



23 August 2021

Andrew Sutherland
Divisional Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, SA
Divisional Branch

Sent via email: saqueries@cfmeu.org
C: david@leegreen.com.au

Dear Andrew Sutherland,

**Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, SA Divisional Branch
Financial Report for the year ended 31 March 2021 – (FR2021/8)**

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, SA Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 August 2021.

The financial report has now been filed.

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.

You are not required to take any further action in respect of the report lodged.

Please note that the financial report for the year ending 31 March 2022 may be subject to an advanced compliance review.

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 s.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 s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on 1300 341 665 or via email at regorgs@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

CFMEU

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

ABN 71 560 759 083

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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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 South Australian 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.
- Growing the organisation through good on the job organisation and strong links between the organisers and members.

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

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

Operating Results

The operating surplus for the financial year amounted to \$13,265 (31 March 2020: surplus \$98,835)

Significant Changes in Financial Affairs

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

Events subsequent to reporting date

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

Future Developments

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Environmental Issues

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

Members Right to Resign

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

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

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

Number of Members

The number of members at the end of the financial period recorded in the register of members and taken to be members of the Union was 2,318 (2020: 2,560).

Number of Employees

The number of full-time equivalent employees of the Union at the end of the financial year was 11 (2020: 8).

Members of the Committee of Management

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

Name	Position	Period of appointment
Troy McIntyre	Divisional Branch President	11/11/20 - current
Desmond Savage	Divisional Branch Vice President	1/4/20 – 11/11/20
Dean Duggan	Divisional Branch Vice President	11/11/20 - current
Andrew Sutherland	Divisional Branch Secretary	Whole period
Desmond Savage	Assistant Divisional Branch Secretary	11/11/20 - current
Gregory Natt	Branch Treasurer	Whole period
Alexandra Russell	Branch Trustee	11/11/20 – current
Travis Brook	Branch Trustee	11/11/20 - current
Margues Pare	Branch Trustee	1/4/20 – 11/11/20
Derek Stapleton	Branch organiser	1/4/20 – 31/7/20
Margues Pare	Branch organiser	11/11/20 - current
Emosi Veron	Branch organiser	11/11/20 - current
Clarence Fellowes	Branch member	11/11/20 - current
Duncan Campbell	Branch member	Whole period
Alexandra Russell	Branch member	1/4/20 – 11/11/20
Troy McIntyre	Branch member	1/4/20 – 11/11/20
Mark Forster	Branch member	13/1/21 – current
Adelaide Mann	Branch member	7/12/21 – current
Maciu Ramanumanu	Branch member	13/1/21 – current
Wyatt Raymount	Branch member	7/12/20-13/1/21
Michael Jackson	Branch member	11/11/20-13/1/21

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

COMMITTEE OF MANAGEMENT OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 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:



.....
Andrew Sutherland
Divisional Branch Secretary

29 July 2021

Adelaide

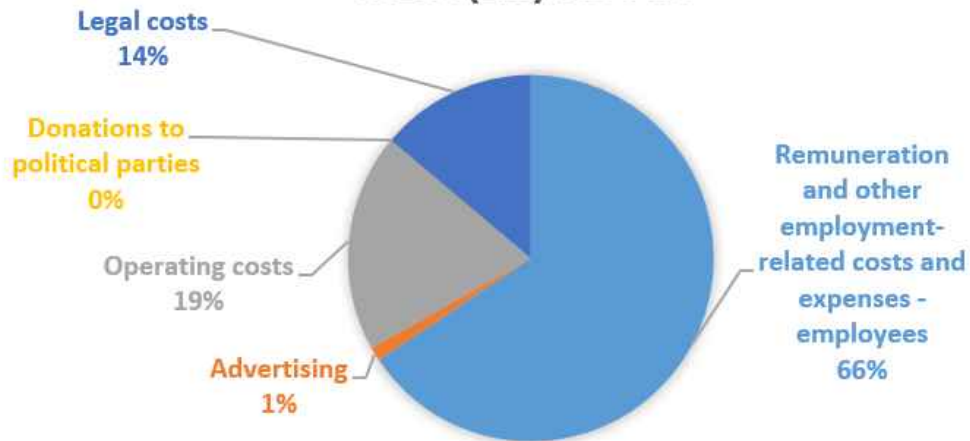
**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
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REPORT REQUIRED UNDER SUBSECTION 255(2A)

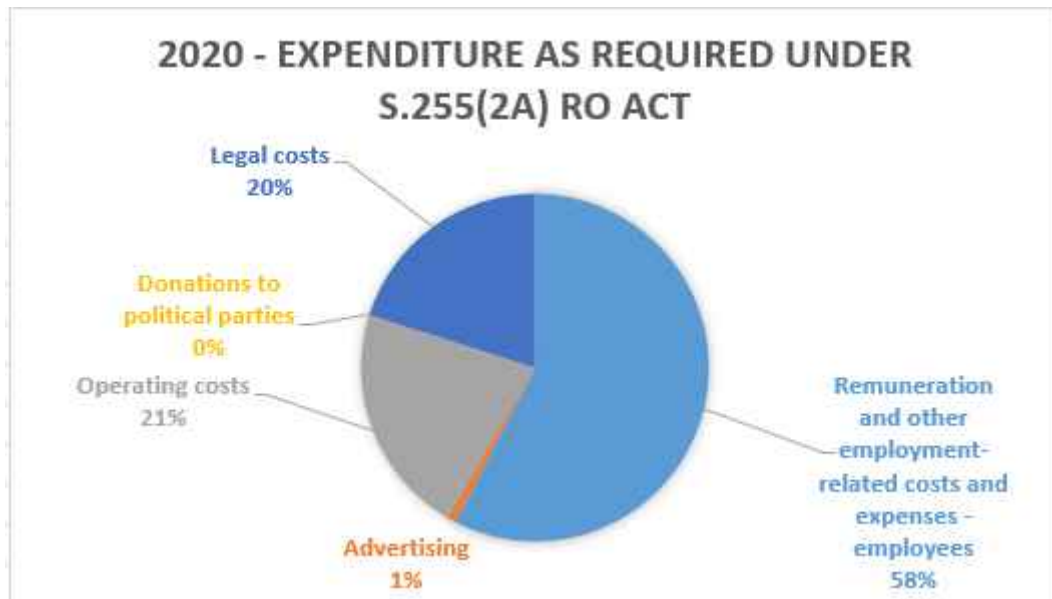
FOR THE YEAR ENDED 31 MARCH 2021


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: Andrew Sutherland
Title of Designated Officer: Divisional Branch Secretary
Signature: 
Date: 29 July 2021

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION & GENERAL DIVISION
SOUTH AUSTRALIAN 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		1,624,410	1,516,015
Capitation fees		-	-
Levies – Compulsory or Voluntary		-	-
Interest	3A	139	436
Other revenue	3D	492,862	379,846
Total revenue		<u>2,117,411</u>	<u>1,896,297</u>
Income for furthering objectives			
Grants and/or donations	3B	-	207,000
Total income for furthering objectives		<u>-</u>	<u>207,000</u>
Other Income			
Net gains from sale of assets	3C	-	-
Wages recovered from workcover		-	58,150
Total other income		<u>-</u>	<u>58,150</u>
Total income		<u>2,117,411</u>	<u>2,161,447</u>
Expenses			
Employee expenses	4A	1,228,810	1,184,655
Capitation fees	4B	138,310	133,035
Affiliation fees	4C	24,157	23,731
Administration expenses	4D	27,970	2,405
Grants or donations	4E	1,500	12,754
Depreciation and amortisation	4F	19,955	12,855
Finance costs	4G	13,250	13,852
Legal costs	4H	259,706	71,933
Accounting and audit fees	4I	10,800	13,435
Other expenses	4J	379,688	593,957
Total expenses		<u>2,104,146</u>	<u>2,062,612</u>
Surplus (deficit) for the year		<u>13,265</u>	<u>98,835</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>13,265</u>	<u>98,835</u>

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

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	31 March 2021 \$	31 March 2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	514,477	352,062
Trade and other receivables	5B	44,730	20,195
Other current assets	5C	13,940	2,580
Total current assets		<u>573,147</u>	<u>374,837</u>
Non-Current Assets			
Property, plant and equipment	5D	55,813	38,051
Total non-current assets		<u>55,813</u>	<u>38,051</u>
Total assets		<u>628,960</u>	<u>412,888</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	6A	214,364	95,482
Employee provisions	6B	67,530	43,423
Revenue in Advance	6C	161,090	105,420
Total current liabilities		<u>442,984</u>	<u>244,325</u>
Non-Current Liabilities			
Trade and other payables	6A	384,510	384,510
Employee provisions	6B	10,285	6,137
Total non-current liabilities		<u>394,795</u>	<u>390,647</u>
Total liabilities		<u>837,779</u>	<u>634,972</u>
Net assets		<u>(208,819)</u>	<u>(222,084)</u>
EQUITY			
Retained earnings		(208,819)	(222,084)
Total equity		<u>(208,819)</u>	<u>(222,084)</u>

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2021

	Retained Earnings			Total
	General Fund	Trust Account	Port Pirie Welfare Fund	
	\$	\$		\$
Balance as at 1 April 2019	(321,375)	456	23,978	(296,941)
Surplus (deficit) for the period	98,835	-	-	98,835
Transfer of Port Pirie Welfare Fund to Port Pirie members	1.23	-	(23,978)	(23,978)
Other comprehensive income for the period	-	-	-	-
Closing balance as at 31 March 2020	(222,540)	456	-	(222,084)
Surplus (deficit) for the year	13,265	-	-	13,265
Other comprehensive income for the year	-	-	-	-
Closing balance as at 31 March 2021	(209,275)	456	-	(208,819)

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

**CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
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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	-	3,805
Receipts from members and other customers		2,356,329	2,255,362
Interest		139	436
Other		-	-
Cash used			
Employees and suppliers		(1,856,913)	(1,927,679)
Finance cost		(13,250)	(13,852)
Payment to other reporting units	7B	(286,173)	(356,514)
Net cash from (used by) operating activities	7A	200,132	(38,442)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment		-	-
Cash used			
Purchase of plant and equipment		(37,717)	(36,354)
Net cash from (used by) investing activities		(37,717)	(36,354)
FINANCING ACTIVITIES			
Received from ABCWF	7B	-	7,000
Net cash from (used by) investing activities		-	7,000
Net increase (decrease) in cash held		162,415	(67,796)
Cash & cash equivalents at the beginning of the reporting period.		352,062	419,858
Cash & cash equivalents at the end of the reporting period	5A	514,477	352,062

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

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

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. For the purpose of preparing the general purpose financial statements, the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division South Australian Divisional Branch ('Union') is a not-for-profit entity. The Union has applied the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 *Application of Tiers of Australian Accounting Standards*.

The financial statements except for the cashflow information, 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.

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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)

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

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

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

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

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

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 received consideration from another party. These arrangement 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.

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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 transfer 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).

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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.

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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.

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

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

Initial recognition and measurement

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

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

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

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

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.

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.

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.

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

Initial recognition and measurement

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.

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

Asset recognition threshold

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
Office furniture & equipment	20-100%	20-100%

Derecognition

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

1.17 Impairment of non-financial assets

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

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

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

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

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

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

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

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

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

The Union incurred an operating surplus of \$13,265 during the year ended 31 March 2021 (31 March 2020: surplus \$98,835), and as at that date the Union's total liabilities exceeded total assets by \$208,819 (31 March 2020: \$222,084). The Union owes a cumulative \$390,313 to related parties. To this extent, The Construction, Forestry, Maritime, Mining & Energy Union, Construction & General Division – National Office (CFMEU C&G National Office) has provided a letter of financial support to the Union whereby it agreed to not to seek repayment of the intercompany receivables from the Union for a period of 12 months from the date of signing this financial report. The Committee of management are confident of the Union's ability to continue as a going concern and the commitment from CFMEU C&G National Office to continue to provide support.

The Union is reliant on the agreed financial support of the CFMEU C&G National Office to continue on a going concern basis. This agreed financial support is to continue until 12 months from the date of signing this financial report. This is an interest free agreement with repayments to be made when agreed by both parties.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.21 Acquisition of Assets and Liabilities

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

1.22 Recovery of Wages

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

1.23 Retained Earnings

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

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

During the 2020 financial year, the Union transferred \$23,978 of Port Pirie Welfare Fund to the Port Pirie Members to manage it locally. The Union does not have any control or rights over this fund and no longer keeps a custody of this fund. The balance of Port Pirie Welfare Fund is nil at 31 March 2020 and 31 March 2021 as stated in the Statement of Changes in Equity.

1.24 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

The Union classified all other liabilities as non-current.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

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	1,624,410	1,516,015
Other reporting units	-	-
Government	100,000	-
Other parties	393,001	380,282
Total revenue from contracts with customers	<u>2,117,411</u>	<u>1,896,297</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	-	207,000
Total income for furthering activities	<u>-</u>	<u>207,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3 INCOME	31 March 2021 \$	31 March 2020 \$
Note 3A: Interest		
Interest	139	436
Total Interest	<u>139</u>	<u>436</u>
Note 3B: Grants or donations		
Grants	-	-
Donations	-	207,000
Total grants or donations	<u>-</u>	<u>207,000</u>
Note 3C: Net gains from sale of assets		
Gain on sale of property, plant and equipment	-	-
Total net gain from sale of assets	<u>-</u>	<u>-</u>
Note 3D: Other Revenue		
Meeting attendance & board fees	68,904	53,506
Members' Health contribution	-	45,810
BIRST Distribution	65,000	30,661
Promotion & Advertising income	30,000	30,000
Sponsorship	165,600	189,650
Merchandise sales	11,258	14,540
EBA Processing fee	29,455	5,454
Government – Cash Flow Boost	100,000	-
Sundry income and reimbursements	22,645	10,225
Financial support from another reporting unit	-	-
Total other revenue	<u>492,862</u>	<u>379,846</u>

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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	540,216	426,496
Superannuation	76,964	59,311
Leave and other entitlements	13,034	14,201
*Separation and redundancies	18,310	14,630
Other employee expenses	31,734	29,466

Subtotal employee expenses holders of office 680,258 544,104

Employees other than office holders:

Wages and salaries	437,142	529,856
Superannuation	60,800	74,071
Leave and other entitlements	15,221	(10,204)
*Separation and redundancies	9,710	10,220
Other employee expenses	25,679	36,608

Subtotal employee expenses employees other than office holders 548,552 640,551

Total employee expenses 1,228,810 1,184,655

*Separation and redundancies include contributions to the redundancy fund.

Note 4B: Capitation fees

CFMEU C&G National Office	138,310	133,035
Total Capitation fees	<u>138,310</u>	<u>133,035</u>

Note 4C: Affiliation fees

Australian Labor Party South Australian Branch	10,350	10,221
SA Unions	11,220	10,665
Other Affiliations	2,587	2,845
Total Affiliation fees	<u>24,157</u>	<u>23,731</u>

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Levies – compulsory levy	21,680	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	6,290	2,405
Total administration expenses	<u>27,970</u>	<u>2,405</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

31 March	31 March
2021	2020
\$	\$

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	-	100
Total paid that exceeded \$1,000	1,500	12,654

Total grants or donations	1,500	12,754
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Note 4F: Depreciation and amortisation

Depreciation:

Property, plant and equipment	19,955	12,855
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Total depreciation	19,955	12,855
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Amortisation

Intangibles	-	-
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Total amortisation	-	-
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Total depreciation and amortisation	19,955	12,855
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Note 4G: Finance costs

Bank charges and credit card fees	13,250	13,852
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Total finance costs	13,250	13,852
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Note 4H: Legal costs

Litigation	255,752	69,894
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Other legal matters	3,954	2,039
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Total legal costs	259,706	71,933
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Note 4I: Accounting and Audit fees

Accounting and audit expenses	10,400	10,700
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Other accounting services	400	2,735
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Total accounting and audit fees	10,800	13,435
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 4 EXPENSES (CONTINUED)

31 March	31 March
2021	2020
\$	\$

Note 4J: Other expenses

Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Advertising	1,636	600
Barbecue costs	10,878	-
Campaign costs	-	106,506
Cleaning	3,951	6,126
Computer expenses	9,589	4,725
Doubtful debts	(8,710)	8,710
Emergency Transport	-	15,099
Insurance (General, Members & Income Protection)	38,706	80,683
Labour day	-	900
Light & power	18,684	15,607
Minor asset purchases	8,493	4,239
Motor vehicle expenses	39,988	50,372
Office expenses	67,160	46,381
Photocopier rental	9,384	9,384
(Surplus)/deficit from Picnic Day	(4,391)	12,357
Postage, Printing & stationery	34,823	51,705
Promotional items	21,554	17,412
Rent to ABCWF	60,000	100,000
Repairs & maintenance	8,921	5,149
Sponsorship	6,100	3,900
Subscription	9,845	10,330
Sundry expenses	2,375	(166)
Telephone & communication	23,389	27,211
Travel and accommodation	17,313	16,727
Total other expenses	379,688	593,957

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5 ASSETS

31 March	31 March
2021	2020
\$	\$

Note 5A: Cash and Cash Equivalents

Cheque account	111,976	150,169
Trust account	456	456
Petty cash	1,000	500
Business online saver	401,045	200,937
Total cash and cash equivalents	<u>514,477</u>	<u>352,062</u>

Note 5B: Trade and Other Receivables

Current

Trade receivable	5,500	2,200
Membership dues receivable	287,005	676,159
Other receivables	-	-

Receivables from other reporting units

CFMEU C&G National Office	-	-
Total current trade and other receivables	<u>292,505</u>	<u>678,359</u>

Less allowance for expected credit losses	(247,775)	(658,164)
Total allowance for expected credit losses	<u>(247,775)</u>	<u>(658,164)</u>
Total current trade and other receivables (net)	<u>44,730</u>	<u>20,195</u>

Non-current

Receivables from other reporting units	-	-
Total non-current trade and other receivables	<u>-</u>	<u>-</u>

Total trade and other receivables	<u>44,730</u>	<u>20,195</u>
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No allowance for expected credit losses has been raised against the reporting units balances shown.

Note 5C: Other Current Assets

Prepayments	13,940	2,580
Total other current assets	<u>13,940</u>	<u>2,580</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 5 ASSETS (CONTINUED)

31 March	31 March
2021	2020
\$	\$

Note 5D: Property, Plant and Equipment

Property, Plant and Equipment comprises of:

Office furniture & equipment	55,813	38,051
Total property plant and equipment	<u>55,813</u>	<u>38,051</u>

Office Furniture & Equipment:

At cost	144,182	106,465
Less accumulated depreciation	(88,369)	(68,414)
Total office furniture & equipment	<u>55,813</u>	<u>38,051</u>

	Plant & Equipment	Total
	\$	\$
Balance at beginning of the year	38,051	38,051
Additions	37,717	37,717
Disposals	-	-
Depreciation expense – Note 4F	(19,955)	(19,955)
Carrying amount at end of the year	<u>55,813</u>	<u>55,813</u>

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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	71,307	49,991
	Payables to other reporting units		
	- CFMEU C&G National Office	5,803	16,671
	Consideration to employers for payroll deductions	-	-
	Legal costs		
	Litigation	115,000	-
	Other legal matters	-	-
	GST payable	22,254	28,820
	Wages collected on behalf of members	-	-
	Total current trade and other payables	<u>214,364</u>	<u>95,482</u>
	Payables to other reporting units		
	- CFMEU C&G National Office	384,510	384,510
	Total non-current trade and other payables	<u>384,510</u>	<u>384,510</u>
	Total trade and other payables	<u><u>598,874</u></u>	<u><u>479,992</u></u>
Note 6B: Employee Provisions			
Employee provisions comprises of:			
<i>Current</i>			
	Provision for annual leave	67,530	43,423
	Provision for long service leave	-	-
		<u>67,530</u>	<u>43,423</u>
<i>Non-current</i>			
	Provision for long service leave	10,285	6,137
	Total employee provisions	<u><u>77,815</u></u>	<u><u>49,560</u></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	49,560	45,563
	Net provision movement during the year	28,255	3,997
	Balance at the end of the year	<u><u>77,815</u></u>	<u><u>49,560</u></u>

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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	44,088	32,771
Long service leave	6,672	4,955
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—office holders</i>	50,760	37,726
---	---------------	---------------

Employees other than office holders:

Annual leave	23,442	10,652
Long service leave	3,613	1,182
Separations and redundancies	-	-
Other	-	-

<i>Subtotal employee provisions—employees other than office holders</i>	27,055	11,834
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Total current employee provisions	77,815	49,560
--	---------------	---------------

Note 6C: Revenue in Advance

Revenue in advance comprises of:

Current

Membership dues in advance	147,340	91,670
Other revenue in advance	13,750	13,750
	161,090	105,420

Non-current

Other revenue in advance	-	-
Total revenue in advance	161,090	105,420

NOTE 7 CASH FLOW

Note 7A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Statement of cash flows	514,477	352,062
Statement of financial position	514,477	352,062
<i>Difference</i>	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 7 CASH FLOW (CONTINUED)	31 March 2021 \$	31 March 2020 \$
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Note 7A: Cash Flow Reconciliation (continued)

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

Surplus/(deficit) for the year	13,265	98,835
Adjustments for non-cash items		
Depreciation expense – Note 4F	19,955	12,855
Non-cash donation income from CITC	-	(207,000)
Non-cash movement in ABCWF loan	-	200,000
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(24,535)	2,836
(Increase)/decrease in prepayments	(11,360)	44,420
Increase/(decrease) in trade and other payables	118,882	(119,945)
Increase/(decrease) in revenue in advance	55,670	(50,462)
Increase/(decrease) in employee provisions	28,255	3,997
Increase/(decrease) in Port Pirie fund equity	-	(23,978)
Net cash from (used by) operating activities	200,132	(38,442)

Note 7B: Cash flow information

Cash inflows

ABCWF	-	7,000
CFMEU C&G National Office	-	1,500
CFMEU Manufacturing Division	-	2,305
Total cash inflows	-	10,805

Cash outflows

ABCWF	60,000	-
CFMEU C&G National Office	226,173	350,190
CFMEU C&G ACT branch	-	6,324
CFMEU C&G WA branch	-	-
Total cash outflows	286,173	356,514

Note 7C: Non-cash transactions

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

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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:		
Other reimbursements from CFMEU C&G National office	-	1,500
Merchandise sales to CFMEU Manufacturing division	-	159
Picnic day tickets sale to CFMEU Manufacturing division	-	1,136
Charity lunch sponsorship from CFMEU Manufacturing division	-	800
Expenses paid includes the following:		
Capitation fees to CFMEU C&G National Office	138,310	133,035
Campaign levy to CFMEU C&G National Office	21,680	-
Legal penalties contribution to CFMEU C&G National Office	-	33,350
Campaign contribution to CFMEU C&G National Office	-	55,735
Dentsu X cost contribution to CFMEU C&G National Office	-	26,355
Bossman Media cost contribution to CFMEU C&G National Office	-	24,416
Donation to CFMEU C&G National Office for Bushfire appeal	-	2,654
Merchandise purchase from CFMEU C&G ACT branch	-	5,749
Rent paid to ABCWF	60,000	100,000
Amounts owed by includes the following:		
CFMEU C&G National Office	-	-
Amounts owed to includes the following:		
CFMEU C&G National Office	390,313	401,181
ABCWF	-	-
Loans to ABCWF:	-	-

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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)

Terms and conditions of transactions with related parties (continued)

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8 RELATED PARTY DISCLOSURES (CONTINUED)

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

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

- Andrew Sutherland (Divisional Branch Secretary)
- Desmond Savage (Divisional Branch Vice President)
- Alexandra Russell (Divisional Branch Trustee)
- Margues Pare (Divisional Branch Organiser)
- Derek Stapleton (Divisional Branch Organiser) – Resigned 31 July 2020
- Emosi Veron (Divisional Branch Organiser)
- Clarence Fellowes (Divisional Branch Member)

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

	31 March 2021	31 March 2020
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	540,216	426,496
Annual leave movement	11,317	12,361
Performance bonus	-	-
Other employee benefits	31,734	29,466
Total short-term employee benefits	583,267	468,323
Post-employment benefits:		
Superannuation	76,964	59,311
Redundancy fund	18,310	14,630
Total post-employment benefits	95,274	73,941
Other long-term benefits:		
Long-service leave	1,717	1,840
Total other long-term benefits	1,717	1,840
Termination benefits		-
Total	680,258	544,104

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

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.

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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).

NOTE 10 REMUNERATION OF AUDITORS

	31 March 2021	31 March 2020
	\$	\$
Value of the services provided		
Financial statement audit services	10,400	10,700
Other services – Accounting fees	400	2,735
Total remuneration of auditors	10,800	13,435

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

NOTE 11 FINANCIAL INSTRUMENTS

Financial Risk Management Policy

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

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

Specific Financial Risk Exposures and Management

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

The Union's financial instruments are listed below:

	31 March 2021 \$	31 March 2020 \$
Financial Assets		
Cash and cash equivalents	514,477	352,062
Trade and other receivables	44,730	20,195
	<u>559,207</u>	<u>372,257</u>
Financial Liabilities		
Trade and other payables	598,874	479,992
	<u>598,874</u>	<u>479,992</u>

Note 11A: Credit Risk

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11A: Credit Risk (Continued)

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	84.7%	0%	0%	0%	84.7%
Gross Carrying amount	292,505	-	-	-	292,505
Expected credit loss	247,775	-	-	-	247,775

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	97.0%	0%	0%	0%	97.0%
Gross Carrying amount	678,359	-	-	-	678,359
Expected credit loss	658,164	-	-	-	658,164

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

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

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

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

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

Collateral held as security

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

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	214,364	-	-	384,510	-	598,874
	214,364	-	-	384,510	-	598,874
2020						
Trade and other payables	95,482	-	384,510	-	-	479,992
	95,482	-	384,510	-	-	479,992

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 11 FINANCIAL INSTRUMENTS (CONTINUED)

Note 11C: Market Risk (Continued)

Sensitivity Analysis

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

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

NOTE 12 FAIR VALUE MEASUREMENT

Fair Values

Fair value estimation

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

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

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

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

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

	Footnote	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	514,477	514,477	352,062	352,062
Trade and other receivables	(i)	44,730	44,730	20,195	20,195
Total financial assets		559,207	559,207	372,257	372,257

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

NOTE 12 FAIR VALUE MEASUREMENT (CONTINUED)

	Footnote	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial liabilities					
Trade and other payables	(i)	598,874	598,874	479,992	479,992
Loan payable	(i)	-	-	-	-
Total financial liabilities		598,874	598,874	479,992	479,992

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

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

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

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

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

	Desmond Savage Divisional Branch Assistant Secretary	Alexandra Russell Divisional Branch Trustee	Margues Pare Divisional Branch Organiser	Derek Stapleton Divisional Branch Organiser	Emosi Veron Divisional Branch Organiser	Clarence Fellowes Divisional Branch Member	Total
	\$	\$	\$	\$	\$	\$	\$
Salary and allowance	128,209	92,770	117,147	42,900	100,357	58,833	540,216
Movement in annual and long service leave provisions	8,264	9,961	8,429	(14,825)	(2,765)	3,970	13,034
Superannuation	18,637	13,549	17,109	4,487	14,435	8,747	76,964
Contributions to Redundancy Fund	3,760	3,760	3,760	1,260	3,200	2,570	18,310
Other employee benefit	7,531	5,450	6,882	2,520	5,895	3,456	31,734
	166,401	125,490	153,327	36,342	121,122	77,576	680,258

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

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 may be used for personal use during non-working hours.

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

Alexandra Russell	Divisional Branch Trustee	\$193
Derek Stapleton	Divisional Branch Organiser	\$17

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.

Andrew Sutherland (Divisional Branch Secretary) is also the Assistant Divisional Secretary for the Construction Forestry Maritime Mining and Energy Union Construction & General Divisional – National Office (CFMEU C&G National Office). CFMEU C&G National Office pays 100% of Andrew Sutherland's remuneration. In accordance with Rule 24D and s. 293G of the *Fair Work (Registered 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.

NOTE 14 ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

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

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

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

Information to be provided to members or Commissioner:

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

NOTE 16 UNION DETAILS

The registered office of the Union is:

Level 1, 32 South Terrace
Adelaide SA 5000

NOTE 17 SEGMENT INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 AUDIT REPORT

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

Report on the Audit of the Financial Report

I have audited the financial report of Construction, Forestry, Maritime, Mining and Energy Union, Construction & General Division – South Australian Divisional Branch (“the Union”), which comprises the statement of financial position as at 31 March 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the report required under Subsection 255(2A) and the designated officers certificate.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Union as at 31 March 2021 and its financial performance and cash flows for the year then ended in accordance with:

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

I declare that management’s use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor’s Report Thereon

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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Responsibility of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Union to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

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

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

Report on Other Legal and Regulatory Requirements

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

Lee Green & Co Pty Ltd

A handwritten signature in black ink, appearing to read 'D Charlesworth', written in a cursive style.

David Charlesworth
Principal

Registration Number: AA2019/2

Dated this 29th day of July 2021

190 Fullarton Road
Dulwich SA 5065

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

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I declare that, to the best of my knowledge and belief, during the year ended 31 March 2021, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Lee Green & Co Pty Ltd

David Charlesworth
Principal

Registration number: AA2019/2

Dated this 29th day of July 2021

190 Fullarton Road
Dulwich SA 5065

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

DESIGNATED OFFICERS CERTIFICATE

FOR THE YEAR ENDED 31 MARCH 2021

I, Andrew Sutherland, being the Divisional Branch Secretary of the Construction, Forestry, Maritime, Mining & Energy Union Construction & General Division South Australian 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 South Australian 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 06 August 2021; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 18 August 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Andrew Sutherland

Divisional Branch Secretary

18 August 2021

Adelaide