MARCH 2025

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
2025		\$	\$	\$	\$	\$
Trade and other payables	1,330,473	-	-	-	-	1,330,473
Lease Liability	-	-	-	-	-	-
	1,330,473	-	-	-	-	1,330,473
2024						
Trade and other payables	584,377	-	-	-	-	584,377
Lease Liability	-	44,959	48,619	185,685	-	279,263
	584,377	44,959	48,619	185,685	-	863,640

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

FOR THE YEAR ENDED 31 MARCH 2025

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 exposed to equity securities price risk as it does have equity instruments.

Sensitivity Analysis

While the Union is exposed to changes in interest rates and ASX share prices, due to the fact that any expected change 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

2025	1 April 2024	Cash flows	New Leases	Other	31 March 2025
	\$	\$	\$	\$	\$
Current interest- bearing loans and borrowings	44,959	(9,100)	-	(35,859)	-
Non-current interest-bearing loans and borrowings	234,304	-	-	(234,304)	-
Total liabilities from financing activities	279,263	(9,100)	-	(270,163)	-

2024	1 April 2023	Cash flows	New Leases	Other	31 March 2024
	\$	\$	\$	\$	\$
Current interest- bearing loans and borrowings	41,499	(41,499)	-	44,959	44,959
Non-current interest-bearing loans and borrowings	279,263	-	-	(44,959)	234,304
Total liabilities from financing activities	320,762	(41,499)	-	-	279,263

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

FOR THE YEAR ENDED 31 MARCH 2025

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 2025		31 March 2024	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	5,291,657	5,291,657	11,762,908	11,762,908
Trade and other receivables	3,681,285	3,681,285	798,949	798,949
Loan - CFMEUQ	3,095,000	3,095,000	-	-
Financial assets	7,392,216	7,392,216	3,000,000	3,000,000
Total financial assets	19,460,158	19,460,158	15,561,857	15,561,857
Financial liabilities				
Trade and other payables	1,947,707	1,947,707	831,202	831,202
Lease Liabilities	-	-	279,263	279,263
Total financial liabilities	1,947,707	1,947,707	1,110,465	1,110,465

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 AND MARITIME EMPLOYEES UNION
CONSTRUCTION & GENERAL DIVISION – NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

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 2025 financial year.

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

	Andrew Sutherland Former Divisional Assistant Secretary	Jason Jennings Former Divisional Assistant Secretary	Total
	\$	\$	\$
Salary and allowance	206,205	119,797	326,002
Movement in annual and long service leave provisions	(123,236)	(74,131)	(197,367)
Superannuation	10,854	9,943	20,797
Redundancy	4,690	4,050	8,740
Other employee benefits	32,215	19,135	51,350
	<u>130,728</u>	<u>78,794</u>	<u>209,522</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 two 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.

Zachary Smith is the current Divisional Secretary of CFMEU C&G National Office. The remuneration for Zach Smith is managed and recorded by the CFMEU C&G ACT branch. The CFMEU C&G National Office compensates the CFMEU C&G ACT branch through monthly Administration charges for Zach Smith's services to the CFMEU C&G National Office. The Administration charge to CFMEU C&G ACT Branch for Zach Smith's services was \$364,825 for the year ended 31 March 2025 (2024: \$376,650) and has been recorded as other employee expenses under Holders of Office. This charge is not included in the above table.

Mark Irving is not deemed to be an office holder as he was not the elected official of the Union. However, Mark Irving is a key management personnel and this has been disclosed in Note 8B.

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 2025.

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

FOR THE YEAR ENDED 31 MARCH 2025

NOTE 15 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

On 23 August 2024, the Union was put into administration by the Federal Government under the *Fair Work (Registered Organisations (CFMEU Construction and General Division Administration) Determination 2024*. The appointed Administrator has delegated this authority to the Executive Officer of the Union.

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

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

Information to be provided to members or General Manager:

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

NOTE 17 UNION DETAILS

The registered office of the Union is:

Level 1, 1 Miller Lane
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 and Maritime Employees 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 and Maritime Employees Union Construction & General Division – National Office ("the Union"), which comprises the statement of financial position as at 31 March 2025, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 March 2025, notes to the financial statements, including a summary of material accounting policies, the Administrator's 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 and Maritime Employees Union Construction & General Division – National Office as at 31 March 2025, 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 the Administrator'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.

Information Other than the Financial Report and Auditors Report Thereon

The Administrator is responsible for the other information. The other information obtained at the date of this auditor's report is in the Administrator's 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 the Administrator for the Financial Report

The Administrator 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 Administrator 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 Administrator 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 Administrator 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 Administrator.

- Conclude on the appropriateness of the Administrator'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 Administrator 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
21 August 2025

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

Liability limited by a scheme approved under Professional Standards Legislation.