



23 August 2021

Michael Ravbar
Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Queensland Northern Territory Divisional Branch

Sent via email: gntqueries@cfmeu.org
CC: Cameron.bradley@pkf.com.au

Dear Michael Ravbar,

**Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch
Financial Report for the year ended 31 March 2021 – (FR2021/7)**

I acknowledge receipt of the financial report for the year ended 31 March 2021 for the Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Queensland Northern Territory Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 17 August 2021.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the Fair Work (Registered Organisations) Act 2009 (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 March 2022 may be subject to an advanced compliance review. However, I make the following comments to assist when preparing the next report.

Timescale Requirements

During the initial review of the financial report, I noted that the Auditor's Report was signed on 28 June 2021, however both the Committee of Management (**CoM**) Statement and the Subsection 255(2A) Report were signed on 29 June 2021. As the scope of the audit contains both the CoM Statement and the Subsection 255(2A) Report, it appeared that these reports were not audited.

On 18 August 2021, I contacted Hemal Patel, the reporting unit's Head of Finance, regarding this issue. He advised that the Auditor's Report was incorrectly dated by the Auditor and that the CoM Statement and Subsection 255(2A) report were in fact audited and completed on 29 June 2021. To support this, I requested that evidence from the Auditor demonstrating the completed audit work be provided. Acceptable documentation confirming that the audit work was completed on 29 June 2021 was provided on 19 August 2021.

In my assessment of the lodged financial report, I noted that the Designated Officer Certificate stated that the full report will be presented to the meeting of CoM on 27 August 2021. This was

discussed with Hemal Patel on 18 August 2021 and he confirmed this was an error and that the meeting was held on 16 August 2021. I requested the reporting unit reissue the Designated Officer Certificate showing the correct date of the CoM meeting, which I received on 19 August 2021.

Please ensure that you review the financial report to ensure that timeline requirements are correctly reflected in the next financial report and in the Designated Officer's Certificate. Information about these timeline requirements can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'financial reporting process' which explains the timeline requirements, and the fact sheet titled 'summary of financial reporting timelines' which sets out the timeline requirements in diagrammatical format.

Audit Opinion

In the Auditor's Report, under the subheading of *Opinion*, the audit opinion needs to state whether the financial report is presented fairly in accordance with Australian Accounting Standards and the requirements of the RO Act. The words "*is presented fairly, in all material aspects, in accordance with*" appear to be missing. The third paragraph within the Auditor's Report should read as follows:

In our opinion the financial report of the Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch is presented fairly, in all material aspects, in accordance with:

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

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

CFMEU

QLD/NT

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

ABN 24 502 631 846

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

Page No

Committee of Management Operating Report..... 3
Committee of Management Statement..... 6
Report required under Subsection 255(2A)..... 7
Statement of Comprehensive Income 8
Statement of Financial Position 9
Statement of Changes in Equity 10
Statement of Cash Flows..... 11
Notes to the Financial Statements..... 12
Independent Auditor’s Report..... 50
Designated Officer Certificate..... 52

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Operating Report

In accordance with section 254 of the *Fair Work (Registered Organisations) Act 2009* the Committee of Management ("the Committee") presents its Operating Report on the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional Branch ("Union"), for the year ended 31 March 2021.

Principal Activities

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

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

The results of those activities were ongoing in providing effective leadership to officers, organisers, delegates and membership in the development, advancement and delivery of policy through a delegation of responsibilities and effective communication strategies in the areas of organising, policy/administration, and Industrial Relations/ Training/ Workcover. There were no significant changes to the nature of those activities during the period.

Operating Results

The operating surplus for the financial year amounted to \$1,202,921 (31 March 2020: \$\$785,725 deficit)

Significant Changes in Financial Affairs

Longstanding administrative arrangements have existed between the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Queensland Northern Territory Divisional Branch (**QNTDB**) and the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland State Construction and General Division (**CFMEUQ**) to improve the effectiveness of dual registration and, as far as practicable, to reduce unnecessary costs associated with dual registration.

The administrative arrangements established the QNTDB as the 'operating entity' in that, for consideration provided by the CFMEUQ (namely the agreement to not collect entrance fees or subscriptions from members of both the CFMEUQ and the QNTDB (**Dual Members**)), the QNTDB would provide the resources necessary to service the Dual Members and members of the CFMEUQ.

Following negotiations between the QNTDB and the CFMEUQ, it was determined by the Divisional Branch Executive to agree to alter these arrangements, including the arrangements for the collection of entrance fees or subscriptions. An agreement was entered into between the QNTDB and the CFMEUQ to reflect these new arrangements and has been in operation for the entirety of the financial year ended 31 March 2021 (**Service Agreement**).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Significant Changes in Financial Affairs (continued)

As a result of the alteration to these arrangements by the Service Agreement, a number of items were transferred from the QNTDB to the CFMEUQ including: accrued employee entitlements; ongoing employee expenses; financial administration costs; agents fees; the defence fund and legal fees.

The CFMEUQ, for consideration provided by the QNTDB (namely the agreement to not collect entrance fees or subscriptions from members of both the CFMEUQ and the QNTDB (**Dual Members**)), provides the resources necessary to service the Dual Members, members of the QNTDB and members of the Manufacturing Division. This has materially impacted the level and type of revenues and expenses recorded in the QNTDB in current and future periods.

Events subsequent to reporting date

There were no events that occurred after 31 March 2021, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Future Developments

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

Environmental Issues

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

Members Right to Resign

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

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

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

Paula Masters	- Member of the Union - Chair of BUSSQ
Jacqui Collie	- Member of the Union - Director of BUSSQ
Emma Eaves	- Member of the Union - Director of BUSSQ

Number of Members

The number of members at the end of the financial period recorded in the register of members and taken to be members of the Union was 14,096 (2020: 14,434).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 9 (2020: 43).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Members of the Committee of Management

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

Name	Period of appointment
Michael Ravbar	Whole period
Royce Kupsch	Whole period
Steve Gaske	Whole period
Dallas Ezzy	Whole period
Ian McKewin	Whole period
Jade Ingham	Whole period
Keith Murphy	Whole period
Peter Close	Whole period
Jack Cummins	01/04/2020 to 02/01/2021
Mark Read	02/01/2021 to 31/03/2021
Steve Amies	02/01/2021 to 31/03/2021
Kane Lowth	02/01/2021 to 31/03/2021

Indemnifying Officers or Auditors

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

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

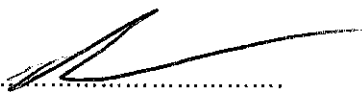
Wages Recovery Activity

The Union has not undertaken any recovery of wages activity for the financial years ended 31 March 2021 and 31 March 2020.

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

The five highest paid officers of the Union for the disclosure period ended 31 March 2021 and the amounts of the relevant remuneration paid to them and the value or form of non-cash benefits received by them are set out in Note 13 of the financial statements.

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


.....
Michael John Ravbar
Divisional Branch Secretary

29 June 2021

Brisbane

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

On 29 June 2021, the Committee of Management of the Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division, Queensland Northern Territory Divisional Branch ("Union") passed the following resolution to the General Purpose Financial Report (GPFR) of the reporting unit for the year ended 31 March 2021.

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

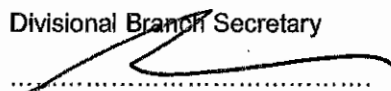
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the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

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

Name of Designated Officer: Michael John Ravbar

Title of Designated Officer: Divisional Branch Secretary

Signature:



Date: 29 June 2021

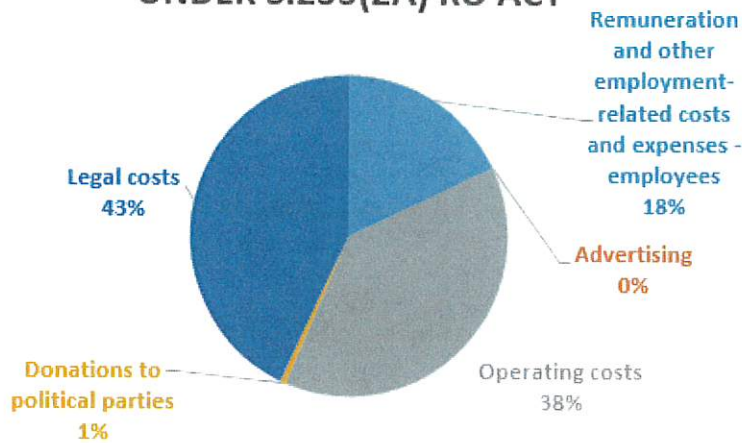
CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

REPORT REQUIRED UNDER SUBSECTION 255(2A)

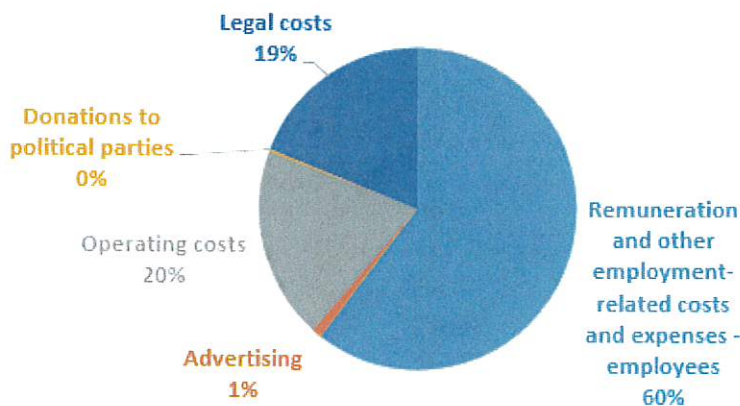
FOR THE YEAR ENDED 31 MARCH 2021

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

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



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



Name of Designated Officer: Michael John Ravbar

Title of Designated Officer: Divisional Branch Secretary

Signature: 

Date: 29 June 2021

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
Revenue from contracts with customers			
Membership subscription		163,918	9,619,954
Capitation fees		-	-
Levies	3A	18,231	1,144,806
Voluntary collections – ADSS donations		-	37,391
Interest	3B	15,231	167,472
Other revenue	3E	2,345,645	2,710,936
Total revenue		<u>2,543,025</u>	<u>13,680,559</u>
Income for furthering objectives			
Grants and/or donations	3C	5,046,560	3,750,882
Total income for furthering objectives		<u>5,046,560</u>	<u>3,750,882</u>
Other Income			
Net gains from sale of assets	3D	221,803	36,410
Change in fair value of financial assets		534,414	-
Total other income		<u>756,217</u>	<u>36,410</u>
Total income		<u>8,345,802</u>	<u>17,467,851</u>
Expenses			
Employee expenses	4A	385,407	6,919,424
Capitation fees	4B	-	738,547
Affiliation fees	4C	1,798	83,204
Administration expenses	4D	334,444	245,443
Voluntary collections		-	37,391
Grants or donations	4E	13,804	149,390
Depreciation and amortisation	4F	342,842	355,747
Finance costs	4G	58,386	84,309
Legal costs	4H	924,899	2,181,530
Audit fees	4I	14,563	23,405
Apprentice Schemes		3,949,916	3,309,215
Change in fair value of financial assets		-	428,756
Other expenses	4J	1,116,822	3,697,215
Total expenses		<u>7,142,881</u>	<u>18,253,576</u>
Surplus (deficit) for the year		<u>1,202,921</u>	<u>(785,725)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,202,921</u>	<u>(785,725)</u>

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,386,186	9,179,882
Trade and other receivables	5B	209,849	282,025
Other current assets	5C	-	157,303
Financial assets	5D	6,094,155	5,279,954
Total current assets		<u>7,690,190</u>	<u>14,899,164</u>
Non-Current Assets			
Trade and other receivables	5B	1,500,000	1,500,000
Property, plant and equipment	5E	1,656,965	1,277,559
Total non-current assets		<u>3,156,965</u>	<u>2,777,559</u>
Total assets		<u>10,847,155</u>	<u>17,676,723</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	5,287,279	523,849
Employee provisions	6B	603,740	1,576,719
Revenue in Advance	6C	2,013,866	5,639,879
Total current liabilities		<u>7,904,885</u>	<u>7,740,447</u>
Non-Current Liabilities			
Employee provisions	6B	237,602	686,839
Total non-current liabilities		<u>237,602</u>	<u>686,839</u>
Total liabilities		<u>8,142,487</u>	<u>8,427,286</u>
Net assets		<u>2,704,668</u>	<u>9,249,437</u>
EQUITY			
Retained earnings		2,704,668	9,249,437
Total equity		<u>2,704,668</u>	<u>9,249,437</u>

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

		Retained Earnings		Financial Asset	Total
		General Fund	Compulsory Levy Defence Fund	Revaluation Reserve	
	Notes	\$	\$	\$	\$
Balance as at 1 April 2019		2,964,925	7,070,237	-	10,035,162
Surplus (deficit) for the year		(1,661,691)	875,966	-	(785,725)
Other comprehensive income for the period		-	-	-	-
Closing balance as at 31 March 2020		1,303,234	7,946,203	-	9,249,437
Surplus (deficit) for the year		1,188,716	14,205	-	1,202,921
Transfer of Defence Fund to CFMEUQ	1.24	-	(7,747,690)	-	(7,747,690)
Other comprehensive income for the year		-	-	-	-
Closing balance as at 31 March 2021		2,491,950	212,718	-	2,704,668

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	7B	408,776	86,990
Receipts from members and other customers		174,014	11,719,804
Grant receipts		5,170,800	5,098,251
Interest		97,845	111,543
Other		2,030,957	2,759,594
Cash used			
Employees and suppliers		(4,325,524)	(16,623,115)
Short term lease payments		-	(130,000)
Finance cost		(58,386)	(84,309)
Payment to other reporting units	7B	(10,458,409)	(3,072,846)
Net cash from (used by) operating activities	7A	(6,959,927)	(134,088)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		749,605	251,838
Cash used			
Purchase of plant and equipment		(1,303,587)	(403,263)
Purchase of financial assets		(279,787)	(203,408)
Net cash from (used by) investing activities		(833,769)	(354,833)
FINANCING ACTIVITIES			
Net cash received from/(paid to) CFMEUQ	7B	-	-
Net increase (decrease) in cash held		(7,793,696)	(488,921)
Cash & cash equivalents at the beginning of the reporting period.		9,179,882	9,668,803
Cash & cash equivalents at the end of the reporting period	5A	1,386,186	9,179,882

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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

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

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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

Key estimates and judgements

Impairment of property, plant and equipment

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

Provisions

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.3 Significant accounting judgements and estimates (continued)

Key estimates and judgements (continued)

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.

Useful lives of property, plant and equipment

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

Impact of COVID19

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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

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

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Union.

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.4 New Australian Accounting Standards (continued)

Future Australian Accounting Standards Requirements

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

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
(applicable for annual reporting periods beginning on or after 1 January 2022)

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

The Committee of Management anticipate that the adoption of AASB 2020-1 will not have a significant impact on the Union's financial statements.

1.5 Revenue

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

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

Revenue from contracts with customers

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

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

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

Where the Union's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers service to the member.

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

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

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

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

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

- donations and voluntary contributions from members (including whip arounds); and
- government grants – (Cash Flow Boost).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.5 Revenue (continued)

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

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

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Leases

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

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

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

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

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

1.8 Borrowing costs

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

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 and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Initial recognition and measurement

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

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

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

The Union's financial assets at amortised cost includes trade receivables, receivables from other reporting units and term deposits.

Derecognition

A financial asset is derecognised when:

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.12 Financial assets (Continued)

Offsetting

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

Impairment

(i) Trade receivables

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

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

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Financial Liabilities

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

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.14 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.15 Contingent Liabilities and Contingent Assets

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

1.16 Property, Plant and Equipment

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

Depreciation

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

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

	31 March 2021	31 March 2020
Plant and equipment	10-33%	10-33%
Motor Vehicles	25%	25%

Derecognition

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

1.17 Impairment

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.18 Income Tax

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

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

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

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

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

1.19 Fair value measurement

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

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

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

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.19 Fair value measurement (Continued)

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

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

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

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

1.20 Going concern

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

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

1.21 Acquisition of Assets and Liabilities

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

1.22 Recovery of Wages

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

1.23 Compulsory Campaign Levy

The compulsory campaign levy was established by the National Office of the Union to provide resources to fight against attacks against the Union by employers, governments and media. The levy is paid to the National Office of the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.24 Retained Earnings – Compulsory Levy Defence Fund

The Defence Fund is maintained to provide the additional resources needed to defend members of the QNTDB and the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland State Construction and General Division (**CFMEUQ**) against continuing attacks from employers and Federal Government agencies.

In 2004, the (then) Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland determined to create the Defence Fund and resolved that members were required to make payment of the Levy.

On 1 July 2013, the CFMEUQ transferred those monies held in the Fund to the QNTDB. On, and from, 1 July 2013, the QNTDB began collecting the Levy from members of both the QNTDB and the CFMEUQ.

During the year, the QNTDB transferred \$7,747,690 comprising the Defence Fund to the CFMEUQ.

At the time of the transfer, the Defence Fund comprised:

- the monies paid by the members resident in the Northern Territory;
- the monies transferred by the CFMEUQ in 2013; and
- the monies collected by the QNTDB since 1 July 2013.

The monies paid by the members resident in the Northern Territory were not transferred to the CFMEUQ and have remained in the retained earnings of QNTDB as detailed in the statement of changes in equity.

The members resident in the Northern Territory continue to make contributions in accordance with the compulsory Defence Fund levy which is retained by the QNTDB. The surplus in compulsory Defence Fund levy collected from Northern Territory members during the year was \$14,205.

Funds collected by the compulsory Defence Fund levy are held in cash and short-term investments.

No funds have been invested in assets.

All funds required by the rules of the Union are included in the retained earnings as detailed in the statement of changes in equity.

1.25 Service Agreement

Longstanding administrative arrangements have existed between the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Queensland Northern Territory Divisional Branch (**QNTDB**) and the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland State Construction and General Division (**CFMEUQ**) to improve the effectiveness of dual registration and, as far as practicable, to reduce unnecessary costs associated with dual registration.

The administrative arrangements established the QNTDB as the 'operating entity' in that, for consideration provided by the CFMEUQ (namely the agreement to not collect entrance fees or subscriptions from members of both the CFMEUQ and the QNTDB (**Dual Members**)), the QNTDB would provide the resources necessary to service the Dual Members and members of the CFMEUQ.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1.25 Service Agreement (continued)

Following negotiations between the QNTDB and the CFMEUQ, it was determined by the Divisional Branch Executive to agree to alter these arrangements, including the arrangements for the collection of entrance fees or subscriptions. An agreement was entered into between the QNTDB and the CFMEUQ to reflect these new arrangements and has been in operation for the entirety of the financial year ended 31 March 2021 (**Service Agreement**).

As a result of the alteration to these arrangements by the Service Agreement, a number of items were transferred from the QNTDB to the CFMEUQ including: accrued employee entitlements; ongoing employee expenses; financial administration costs; agents fees; the defence fund and legal fees.

The CFMEUQ, for consideration provided by the QNTDB (namely the agreement to not collect entrance fees or subscriptions from members of both the CFMEUQ and the QNTDB (**Dual Members**)), provides the resources necessary to service the Dual Members, members of the QNTDB and members of the Manufacturing Division.

This has materially impacted the level and type of revenues and expenses recorded in the QNTDB in current and future periods.

NOTE 2 EVENTS AFTER REPORTING DATE

There were no events that occurred after 31 March 2021, and/ or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3	INCOME	31 March 2021	31 March 2020
		\$	\$

Disaggregation of revenue from contracts with customers

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

Type of customer		
Members	182,149	10,802,151
Other reporting units	-	-
Government	100,000	73,223
Other parties	2,260,876	2,805,185
Total revenue from contracts with customers	<u>2,543,025</u>	<u>13,680,559</u>

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	-	-
Government	-	-
Other parties	5,046,560	3,750,882
Total income for furthering activities	<u>5,046,560</u>	<u>3,750,882</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 INCOME	31 March 2021 \$	31 March 2020 \$
Note 3A: Levies		
Compulsory levy – Defence Fund (Note 1.24)	14,205	875,966
Compulsory levy – Campaign (Note 1.23)	4,026	238,711
Voluntary levy – Tool Scheme	-	30,129
Total levies	<u>18,231</u>	<u>1,144,806</u>
Note 3B: Interest		
Interest	15,231	167,472
Total Interest	<u>15,231</u>	<u>167,472</u>
Note 3C: Grants or donations		
Grants Apprentice Scheme	4,668,458	3,308,382
Grants Other	378,102	442,500
Donations	-	-
Total grants or donations	<u>5,046,560</u>	<u>3,750,882</u>
Note 3D: Net gains from sale of assets		
Gain on sale of property, plant and equipment	221,803	36,410
Total net gain from sale of assets	<u>221,803</u>	<u>36,410</u>
Note 3E: Other Revenue		
Administration recoveries	576,767	601,148
Compliance recoveries	251,013	277,763
Income from financial asset	250,242	233,688
Promotional charges	110,000	221,791
Sponsorship income	191,717	186,000
Training income	293,830	185,084
Directors/Meeting fees	272,552	216,789
Enterprise agreements	282,600	196,223
Squire Patton Proceedings (Coffs Harbour)	-	297,265
Sundry income and reimbursements	116,924	295,185
Total other revenue	<u>2,345,645</u>	<u>2,710,936</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES	31 March 2021	31 March 2020
	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	581,911
Superannuation	-	61,740
Leave and other entitlements	-	27,006
*Separation and redundancies	-	19,166
Other employee expenses	-	5,304
Subtotal employee expenses holders of office	-	695,127
Employees other than office holders:		
Wages and salaries	495,226	5,104,479
Superannuation	74,382	748,431
Leave and other entitlements	(210,172)	115,162
*Separation and redundancies	20,995	198,543
Other employee expenses	4,976	57,682
Subtotal employee expenses employees other than office holders	385,407	6,224,297
Total employee expenses	385,407	6,919,424

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU C&G National Office	-	738,547
Total Capitation fees	-	738,547

From 1 April 2020, capitation fees is paid by CFMEUQ

Note 4C: Affiliation fees

Australian Labor Party Queensland Branch	-	62,420
Australian Labor Party Northern Territory Branch	918	1,227
Building and Wood Workers' International	-	18,697
Ipswich Trades Hall & Labour Day Committee	-	60
Other	880	800
Total Affiliation fees	1,798	83,204

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

	31 March 2021	31 March 2020
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions of membership subscriptions	-	1,017
Compulsory levy – Campaign (Note 1.23)	-	134,860
Voluntary levy – Tool Scheme	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	334,444	109,566
Total administration expenses	334,444	245,443
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,904	1,450
Total paid that exceeded \$1,000	11,900	147,940
Total grants or donations	13,804	149,390
Note 4F: Depreciation and amortisation		
Depreciation:		
Property, plant and equipment	72,415	54,456
Motor vehicles	270,427	301,291
Total depreciation	342,842	355,747
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	342,842	355,747
Note 4G: Finance costs		
Bank fees and charges	58,386	84,309
Total finance costs	58,386	84,309
Note 4H: Legal costs		
Litigation	68,457	1,785,195
Other legal matters	-	128,285
Penalties & Settlements (Litigation costs)	856,442	268,050
Total legal costs	924,899	2,181,530

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

	31 March 2021 \$	31 March 2020 \$
Note 4I: Audit fees		
External audit expense	14,563	23,405
Other services	-	-
Total audit fees	<u>14,563</u>	<u>23,405</u>
Note 4J: Other expenses		
Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Administration expenditure	72,678	161,241
Advertising & marketing	318	58,285
Campaign expenses	43,150	642,883
Communications	10,745	65,670
Computer expenses	19,802	51,268
Fringe benefit tax	207,559	210,687
Impairment counselling & delivery costs	38,520	115,223
Insurance	950	885
Labour day expenses	-	101,221
Motor vehicles expenses	70,417	369,424
Organising expenses	143,646	419,279
Payroll tax	34,992	358,609
Postage	9,649	93,254
Printing and stationery	39,320	76,548
Publication expenses	-	60,450
Rental expenses	363,424	712,842
Short-term lease expense	-	130,000
Sponsorship expenses	-	12,200
Subscriptions	9,042	12,498
Training	27,827	7,369
Workers compensation	24,783	37,379
Total other expenses	<u>1,116,822</u>	<u>3,697,215</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5 ASSETS	31 March 2021 \$	31 March 2020 \$
---------------	------------------------	------------------------

Note 5A: Cash and Cash Equivalents

Cash at bank	1,385,686	6,175,082
Cash on hand	-	4,300
Debit card	500	500
Term deposits	-	3,000,000
Total cash and cash equivalents	<u>1,386,186</u>	<u>9,179,882</u>

Note 5B: Trade and Other Receivables

Current

Interest receivable	4,589	87,203
Membership dues receivable	-	1,430,066
Other receivables	62,505	55,042

Receivables from other reporting units

CFMEUQ	142,755	-
CFMEU C&G National Office	-	39,635
Total current trade and other receivables	<u>209,849</u>	<u>1,611,946</u>

Less provision for doubtful debts	-	(1,329,921)
-----------------------------------	---	-------------

Total provision for doubtful debts	<u>209,849</u>	<u>(1,329,921)</u>
---	----------------	--------------------

Total current trade and other receivables (net)	<u>209,849</u>	<u>282,025</u>
--	----------------	----------------

Non-current

Receivables from other reporting units

CFMEUQ	1,500,000	1,500,000
Total non-current trade and other receivables	<u>1,500,000</u>	<u>1,500,000</u>

Total trade and other receivables	<u>1,709,849</u>	<u>1,782,025</u>
--	------------------	------------------

No provision for doubtful debts has been raised against the reporting units balances shown.

Note 5C: Other Current Assets

Prepayments	-	157,303
Total other current assets	<u>-</u>	<u>157,303</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

Note 5D: Financial Assets

Financial asset at cost	5,000,000	5,000,000
Addition investment	764,819	485,032
Growth/(reduction) in investment - unrealised	329,336	(205,078)
Total financial assets	<u>6,094,155</u>	<u>5,279,954</u>

Note 5E: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Motor vehicles	1,473,876	1,113,805
Plant and equipment	183,089	163,754
Total property plant and equipment	<u>1,656,965</u>	<u>1,277,559</u>

Motor vehicles:

At cost	1,966,771	1,789,154
Less accumulated depreciation	(492,895)	(675,349)
Total motor vehicles	<u>1,473,876</u>	<u>1,113,805</u>

Plant and Equipment:

At cost	396,022	304,273
Less accumulated depreciation	(212,933)	(140,519)
Total plant and equipment	<u>183,089</u>	<u>163,754</u>

	Motor Vehicles	Plant & Equipment	Total
	\$	\$	\$
Balance at beginning of the year	1,113,805	163,754	1,277,559
Additions	1,211,837	91,750	1,303,587
Disposals	(527,802)	-	(527,802)
Depreciation expense – Note 4F	(270,427)	(72,415)	(342,842)
Depreciation allocated to Apprentice Scheme	(53,537)	-	(53,537)
Carrying amount at end of the year	<u>1,473,876</u>	<u>183,089</u>	<u>1,656,965</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6	LIABILITIES	31 March 2021	31 March 2020
		\$	\$

Note 6A: Trade and Other Payables

Trade payables and accruals	155,244	135,534
Payables to other reporting units		
- CFMEU C&G National Office	-	7,403
- CFMEUQ	5,041,855	
Consideration to employers for payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	50,000	89,346
Settlements (Penalties from Litigation)	-	172,000
Other legal matters	-	-
GST payable	40,180	110,655
Voluntary collections - ADSS	-	8,911
Total trade and other payables	<u>5,287,279</u>	<u>523,849</u>

Note 6B: Employee Provisions

Employee provisions comprises of:

Current

Provision for annual leave	232,789	752,984
Provision for long service leave	370,951	823,735
	<u>603,740</u>	<u>1,576,719</u>

Non-current

Provision for long service leave	<u>237,602</u>	<u>686,839</u>
Total employee provisions	<u>841,342</u>	<u>2,263,558</u>

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

Balance at beginning of the year	2,263,558	2,305,748
Additional provisions raised during the year	26,346	795,775
Provisions transferred to CFMEUQ	(1,317,767)	(151,211)
Amounts used	(130,795)	(686,754)
Balance at the end of the year	<u>841,342</u>	<u>2,263,558</u>

CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 6	LIABILITIES (CONTINUED)	31 March 2021	31 March 2020
		\$	\$
Note 6B: Employee Provisions (Continued)			
Office Holders:			
	Annual leave	-	69,078
	Long service leave	-	435,825
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions—office holders	-	504,903
Employees other than office holders:			
	Annual leave	232,789	683,906
	Long service leave	608,553	1,074,749
	Separations and redundancies	-	-
	Other	-	-
	Subtotal employee provisions—employees other than office holders	841,342	1,758,655
	Total employee provisions	841,342	2,263,558

Note 6C: Revenue in Advance

Revenue in advance comprises of:

<i>Current</i>			
	Apprentice scheme funding	1,833,194	2,179,027
	Membership dues in advance	-	3,239,102
	Other revenue in advance	180,672	221,750
		2,013,866	5,639,879
<i>Non-current</i>			
	Apprentice scheme funding	-	-
	Total revenue in advance	2,013,866	5,639,879

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

Note 7A: Cash Flow Reconciliation

Reconciliation of 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	1,386,186	9,179,882
Statement of financial position	1,386,186	9,179,882
Difference	-	-

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

Surplus/(deficit) for the year	1,202,921	(785,725)
--------------------------------	-----------	-----------

Adjustments for non-cash items

Depreciation expense – Note 4F	342,842	355,747
Depreciation – Apprentice scheme	53,537	60,329
(Gain)/Loss on disposal of assets	(221,803)	(36,410)
(Gain)/Loss in fair value of financial assets	(535,414)	428,756

Changes in assets/liabilities

(Increase)/decrease in net receivables	72,176	(119,659)
(Increase)/decrease in prepayments	157,303	(145,944)
Increase/(decrease) in trade and other payables	4,763,430	(507,057)
Increase/(decrease) in employee provisions	(1,422,216)	(42,190)
Increase/(decrease) in revenue in advance	(3,626,013)	658,065
Transfer of Compulsory Levy Defence Fund to CFMEUQ	(7,746,690)	-
Net cash from (used by) operating activities	(6,959,927)	(134,088)

Note 7B: Cash flow information

Cash inflows

CFMEUQ	368,469	-
CFMEU National Office	-	-
CFMEU C&G National Office	40,307	40,720
CFMEU C&G ACT	-	5,715
CFMEU VIC	-	-
CFMEU M&E QLD	-	40,555
Total cash inflows	408,776	86,990

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
 CONSTRUCTION & GENERAL DIVISION
 QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

Note 7B: Cash flow information (Continued)

Cash outflows

CFMEUQ	10,434,568	1,000,738
CFMEU C&G National Office	7,403	1,971,721
CFMMEU National Office	16,438	-
CFMEU C&G ACT	-	100,000
CFMEU M&E QLD	-	387
Total cash outflows	<u>10,458,409</u>	<u>3,072,846</u>

Note 7C: Credit standby arrangements and loan facilities

CBA Mastercard Facility		
Used facility	11,301	22,073
Unused facility	48,699	37,927
Total facility	<u>60,000</u>	<u>60,000</u>

Note 7D: Non-cash transactions

There have been no non-cash financing or investing activities during the year ended 31 March 2021 (31 March 2020: Nil).

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES

Note 8A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units

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

	31 March 2021	31 March 2020
	\$	\$
Income received includes the following:		
NT membership income transferred from CFMEUQ	163,918	-
NT defence fund transferred from CFMEUQ	14,205	-
NT campaign levy transferred from CFMEUQ	4,206	-
EBA Processing fees transferred from CFMEUQ	282,600	-
Airfares reimbursement from CFMEU C&G National office	610	21,344
Expense reimbursement from CFMEU C&G National office	-	770
Transfer leave entitlements from CFMEU C&G National office	-	14,904
Affiliation fees reimbursement from CFMEU M&E QLD	-	35,668
Expense reimbursement from CFMEU M&E QLD	-	1,200
Merchandise sales to CFMEU C&G ACT	-	5,195
Expenses paid includes the following:		
Rent paid to CFMEUQ	359,083	721,224
Leave entitlements transferred to CFMEUQ	1,317,767	151,211
Defence fund levy transferred to CFMEUQ	7,747,690	-
Membership income in advance transferred to CFMEUQ	3,212,180	-
Promotional charges transferred to CFMEUQ	-	26,826
Compliance recoveries transferred to CFMEUQ	-	26,752
Capitation fees to CFMEU C&G National Office	-	738,547
Campaign levy to CFMEU C&G National Office	-	134,860
Wages reimbursement to CFMEU C&G National Office	-	102,425
Campaign contribution to CFMEU C&G National Office	-	366,234
Dentsu X cost contribution to CFMEU C&G National Office	-	173,177
Bossman Media cost contribution to CFMEU C&G National Office	-	160,435
Legal cost contribution to CFMEU C&G National Office	-	55,000
Donation – contribution to CFMEU C&G National Office for Bushfire Appeal	-	17,440
Donation – contribution to CFMEU C&G ACT for security cost	-	100,000
Accommodation costs reimbursement to CFMEU M&E QLD	-	352
Workcover reimbursement to CFMMEU National Office	15,015	-

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Holders of office and related reporting units (continued)

	31 March 2021	31 March 2020
	\$	\$
Amounts owed by includes the following:		
CFMEU C&G National Office	-	39,635
CFMEUQ	142,755	-
Amounts owed to includes the following:		
CFMEU C&G National Office	-	7,403
CFMEUQ	5,041,855	-
Loan receivable from CFMEUQ:	1,500,000	1,500,000

Terms and conditions of transactions with related parties

Related party transactions occur between the Union and its state registered equivalent the Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland State Construction & General Division (CFMEUQ).

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2021, the union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The loan provided to/received from CFMEUQ does not incur interest and is expected to be repaid within 5 years.

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

Terms and conditions of transactions with related parties (continued)

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

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

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:

- Michael Ravbar (Branch Secretary)
- Royce Kupsch (Branch President)
- Jade Ingham (Assistant Branch Secretary)
- Kane Lowth (Assistant Branch Secretary)

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

	31 March 2021	31 March 2020
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	-	581,911
Annual leave	-	(16,117)
Performance bonus	-	-
Other employee benefits	-	5,304
Total short-term employee benefits	-	571,098
Post-employment benefits:		
Superannuation	-	61,740
Redundancy fund	-	19,166
Total post-employment benefits	-	80,906
Other long-term benefits:		
Long-service leave	-	43,123
Total other long-term benefits	-	43,123
Termination benefits	-	-
Total	-	695,127

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.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 9 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

(a) Operating lease commitments

The Union does not have any operating lease commitments.

(b) Contingent liabilities and commitments

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

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

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

(c) Finance lease commitments

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

(d) Capital expenditure commitments

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 10 REMUNERATION OF AUDITORS	31 March 2021	31 March 2020
	\$	\$
Value of the services provided		
Financial statement audit services	14,563	23,405
Other services – included in apprentice scheme expense	12,000	4,000
Total remuneration of auditors	<u>26,563</u>	<u>27,405</u>

Other services include the audit of the political membership return and apprentice scheme acquittals.

NOTE 11 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

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

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

Specific Financial Risk Exposures and Management

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

The Union's financial instruments are listed below:

Financial Assets

Cash and cash equivalents	1,386,186	9,179,882
Trade and other receivables	1,709,849	1,782,025
Financial assets	6,094,155	5,279,954
	<u>9,190,190</u>	<u>16,241,861</u>

Financial Liabilities

Trade and other payables	5,287,279	523,849
	<u>5,287,279</u>	<u>523,849</u>

Note 11A: Credit Risk

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

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

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

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

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

The Union applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 March 2021 is determined as follows. The expected credit losses below also incorporate forward looking information.

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

Ageing of financial assets that were past due but not impaired for 2021

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Expected loss rate	0%	0%	0%	0%	0%
Gross Carrying amount	209,849	-	-	1,500,000	1,709,849
Loss allowing provision	-	-	-	-	-

Ageing of financial assets that were past due but not impaired for 2020

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Expected loss rate	82.5%	0%	0%	0%	42.7%
Gross Carrying amount	1,611,946	-	-	1,500,000	3,111,946
Loss allowing provision	1,329,921	-	-	-	1,329,921

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

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

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

Collateral held as security

The Union does not hold collateral with respect to its receivables at 31 March 2021 (31 March 2020: Nil).

Note 11B: Liquidity Risk

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

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

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

Contractual maturities for financial liabilities

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
2021		\$	\$	\$	\$	\$
Trade and other payables	5,287,279	-	-	-	-	5,287,279
	<u>5,287,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,287,279</u>
2020						
Trade and other payables	523,849	-	-	-	-	523,849
	<u>523,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>523,849</u>

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11C: Market Risk

i. Interest rate risk

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

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

ii. Foreign exchange risk

The Union is not exposed to fluctuations in foreign currencies.

iii. Price risk

The Union is exposed to equity securities price risk.

Sensitivity Analysis

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

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

NOTE 12 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

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

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

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 12 FAIR VALUE MEASUREMENT (CONTINUED)

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

	Footnote	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	1,386,186	1,386,186	9,179,882	9,179,882
Trade and other receivables	(i)	1,709,849	1,709,849	1,782,025	1,782,025
Financial assets	(i)	6,094,155	6,094,155	5,279,954	5,279,954
Total financial assets		9,190,190	9,190,190	16,241,861	16,241,861

	Footnote	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial liabilities					
Trade and other payables	(i)	5,287,279	5,287,279	523,849	523,849
Total financial liabilities		5,287,279	5,287,279	523,849	523,849

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

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

Pursuant to Rule 24B of the Union's Rules and s. 293B of the *Fair Work (Registered Organisation) Amendment Act 2016*, the Divisional Executive make the following disclosures of Officer remuneration and non-cash benefits received for the 2021 financial year.

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

	Michael Ravbar	Royce Kupsch	Jade Ingham	Kane Lowth	Total
	Divisional Branch Secretary	Divisional Branch President	Assistant Divisional Branch Secretary	Assistant Divisional Branch Secretary	
	\$	\$	\$	\$	\$
Salary and allowance	-	-	-	-	-
Movement in annual and long service leave provisions	-	-	-	-	-
Superannuation	-	-	-	-	-
Redundancy	-	-	-	-	-
Other employee benefits	-	-	-	-	-
	-	-	-	-	-

From 1 April 2020, the officers are remunerated by the Construction Forestry Mining & Energy, Industrial Union of Employees, Queensland State Construction & General Division (CFMEUQ) and therefore are recorded in the financial statements of the CFMEUQ for the year ended 31 March 2021.

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

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

Michael Ravbar	Divisional Branch Secretary	\$7,116
Royce Kuspch	Division Branch President	\$Nil
Jade Ingham	Assistant Divisional Branch Secretary	\$10,102
Kane Lowth	Assistant Divisional Branch Secretary	\$1,663

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

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

The Union has made no reportable payments to any related party or declared person or body of the Union in the year ended 31 March 2021.

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 14 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

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

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

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

Information to be provided to members or Commissioner:

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

NOTE 16 UNION DETAILS

The registered office of the Union is:

16 Campbell Street
Bowen Hills QLD 4006

NOTE 17 SEGMENT INFORMATION

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

NOTE 18 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 AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MARITIME, MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH

Opinion

We have audited the accompanying financial report of Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch which comprises the Statement of Financial Position as at 31 March 2021, Statement of Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, the subsection 255(2A) report and the Committee of Management Statement.

The audit report has been prepared based on the requirements of section 257(1) of the *Fair Work (Registered Organisations) Act 2009*.

In our opinion the financial report of the Construction, Forestry, Maritime, Mining and Energy Union, Construction and General Division, Queensland Northern Territory Divisional Branch:

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

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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (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.

Other Information

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

Our opinion on the financial report does not cover the other information and 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.

PKF Brisbane Audit ABN 33 873 151 348

Level 6, 10 Eagle Street, Brisbane, QLD 4000 | GPO Box 1568, Brisbane, QLD 4001 | T: +61 7 3839 9733

Brisbane | Rockhampton www.pkf.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

PKF Brisbane Pty Ltd. is a member firm of the PKF International Limited family of legally independent firms and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm or firms.

Committee of Management's Responsibilities for the Financial Report

The Committee of Management and Secretary of the Union are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management and Secretary of the Union determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Union's financial reporting process.

Auditor's Responsibilities

Our responsibility is to express an opinion on the financial report based on our audit. 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, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

Report on Other Regulatory Requirements

- a) We have nothing to report with regards to reporting requirements under section 257(7) of the *Fair Work (Registered Organisations) Act 2009*.
- b) The scope of our audit did extend to recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.
- c) In our opinion, the Committee of Management's use of the going concern basis of accounting in the preparation of the financial report is appropriate.
- d) I am an approved auditor as defined by Regulation 4 of the *Fair Work (Registered Organisations) Regulations 2009* being a member of the Institute of Chartered Accountants in Australia & New Zealand who holds a current Public Practice Certificate.

PKF BRISBANE AUDIT



CAMERON BRADLEY
PARTNER

DATED THIS 28TH DAY OF JUNE 2021
BRISBANE
REGISTRATION NUMBER: AA2021/14

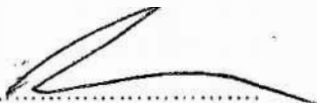
**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
QUEENSLAND NORTHERN TERRITORY DIVISIONAL BRANCH**

DESIGNATED OFFICERS CERTIFICATE

FOR THE YEAR ENDED 31 MARCH 2021

I, Michael John Ravbar, being the Divisional Branch Secretary of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division Queensland Northern Territory Divisional Branch for the period ended 31 March 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 1 July 2021; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 16 August 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Michael John Ravbar

Divisional Branch Secretary

19 August 2021

Brisbane