



22 September 2021

Robert Graauwmans
Branch President
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division,
Victoria-Tasmania Divisional Branch
Sent via email: queries@vic.cfmeu.asn.au
CC: james.mooney@bdo.com.au

Dear Robert Graauwmans,

Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, Victoria-Tasmania Divisional Branch
Financial Report for the year ended 31 March 2021 – (FR2021/20)

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, Victoria-Tasmania Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 21 September 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.

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

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 13 April 2021, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that James Mooney was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that James Mooney is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

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 (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission



21 September, 2021

Registered Organisations Commission
GPO Box 2983
Melbourne
VIC 3001

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Robert Graauwmans

Being a prescribed designated officer, certify that the documents lodged herewith to the Registered Organisations Commission, are copies of the full report of the Construction and General Division of the Construction, Forestry, Mining and Energy Union Victorian/Tasmanian Divisional Branch for the year ended 31 March, 2021 were:

- Presented to the Divisional Branch Management Committee in accordance with the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009, on Thursday 29th July, 2021.
- Copies of the documents were provided to members on our website on Thursday July the 29th, 2021
<https://vic.cfmeu.org/notice-members-0>
- And subsequently passed by the Divisional Branch Management Committee in accordance with the Fair Work (Registered Organisations) Act 2009 and Fair Work (Registered Organisations) Regulations 2009, on 21 September, 2021

Robert Graauwmans
President
CFMEU Construction and General Division
Victorian/Tasmanian Divisional Branch

Date: 21/09/2021

VIC/TAS DIVISIONAL
BRANCH
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STREET
CARLTON STH, VIC
3053

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**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

CONTENTS

| | |
|--|----|
| Report required under subsection 255(2A) | 2 |
| Operating report | 3 |
| Statement of profit or loss and other comprehensive income | 5 |
| Statement of financial position | 6 |
| Statement of changes in equity | 7 |
| Statement of cash flows | 8 |
| Notes of the financial statements | 9 |
| Committee of management statement | 30 |
| Officer declaration statement | 31 |
| Independent Audit Report | 32 |

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2021

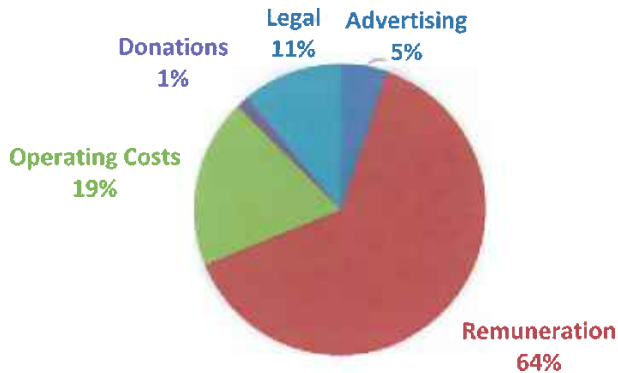
REPORT REQUIRED UNDER SUBSECTION 255(2A)

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

2021 - EXPENDITURE AS REQUIRED UNDER S255(2A) RO ACT



2020 - EXPENDITURE AS REQUIRED UNDER S255(2A) RO ACT



Signature of designated officer:

Name and title of designated officer: ROBERT GRAAUWMANS PRESIDENT

Dated: 29/07/2021

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Operating Report

Introduction

The Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Victorian/Tasmanian Divisional Branch ("CFMEU") is committed to providing a broad range of services to members and defending members' rights in Victoria and Tasmania.

Principal Activities

The principal activity of the CFMEU is that of a registered trade union in Australia reporting in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009. The many benefits of membership come from Enterprise Bargaining Agreement ("EBA") negotiations for good wages and conditions. The CFMEU employs organisers to help members and provides access to services such as occupational health and safety representatives, training and legal advice. The results of the Union's principal activities are that members continue to have decent wages and conditions and access to services. The principal activities of the CFMEU have not changed during the reporting period.

Financial Position

The Union remains in a secure financial position because office holders have ensured that a "safety net" exists for members both individually and as a union so that our united strength can be defended. The Union's operations resulted in a net surplus of \$2,403,396 for the year ended 31 March 2021 (2020: \$4,542,352). The surplus in the previous financial year included a recovery amount of \$2,422,935 that related to losses made on collateral debt obligations at the time of the global financial crisis.

The Investment Committee, made up of Officers and Trustees taking advice from professional investment advisers, oversee the investments of the Union. The Investment Committee will continue to monitor the Union's investments.

Number of Employees

The Union had 97 full time equivalent employees (2020: 99 full time equivalent employees).

Number of Members

The number of members for the year ended 31 March 2021 was 28,031 (2020: 31,739).

Rights of Members

A member can resign from membership by written notice and in accordance with Chapter 6, Part 3, Section 174 of the Fair Work (Registered Organisation) Act 2009 and the rules of the CFMEU.

Trustee of Superannuation Entity

No officer or member of the Union holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Operating Report (continued)

Office Holders

The names of the members of the Divisional Branch Management Committee "DBMC" during financial year were:

| | |
|-----------------|----------------------------------|
| Akbari F | 1 April 2020 to 31 March 2021 |
| Albert M | 1 January 2021 to 31 March 2021 |
| Balta S | 1 April 2020 to 31 March 2021 |
| Beattie B | 1 April 2020 to 31 March 2021 |
| Benstead G | 1 April 2020 to 31 March 2021 |
| Booth P | 1 April 2020 to 31 December 2020 |
| Booth R | 1 April 2020 to 31 December 2020 |
| Christopher D | 1 April 2020 to 31 March 2021 |
| Cody M | 1 April 2020 to 31 December 2020 |
| Cordier A | 1 April 2020 to 31 March 2021 |
| Constantinou J | 1 April 2020 to 31 March 2021 |
| Doyle F | 1 April 2020 to 31 December 2020 |
| Edwards R | 1 April 2020 to 31 December 2020 |
| Farrelly P | 1 January 2021 to 31 March 2021 |
| Graauwmans R | 1 April 2020 to 31 March 2021 |
| Gritzalis D | 1 April 2020 to 31 March 2021 |
| Hassett R | 1 April 2020 to 31 March 2021 |
| Harkins K | 1 April 2020 to 31 March 2021 |
| Ioannidis A | 1 April 2020 to 31 March 2021 |
| Long S | 1 April 2020 to 31 March 2021 |
| Lythgo D | 1 April 2020 to 31 March 2021 |
| Misic D | 1 April 2020 to 31 March 2021 |
| Murphy M | 1 January 2021 to 31 March 2021 |
| Myles J | 1 January 2021 to 31 March 2021 |
| Myles M | 1 January 2021 to 31 March 2021 |
| Perak J | 1 April 2020 to 31 March 2021 |
| Perkovic J | 1 April 2020 to 31 March 2021 |
| Pitt B | 1 April 2020 to 31 March 2021 |
| Raspudic R | 1 April 2020 to 31 March 2021 |
| Round P | 1 April 2020 to 31 March 2021 |
| Setka J | 1 April 2020 to 31 March 2021 |
| Simpson J | 1 April 2020 to 31 March 2021 |
| Spernovasilis E | 1 April 2020 to 31 March 2021 |
| Theodorou T | 1 April 2020 to 31 March 2021 |
| Tomic J | 1 January 2021 to 31 March 2021 |
| Zanatta L | 1 April 2020 to 31 March 2021 |

Signed

For and on behalf of the Divisional Branch Management Committee



Robert Graauwmans

Melbourne, 29 July 2021

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|-------------------|-------------------|
| Income | | | |
| Revenue from contracts with customers | 2 | 27,791,991 | 27,647,478 |
| Income for furthering objectives | 2 | 6,418,942 | 8,431,000 |
| Other Income | 2 | 3,120,829 | 5,687,713 |
| Total income | | 37,331,762 | 41,766,191 |
| Expenses | | | |
| Capitation, affiliation, and amalgamation | | 2,517,234 | 2,430,156 |
| National Union office campaigns | | 314,487 | 914,336 |
| Depreciation | | 1,619,593 | 1,697,821 |
| Direct employee benefits – office holders | 3 | 4,844,551 | 4,747,914 |
| Direct employee benefits – office employees | 3 | 12,525,631 | 13,067,837 |
| Employee related costs (payroll tax, FBT) | | 2,130,801 | 2,143,472 |
| Journal costs | | 635,187 | 249,588 |
| Legal costs | 3 | 2,126,013 | 3,432,633 |
| Loss on disposal of plant and equipment | | 194,808 | 110,986 |
| Occupancy | | 2,170,701 | 1,731,580 |
| Office and administration | | 3,208,521 | 4,149,093 |
| Donations | 3 | 231,887 | 452,829 |
| Promotional costs | | 398,256 | 379,297 |
| Other expenses | | 2,010,696 | 1,716,297 |
| Total expenses | | 34,928,366 | 37,223,839 |
| Surplus for the year | | 2,403,396 | 4,542,352 |
| Other Comprehensive Income | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Net gain/(loss) on financial assets at fair value through other comprehensive income | | 1,689,531 | (1,123,208) |
| Total comprehensive income for the year | | 4,092,927 | 3,419,144 |

The statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

| | Note | 2021 \$ | 2020 \$ |
|--|-------|--------------------------|--------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 17(a) | 25,223,175 | 22,003,295 |
| Trade and other receivables | 4 | 757,287 | 4,015,629 |
| Other financial assets | 5 | 14,008,432 | 12,028,976 |
| Inventory | 6 | 77,524 | - |
| | | <u>40,066,418</u> | <u>38,047,900</u> |
| Non-current assets classified as held for sale | 7 | - | 424,286 |
| | | <u>40,066,418</u> | <u>38,472,186</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 56,763,440 | 53,952,923 |
| Right-of-use assets | 9 | 69,323 | 102,334 |
| Other financial assets | 5 | 1,682 | 1,682 |
| | | <u>56,834,445</u> | <u>54,056,939</u> |
| TOTAL ASSETS | | <u>96,900,863</u> | <u>92,529,125</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 1,690,029 | 1,296,945 |
| Contract liabilities | 11 | 5,038,096 | 5,355,290 |
| Provisions | 12 | 10,677,131 | 10,436,637 |
| Lease liabilities | 9 | 40,234 | 37,573 |
| | | <u>17,445,490</u> | <u>17,126,445</u> |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | 9 | 28,393 | 68,627 |
| | | <u>28,393</u> | <u>68,627</u> |
| TOTAL LIABILITIES | | <u>17,473,883</u> | <u>17,195,072</u> |
| NET ASSETS | | <u>79,426,980</u> | <u>75,334,053</u> |
| MEMBERS' FUNDS | | | |
| Accumulated members funds | | 75,297,282 | 72,813,886 |
| Reserves | | 4,129,698 | 2,520,167 |
| TOTAL MEMBERS' FUNDS | | <u>79,426,980</u> | <u>75,334,053</u> |

The statement of financial position is to be read in conjunction with the accompanying notes

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

| | Accumulated Members Funds \$ | Asset Revaluation Reserve (i) \$ | Financial Assets Reserve (ii) \$ | Total \$ |
|--|------------------------------------|--|--|-------------|
| Balance at 1 April 2019 | 67,919,441 | 2,735,750 | 907,625 | 71,562,816 |
| Adjustment for change in accounting policy | 352,093 | - | - | 352,093 |
| Balance at 1 April 2019 (restated) | 68,271,534 | 2,735,750 | 907,625 | 71,914,909 |
| Surplus for the year | 4,542,352 | - | - | 4,542,352 |
| Other comprehensive income | - | - | (1,123,208) | (1,123,208) |
| Total comprehensive income | 4,542,352 | - | (1,123,208) | 3,419,144 |
| Balance at 31 March 2020 | 72,813,886 | 2,735,750 | (215,583) | 75,334,053 |
| Surplus for the year | 2,403,396 | - | - | 2,403,396 |
| Other comprehensive income | - | - | 1,689,531 | 1,689,531 |
| Total comprehensive income | 2,403,396 | - | 1,689,531 | 4,092,927 |
| Transfers to Accumulated members funds | 80,000 | (80,000) | - | - |
| Balance at 31 March 2021 | 75,297,282 | 2,655,750 | 1,473,948 | 79,426,980 |

- (i) The reserve is used to recognise increments in the fair value of land and buildings.
- (ii) The reserve is used to recognise increments and decrements in the fair value of financial assets through other comprehensive income.

The statement of changes in equity is to be read in conjunction with the accompanying notes

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 2021 \$ | 2020 \$ |
|--|-------|--------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from members | | 34,692,646 | 31,379,459 |
| Receipts from other reporting units | 17(c) | 152,626 | 697,053 |
| Operating grant receipts | | 6,321,882 | 8,534,039 |
| Rent received | | 344,263 | 773,020 |
| Interest and dividends received | | 64,157 | 208,325 |
| Payments to suppliers and employees | | (30,654,031) | (33,023,334) |
| Payments to other reporting units | 17(c) | (3,416,961) | (7,622,617) |
| Net cash provided by operating activities | 17(b) | <u>7,504,582</u> | <u>945,945</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | (4,714,744) | (657,461) |
| Proceeds from sale of property, plant and equipment | | 683,659 | 328,092 |
| Net payments for investments in financial assets | | (209,925) | (425,915) |
| Net cash used in investing activities | | <u>(4,241,010)</u> | <u>(755,284)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of lease liabilities | 9 | (43,692) | (14,563) |
| Net cash used in investing activities | | <u>(43,692)</u> | <u>(14,563)</u> |
| Net increase in cash held | | 3,219,880 | 176,098 |
| Cash and cash equivalents at beginning of financial year | | <u>22,003,295</u> | <u>21,827,197</u> |
| Cash and cash equivalents at end of financial year | 17(a) | <u>25,223,175</u> | <u>22,003,295</u> |

The statement of cash flows is to be read in conjunction with the accompanying notes

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial report is for CFMEU Construction and General Division Victorian and Tasmanian Divisional Branch as an individual entity for the year ended 31 March 2021. The CFMEU is an organisation committed to providing a broad range of services to members and defending their rights. The registered office and principal place of operation is 540 Elizabeth Street, Melbourne, Victoria and 196 Campbell Street, Hobart for the Tasmanian division.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared for distribution to the members to fulfil the Executive's financial reporting requirements under the Fair Work (Registered Organisations) Act 2009. The Executive has prepared the financial report in accordance with Accounting Standards and the Australian Accounting Interpretations, and other pronouncements of the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009.

Compliance with IFRS

For the purposes of this financial report, the Union is considered to be a not-for-profit entity and as such has prepared this financial report with reference to the requirements regarding Not-For-Profits in the Australian Accounting Standards.

The financial statements were authorised for issue by the Committee of Management on the date the Committee of Management Certificate was signed.

Statement of Significant Accounting Policies

Basis of Preparation

The financial report has been prepared on the accrual basis of accounting. The historical cost basis has been used except for certain assets which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. These financial statements are presented in Australian dollars, which is the Union's functional currency. The financial report is prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Union has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current financial period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

A. Income Tax

No provision for income tax has been raised as the Union is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

B. Goods and Services Tax

Revenues, expenses and assets are recognised net of goods and services tax (GST) except:

- (a) where the GST is not recoverable from the tax office; and
- (b) for receivable and payables which are recognised inclusive of GST;

The net amount of GST receivable or payable to the tax office is included as part of receivables or payables.

C. Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Property, Plant and Equipment

(i) Impairment of Assets

At each reporting date the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The Committee of Management are satisfied that the carrying amounts of assets do not exceed the net amounts that are expected to be recovered through the cash inflows and outflows arising from the continued use and subsequent disposal of the assets.

(iii) Property

Land and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

Any revaluation increase is credited to the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the statement of profit or loss and other comprehensive income to the extent of the decrease previously charged. A decrease on revaluation is charged as an expense in the profit and loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is charged to profit and loss. On subsequent disposal of a revalued property the relevant revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

(iv) Plant and Equipment

Plant and equipment is carried at cost less, where applicable, any accumulated depreciation. The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the Union commencing from the time the asset was held ready for use. The carrying amount of fixed assets is reviewed annually in accordance with the impairment test outlined above to ensure they are not in excess of their recoverable values.

Most depreciation is provided on a diminishing value method. 20% of assets are depreciated on a straight line basis. Depreciation rates used are as follows:

| | |
|----------------------------------|-------------|
| Buildings | 2.5% |
| Improvements | 2.5-15% |
| Plant and Equipment | 7.5 – 22.5% |
| Motor Vehicles | 18.75% |
| Furniture, Fixtures and Fittings | 15 – 25% |
| Computer Equipment | 20 - 40% |

E. Leases

The Union assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Union as a lessee

The Union applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Union recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Union recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Leases (cont'd)

Lease liabilities

At the commencement date of the lease, the Union recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Union and payments of penalties for terminating the lease, if the lease term reflects the Union exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Union uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Union's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

F. Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Union has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

(i) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Union has applied the simplified approach to measuring expected credit losses, which uses a lifetime loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(ii) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Union intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(iii) Impairment of financial assets

The Union recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Union's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Provisions

Provisions are recognised when the Union has a 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. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

H. Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee entitlements consist of sick leave, annual leave, long service leave and redundancy pay which are accrued in line with employee agreements. Entitlements are unconditional and as such are recorded as current liabilities. Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

I. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and in banks and investments in money market instruments with terms of less than 90 days, net of outstanding bank overdrafts.

J. Inventories

Finished goods are stated at lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties, and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

K. Trade and Other Payables

Trade payables and other accounts payables are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services.

L. Revenue and income

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

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 services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

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

Membership subscriptions

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

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

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 prices 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 (for example, books or clothing) 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.

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

L. Revenue (cont'd)

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.

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 to any related liabilities.

During the year, the Union received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- Grant income

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 profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Leases in which the Union as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Grant income

Grant income will be recognised as revenue when received (which is when the Union obtains control of the cash) unless the performance obligations are sufficiently specific to allow recognition to be deferred.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

M. Acquisition of Assets and or Liabilities

No assets and or liabilities were transferred to the Union for an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009; or a restructure of the branches of the Union; or a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009; or a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Information to be provided to members or Commissioner

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:

- (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) An 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).

O. Critical Accounting Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. The key estimates and assumptions which are material to the financial reports are found in the following notes:

- Impairment of financial assets (Note 1F);
- Provisions (Note 1G);
- Employee benefits (Note 1H); and
- Fair value of land and buildings (Note 15)

P. Going Concern

The Union is not reliant on any financial support from other reporting unit to continue on a going concern basis.

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

Q. Comparative Figures

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

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | \$ | \$ |
| 2 REVENUE AND INCOME | | |
| Revenue from contracts with customers | | |
| Membership subscriptions | 26,821,615 | 26,483,041 |
| Membership levies – CFMEU – C&G National Office | 607,224 | 627,291 |
| Training fees | 215,970 | 461,692 |
| EBA processing fee | 147,182 | 75,454 |
| Total revenue from contracts with customers | 27,791,991 | 27,647,478 |
| Income for furthering objectives | | |
| Grant income | 6,418,942 | 8,431,000 |
| Total income for furthering objectives | 6,418,942 | 8,431,000 |
| Other Income | | |
| Net gains from sale of assets | 216,536 | 146,000 |
| Interest income | 64,157 | 208,325 |
| Rental income | 344,263 | 773,020 |
| Donations | 75 | 400 |
| Collateral debt obligations recovery | - | 2,422,934 |
| Other income | 2,495,798 | 2,137,034 |
| Total other income | 3,120,829 | 5,687,713 |
| Total income | 37,331,762 | 41,766,191 |

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 | 2020 |
|--|-----------|-----------|
| | \$ | \$ |
| 3 ITEMS INCLUDED IN SURPLUS | | |
| Surplus has been determined after charging as expenses: | | |
| Depreciation of property, plant and equipment | 1,586,582 | 1,681,316 |
| Depreciation of right-of-use assets | 33,011 | 16,505 |
| Capitation fees – CFMEU – C&G National Office | 2,047,521 | 1,986,655 |
| Consultancy fees | 1,094,802 | 848,773 |
| Loss on disposal of plant and equipment | 194,808 | 110,986 |
| Meeting of members or council expenses (including room hire) | 2,918 | 1,993 |
| Conferences and meetings attendance expenses | 16,818 | 20,428 |
| Affiliation fees | | |
| ALP Tasmanian Branch | 2,676 | 2,698 |
| Australia Asia Workers Links | 2,000 | - |
| Australian Labour Party | 170,786 | 151,049 |
| Ballarat Trades Hall | 3,052 | 3,125 |
| Bendigo Trades Hall Council | 744 | 744 |
| Building and Wood workers International | 38,632 | 46,090 |
| Community Radio Federation Ltd | 3,398 | 3,332 |
| Geelong Trades Hall Council | 10,864 | 10,822 |
| Gippsland Trades and Labour Council | 5,527 | 5,527 |
| Goulburn Valley Trades & Labour | 900 | 900 |
| North East & Border Trades & Labour | 880 | 880 |
| South West Trades & Labour | 1,316 | 790 |
| Sunraysia Trades & Labour Council | 585 | 886 |
| Victorian Trades Hall Council | 218,209 | 213,054 |
| Tasmanian Trades and Labour Council | 10,144 | 3,678 |
| | 469,713 | 443,575 |
| Donations | | |
| \$1,000 and less | 2,040 | 21,061 |
| Greater than \$1,000 | 229,847 | 431,768 |
| | 231,887 | 452,829 |
| Legal fees | | |
| Litigation | 1,283,551 | 1,793,014 |
| Penalties | 395,000 | 1,391,611 |
| Other | 447,462 | 248,008 |
| | 2,126,013 | 3,432,633 |

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 3 ITEMS INCLUDED IN SURPLUS (CONT'D) | | |
| Employee benefits – office holders | | |
| Wages and salaries | 3,967,558 | 4,305,457 |
| Superannuation | 409,088 | 474,236 |
| Leave entitlements | 363,030 | (108,691) |
| Separation and redundancies | 104,875 | 76,912 |
| | <u>4,844,551</u> | <u>4,747,914</u> |
| Employee benefits – office employees | | |
| Wages and salaries | 11,549,888 | 11,475,225 |
| Superannuation | 1,218,556 | 1,205,283 |
| Leave entitlements | (6,345) | 337,049 |
| Separation and redundancies | (236,468) | 50,280 |
| | <u>12,525,631</u> | <u>13,067,837</u> |
| Remuneration of the auditors: | | |
| Audit of financial report | | |
| Current year | 64,000 | 62,000 |
| Grant and other audits | 19,700 | 23,100 |
| | <u>83,700</u> | <u>85,100</u> |
| 4 TRADE AND OTHER RECEIVABLES | | |
| Trade debtors | 156,797 | 3,503,476 |
| Accrued income | 112,024 | 14,964 |
| Deposits paid | 29,075 | 24,325 |
| Prepayments | 459,391 | 472,864 |
| | <u>757,287</u> | <u>4,015,629</u> |
| Included in trade debtors: | | |
| Receivables from other reporting units | | |
| CFMEU - National Office | - | 147,860 |
| CFMEU - Forestry Division | 75,509 | 112,474 |
| CFMEU - C & G Divisional Branch | 66 | 2,149 |
| Total receivable from other reporting units | <u>75,575</u> | <u>262,483</u> |

The carrying amount of accounts receivable approximates fair value. There are no balances within receivables that contain assets that are past due but not impaired. It is expected that these balances will be received when due.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 \$ | 2020 \$ |
|--|-------------|------------|
| 5 OTHER FINANCIAL ASSETS | | |
| Current | | |
| Financial assets at fair value through other comprehensive income | 10,501,772 | 8,528,976 |
| Amortised cost investments | 3,506,660 | 3,500,000 |
| | 14,008,432 | 12,028,976 |
| Non-Current | | |
| Unlisted trusts at cost | 1,682 | 1,682 |
| | 1,682 | 1,682 |
| 6 INVENTORIES | | |
| Current | | |
| Finished goods – at cost | 77,524 | - |
| | 77,524 | - |
| 7 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE | | |
| Land and building | - | 220,000 |
| Building | - | 204,286 |
| | - | 424,286 |
| | - | 424,286 |
| <p>The land and building situated at 33A New Town Road, New Town, Tasmania was sold in the year ended 31 March 2021.</p> | | |
| 8 PROPERTY, PLANT AND EQUIPMENT | | |
| Land and buildings | | |
| Freehold land at fair value | 24,175,000 | 24,175,000 |
| | 24,175,000 | 24,175,000 |
| Buildings at fair value | 27,110,000 | 27,110,000 |
| Less: Accumulated depreciation | (1,418,184) | (709,092) |
| | 25,691,816 | 26,400,908 |
| Improvement at cost | 3,380,542 | 12,000 |
| Less: Accumulated depreciation | (24,725) | (447) |
| | 3,355,817 | 11,553 |
| Total land and buildings | 53,222,633 | 50,587,461 |

The revaluations of land and buildings were based on the assessment of their current market value, subject to vacant possession. The independent revaluations were carried out by Sutherland Farrelly, Knight Frank and Opteon Property Group. The valuations were made in accordance with a regular policy of obtaining independent valuation of land and buildings a maximum of every three years or as required ensuring that requirements of accounting standards regarding fair value basis of valuation are met. The effective date of the latest revaluation was 31 March 2020. Refer to Note 15 for further details.

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 | 2020 |
|---|--------------------|--------------------|
| | \$ | \$ |
| 8 PROPERTY, PLANT AND EQUIPMENT (CONT'D) | | |
| Plant and Equipment | | |
| Plant and equipment | 730,591 | 449,984 |
| Less: Accumulated depreciation | <u>(223,625)</u> | <u>(160,305)</u> |
| | 506,966 | 289,679 |
| | | |
| Training equipment | 5,347,126 | 5,231,306 |
| Less: Accumulated depreciation | <u>(4,564,776)</u> | <u>(4,336,371)</u> |
| | 782,350 | 894,935 |
| | | |
| Computer equipment | 962,983 | 1,268,973 |
| Less: Accumulated depreciation | <u>(687,922)</u> | <u>(799,113)</u> |
| | 275,061 | 469,860 |
| | | |
| Furniture and fittings | 400,888 | 289,777 |
| Less: Accumulated depreciation | <u>(108,473)</u> | <u>(69,194)</u> |
| | 292,415 | 220,583 |
| | | |
| Motor vehicles | 2,743,977 | 2,629,017 |
| Less: Accumulated depreciation | <u>(1,059,962)</u> | <u>(1,138,612)</u> |
| | 1,684,015 | 1,490,405 |
| | | |
| Total plant and equipment | <u>3,540,807</u> | <u>3,365,462</u> |
| | | |
| TOTAL PROPERTY, PLANT AND EQUIPMENT | <u>56,763,440</u> | <u>53,952,923</u> |

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movement in carrying amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the financial year.

31 March 2020

| | Land and buildings | Improvements | Plant and equipment | Training equipment |
|--|--------------------|---------------|---------------------|--------------------|
| Carrying amount at the beginning of the year | 51,715,000 | 11,910 | 325,847 | 1,089,690 |
| Additions | - | - | 14,382 | 77,694 |
| Classified as held for sale (Note 7) | (424,286) | - | - | - |
| Disposals | - | - | - | - |
| Depreciation expense | (714,806) | (357) | (50,550) | (272,449) |
| Write-back on disposal | - | - | - | - |
| Carrying amount at the end of the year | <u>50,575,908</u> | <u>11,553</u> | <u>289,679</u> | <u>894,935</u> |

| | Motor vehicles | Furniture and fittings | Computer equipment | Total |
|--|------------------|------------------------|--------------------|-------------------|
| Carrying amount at the beginning of the year | 1,711,908 | 235,093 | 493,711 | 55,583,159 |
| Additions | 310,946 | 23,514 | 230,925 | 657,461 |
| Classified as held for sale (Note 7) | - | - | - | (424,286) |
| Disposals | (460,973) | - | - | (460,973) |
| Depreciation expense | (350,354) | (38,024) | (254,776) | (1,681,316) |
| Write-back on disposal | 278,878 | - | - | 278,878 |
| Carrying amount at the end of the year | <u>1,490,405</u> | <u>220,583</u> | <u>469,860</u> | <u>53,952,923</u> |

31 March 2021

| | Land and buildings | Improvements | Plant and equipment | Training equipment |
|--|--------------------|------------------|---------------------|--------------------|
| Carrying amount at the beginning of the year | 50,575,908 | 11,553 | 289,679 | 894,935 |
| Additions | - | 3,368,542 | 280,607 | 115,820 |
| Disposals | - | - | - | - |
| Depreciation expense | (709,092) | (24,278) | (63,320) | (228,405) |
| Write-back on disposal | - | - | - | - |
| Carrying amount at the end of the year | <u>49,866,816</u> | <u>3,355,817</u> | <u>506,966</u> | <u>782,350</u> |

| | Motor vehicles | Furniture and fittings | Computer equipment | Total |
|--|------------------|------------------------|--------------------|-------------------|
| Carrying amount at the beginning of the year | 1,490,405 | 220,583 | 469,860 | 53,952,923 |
| Additions | 775,724 | 111,111 | 62,940 | 4,714,744 |
| Disposals | (660,764) | - | (368,932) | (1,029,696) |
| Depreciation expense | (332,236) | (39,279) | (189,972) | (1,586,582) |
| Write-back on disposal | 410,886 | - | 301,165 | 712,051 |
| Carrying amount at the end of the year | <u>1,684,015</u> | <u>292,415</u> | <u>275,061</u> | <u>56,763,440</u> |

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| 9 LEASES | | |
| Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period: | | |
| Plant and equipment | 118,839 | 118,839 |
| Depreciation expense | (49,516) | (16,505) |
| Right-of-use assets | 69,323 | 102,334 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | | |
|-----------------------|----------|----------|
| Lease liability | 106,200 | 118,839 |
| Accretion of interest | 6,119 | 1,924 |
| Payments | (43,692) | (14,563) |
| Lease liability | 68,627 | 106,200 |

The Union has entered into a lease arrangement for the provision of photocopiers. The lease has been accounted for as a right-of-use asset and a lease liability by recognising the present value of minimum lease payments, including any guaranteed residual values, at the inception of the lease.

10 TRADE AND OTHER PAYABLES

| | | |
|-------------------------------|-----------|-----------|
| Trade creditors | 523,257 | 385,557 |
| Sundry creditors and accruals | 481,302 | 642,984 |
| GST payable | 685,470 | 268,404 |
| | 1,690,029 | 1,296,945 |

Included in trade creditors:

| | | |
|---|--------|--------|
| Trade payables to other Reporting Units | | |
| CFMEU – Mining & Energy (Morwell) | - | 8,935 |
| CFMEU – C&G National Office | 22,039 | 5,333 |
| | 22,039 | 14,268 |

Legal fees payable included in trade creditors

| | | |
|---------------------|--------|---------|
| Litigation | 16,492 | 155,841 |
| Other legal matters | 10,390 | - |
| | 26,882 | 155,841 |

Included in accruals:

| | | |
|-----------------------------------|--------|--------|
| Accruals to other Reporting Units | | |
| CFMEU – C&G National Office | 60,866 | 77,278 |
| | 60,866 | 77,278 |

Legal fees payable included in accruals:

| | | |
|---------------------|--------|-------|
| Litigation | 59,168 | - |
| Other legal matters | 3,570 | 3,428 |
| | 62,738 | 3,428 |

The carrying amount of accounts payable approximates fair value.

11 CONTRACT LIABILITY

| | | |
|--|-----------|-----------|
| Membership subscriptions and other revenue received in advance | 5,038,096 | 5,355,290 |
|--|-----------|-----------|

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$5,355,290.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 \$ | 2020 \$ |
|--|-------------------|-------------------|
| 12 PROVISIONS | | |
| Provision for employee entitlements: | | |
| Provision for annual leave – Office Holders | 733,655 | 514,787 |
| Provision for annual leave – Other Employees | 1,192,644 | 1,313,841 |
| Provision for sick leave – Office Holders | 162,212 | 116,826 |
| Provision for sick leave – Other Employees | 387,226 | 280,392 |
| Provision for long service leave – Office Holders | 1,088,560 | 989,783 |
| Provision for long service leave – Other Employees | 1,846,263 | 1,838,245 |
| Provision for redundancy – Office Holders | 2,374,553 | 2,269,678 |
| Provision for redundancy – Other Employees | 2,589,618 | 2,826,085 |
| Total Employee Provisions | 10,374,731 | 10,149,637 |
| | | |
| Provision for legal costs | 302,400 | 287,000 |
| | | |
| TOTAL PROVISIONS | 10,677,131 | 10,436,637 |
| | | |
| Included in provision for legal costs: | | |
| Litigation | - | 287,000 |
| Other legal matters | 302,400 | - |
| | 302,400 | 287,000 |

13 RELATED PARTY TRANSACTIONS

Capitation fees are paid to CFMEU C&G National Office as disclosed in Note 3 as a percentage of membership income and the minimum membership rate set.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Building Industry 2000 Plus Pty Ltd:

| | | |
|--|----------|---------|
| - Transfer of proceeds for sales made | (63,174) | (9,260) |
| - Sponsorship of Grand Final Breakfast | - | (5,000) |
| - Received | 6,196 | 16,687 |
| | (56,978) | 2,427 |

Amounts owed to Building Industry 2000 Plus Pty Ltd include the following:

| | | |
|-------------------|---|-------|
| - Trade creditors | - | 6,640 |
| - Accruals | - | 2,401 |
| | - | 9,041 |

Amounts owed by Building Industry 2000 Plus Pty Ltd include the following:

| | | |
|-----------------|---|-----|
| - Trade debtors | - | 778 |
|-----------------|---|-----|

Building Industry 2000 Plus Pty Ltd ("BI2000PPL") is a public company limited by guarantee of which a current DBMC elected official (Mr John Setka) and a retired elected official (Mr Ralph Edwards) and are acting in the capacity of directors as well as being members of the company. During the year it was decided that sales of merchandise be hadled directly by the CFMEU and consequently stock and a fixed asset were purchased by the the CFMEU.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

14 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Union's principal financial instruments comprise of receivables, payables, cash and various forms of investments, including bank notes and equity funds. The Union manages its exposure to key financial risks in accordance with the Union's financial risk management policy. The objective of the policy is to support the delivery of the Union's financial targets whilst protecting future financial security.

The main risks arising from the Union's financial instruments are interest rate and credit risk. The Union uses different methods to measure and manage different types of risks to which it is exposed. The Investment Committee and Executive Committee on behalf of the DBMC reviews and manages the policies and risks facing the Union, including review of policies for trading in investments, proportions of investments held and future cash flow forecast projections.

| | 2021 \$ | 2020 \$ |
|---|-------------------|-------------------|
| Risk Exposures and Response | | |
| Financial assets | | |
| Cash and cash equivalents | 25,223,175 | 22,003,295 |
| Trade and other receivables | 757,287 | 4,015,629 |
| Amortised cost investments | 3,506,660 | 3,500,000 |
| Unlisted trusts at cost | 1,682 | 1,682 |
| Financial assets at fair value through other comprehensive income | 10,501,772 | 8,528,976 |
| Total financial assets | <u>39,990,576</u> | <u>38,049,582</u> |
| Financial Liabilities | | |
| Trade and other payables | 1,690,029 | 1,296,945 |
| Lease liabilities | 68,627 | 106,200 |
| Total financial liabilities | <u>1,758,656</u> | <u>1,403,145</u> |
| Net exposure | <u>38,231,920</u> | <u>36,646,437</u> |

Credit Risk

Credit risk arises from the financial assets of the Union, which comprise cash and cash equivalents, trade and other receivables, investments and financial assets. The Union's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is disclosed in each applicable note.

For the remaining financial assets there is no significant concentration of credit risk within the Union and financial instruments are spread amongst a number of reputable financial institutions to minimise the risk of default of counterparties.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

14 FINANCIAL INSTRUMENTS (CONT'D)

Foreign Currency Risk

Both the functional and presentation currency of CFMEU is in Australian dollars (A\$).

The Union's exposure to foreign currency risk is minimal.

Interest Rate Risk

Exposure to market interest rates, primarily to cash investments held. At balance date, Union had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges.

The Union's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

| Maturing in | 1 month or less | Over 1 month to 3 months | Over 3 months to 1 year | Over 1 to 5 years | Non-interest bearing | Total | Weighted average effective interest rate |
|------------------------------|-----------------|--------------------------|-------------------------|-------------------|----------------------|------------|--|
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| 2020 | | | | | | | |
| <i>Financial assets</i> | | | | | | | |
| Cash | 21,273,212 | - | - | - | 730,083 | 22,003,295 | 0.21 |
| Trade and other receivables | - | - | - | - | 4,015,629 | 4,015,629 | - |
| Investments | - | 3,000,000 | 500,000 | - | 8,530,658 | 12,030,658 | 1.55 |
| | 21,273,212 | 3,000,000 | 500,000 | - | 13,276,370 | 38,049,582 | |
| <i>Financial liabilities</i> | | | | | | | |
| Trade and other payables | - | - | - | - | 1,296,945 | 1,296,945 | - |
| Lease liabilities | 37,573 | - | - | 68,627 | - | 106,200 | 7.08 |
| | 37,573 | - | - | 68,627 | 1,296,945 | 1,403,145 | |
| 2021 | | | | | | | |
| <i>Financial assets</i> | | | | | | | |
| Cash | 25,014,778 | - | - | - | 208,397 | 25,223,175 | 0.11 |
| Trade and other receivables | - | - | - | - | 757,287 | 757,287 | - |
| Investments | - | 3,006,660 | 500,000 | - | 10,503,454 | 14,010,114 | 0.05 |
| | 25,014,778 | 3,006,660 | 500,000 | - | 11,469,138 | 39,990,576 | |
| <i>Financial liabilities</i> | | | | | | | |
| Trade and other payables | - | - | - | - | 1,690,029 | 1,690,029 | - |
| Lease liabilities | 40,234 | - | - | 28,393 | - | 68,627 | 7.08 |
| | 40,234 | - | - | 28,393 | 1,690,029 | 1,758,656 | |

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. For the year ending 31 March 2021, if interest rates had moved, as illustrated in table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

| | Net profit | | Net assets | |
|--------------------------|------------|---------|------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | \$ | \$ | \$ | \$ |
| + 1% (100 basis points) | 286,612 | 253,971 | 286,612 | 253,971 |
| - 0.5% (50 basis points) | 143,306 | 126,985 | 143,306 | 126,985 |

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15 FAIR VALUE MEASUREMENTS

The group measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets at fair value through other comprehensive income
- Land and buildings

The fair value hierarchy consists of the following levels:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3 - inputs for asset or liability values that are not based on observable market data (unobservable inputs).

The following presents the Union's assets and liabilities measured and recognised at fair value at 31 March 2021.

| 31 March 2020 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|--------------|
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through other comprehensive income (Note 5) | | | | |
| - Units held in Australian Council of Trade Unions (ACTU) | - | - | 1,682 | 1,682 |
| - Investments in managed investment schemes | - | 8,528,976 | - | 8,528,976 |
| | - | 8,528,976 | 1,682 | 8,530,658 |
| <i>Non-financial assets</i> | | | | |
| Land and building (Note 8) | - | - | 50,587,461 | 50,587,461 |
| | - | - | 50,587,461 | 50,587,461 |
| 31 March 2021 | | | | |
| <i>Financial assets</i> | | | | |
| Financial assets at fair value through other comprehensive income (Note 5) | | | | |
| - Units held in Australian Council of Trade Unions (ACTU) | - | - | 1,682 | 1,682 |
| - Investments in managed investment schemes | - | 10,501,772 | - | 10,501,772 |
| | - | 10,501,772 | 1,682 | 10,503,454 |
| <i>Non-financial assets</i> | | | | |
| Land and building (Note 8) | - | - | 53,222,633 | 53,222,633 |
| | - | - | 53,222,633 | 53,222,633 |

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 \$ | 2020 \$ |
|---|------------|------------|
| 15 FAIR VALUE MEASUREMENTS (CONT'D) | | |
| <i>Reconciliation of Level 3 fair value movements</i> | | |
| Financial assets | | |
| Carrying amount at the beginning of the period | 1,682 | 1,682 |
| Carrying amount at the end of the period | 1,682 | 1,682 |
| <i>Land and building</i> | | |
| Carrying amount at the beginning of the period | 50,587,461 | 51,726,910 |
| Classified as held for sale (Note 7) | - | (424,286) |
| Additions | 3,368,542 | - |
| Amortisation for the period | (733,370) | (715,163) |
| Carrying amount at the end of the period | 53,222,633 | 50,587,461 |

Valuation techniques used to derive level 2 and level 3 fair values

(a) Recurring fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities which is not considered material.

For its investment properties and freehold land and buildings (classified as property, plant and equipment), the Union obtains independent valuations at least every three years. At the end of each reporting period, the committee members update their assessment of the fair value of each property, taking into account the most recent independent valuations. The committee members determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the committee members consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 3. The level 3 fair value of land and buildings has been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square metre.

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

15 FAIR VALUE MEASUREMENTS (CONT'D)

| Description | Fair value at 31 March 2021 | Unobservable inputs | Range of inputs | Relationship of unobservable inputs to fair value |
|---|--------------------------------|---|---|---|
| <i>Freehold land and building</i> | | | | |
| 4/31 Sabre Drive, Port Melbourne, Victoria | \$1,375,000 | Direct sales comparison approach supported by the capitalisation of income approach | Building value rates per square metre | 1% change in building value rate p.s.m would increase / decrease fair value by \$13,750 |
| 8/41 Sabre Drive, Port Melbourne, Victoria | \$1,160,000 | | | 1% change in building value rate p.s.m would increase / decrease fair value by \$11,600 |
| 9/41 Sabre Drive, Port Melbourne, Victoria | \$1,375,000 | Direct sales comparison approach supported by the capitalisation of income approach | Building value rates per square metre | 1% change in building value rate p.s.m would increase / decrease fair value by \$13,750 |
| 10/41 Sabre Drive, Port Melbourne, Victoria | \$1,375,000 | | | 1% change in building value rate p.s.m would increase / decrease fair value by \$13,750 |
| 1-7 Wharf Road, Port Melbourne, Victoria | \$7,600,000 | Direct sales comparison approach supported by the capitalisation of income approach | Land value rates per square metre | 1% change in land value rate p.s.m would increase / decrease fair value by \$76,000 |
| 11 Wharf Road, Port Melbourne, Victoria | \$4,500,000 | Direct sales comparison approach | Building value rates per square metre | 1% change in building value rate p.s.m would increase / decrease fair value by \$45,000 |
| 532 Elizabeth Street, Melbourne, Victoria | \$4,300,000 | Direct sales comparison approach | Building value rates per square metre | 1% change in building value rate p.s.m would increase / decrease fair value by \$43,000 |
| 540 Elizabeth Street, Melbourne, Victoria | \$29,600,000 | Capitalisation of income approach supported by the direct sales comparison approach | Building value rates per square metre | 1% change in building value rate p.s.m would increase / decrease fair value by \$296,000 |

THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| 16 MANAGEMENT COMMITTEE REMUNERATION | | |
| Short-term employee benefits | 3,299,384 | 3,352,006 |
| Post-employment benefits | 339,292 | 395,573 |
| Other long-term employment benefits | 595,937 | 613,869 |
| Termination benefits | 236,010 | 653,872 |
| Total | 4,470,623 | 5,015,320 |

The names of the Division Branch Management Committee who were elected and held office during the financial period ended 31 March 2021 are:

| | | | |
|-------------|---------------|-------------|-----------------|
| Akbari F | Albert M | Balta S | Beattie B |
| Benstead G | Christopher D | Cordier A | Constantinou J |
| Farrelly P | Graauwmans R | Gritzalis D | Hassett R |
| Harkins K | Ioannidis A | Long S | Lythgo D |
| Misic D | Murphy M | Myles J | Myles M |
| Perak J | Perkovic J | Pitt B | Raspudic R |
| Round P | Setka J | Simpson J | Spernovasilis E |
| Theodorou T | Tomic J | Zanatta L | |

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 17 CASH FLOW INFORMATION | | |
| (a) Reconciliation of Cash | | |
| Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows: | | |
| Cash on hand | 4,460 | 4,460 |
| Cash at bank | 17,646,713 | 14,462,103 |
| Short-term term deposits | 7,572,002 | 7,536,732 |
| | 25,223,175 | 22,003,295 |

Fund / account operated in respect to compulsory levies or voluntary contributions are \$Nil (2020: \$Nil).

Training unit account operated (other than general fund) for the purpose of receiving grants and other training fees are \$2,220,422 (2020: \$123,838).

Transfers or withdrawals to a fund, account or controlled entity operated for a special purpose is \$Nil (2020: \$Nil).

| | | |
|---|------------------|----------------|
| (b) Reconciliation of cash flow from operations surplus | | |
| Net surplus | 2,403,396 | 4,542,352 |
| Depreciation | 1,619,593 | 1,697,821 |
| Profit on disposal of property, plant & equipment | (21,728) | (146,000) |
| Increase/(Decrease) in trade and other receivables | 3,258,342 | (2,918,793) |
| (Decrease)/Increase in inventory | (77,524) | 5,750 |
| Decrease/(Increase) in trade and other payables | 399,203 | (2,810,590) |
| (Increase)/Decrease in deferred revenue | (317,194) | 899,856 |
| Decrease/(Increase) in provisions | 240,494 | (324,451) |
| Net cash provided by operating activities | 7,504,582 | 945,945 |

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

| | 2021 | 2020 |
|---|-------------|-------------|
| | \$ | \$ |
| 17 CASH FLOW INFORMATION | | |
| (c) Cash flow to/from other reporting units | | |
| Cash inflows | | |
| CFMEU C & G Division - National Office | 108,133 | 338,667 |
| CFMEU National Office | 2,162 | 117,360 |
| CFMEU Manufacturing Division | 36,965 | 239,040 |
| CFMEU Mining and Energy Division | - | 1,906 |
| CFMEU South Australia | 3,458 | 80 |
| CFMEU Morwell | 1,908 | - |
| Total cash inflows | 152,626 | 697,053 |
| Cash outflows | | |
| CFMEU C & G Division - National Office | 3,380,723 | 7,432,369 |
| CFMEU National Office | - | 47,970 |
| CFMEU Manufacturing Division | - | 10,906 |
| CFMEU Morwell | 36,238 | 29,734 |
| CFMEU WA | - | 1,638 |
| CFMEU ACT | - | 100,000 |
| Total cash outflows | 3,416,961 | 7,622,617 |

18 CONTINGENT LIABILITY

The legal matter in relation to the three officials organising industrial action at the Melbourne University Veterinary School project site in Werribee is ongoing. Although the officials have admitted liability, the penalty has not been yet determined and it is not practical to estimate the potential effect of the matter, both in terms of penalties and legal costs.

The legal matter in relation to the civil damages claim brought on in the Pentridge Village case is ongoing. The claims in relation to the ongoing legal matter are not yet determined and it is not practical to estimate the potential effect of the claims.

There are other ongoing claims and legal proceedings against the Union. The expected outcome of the claims has not yet been determined nor can the potential effects of the claims be reliably estimated.

19 COMMITMENTS AND CONTINGENCIES

There were no material contractual commitments to acquire property, plant and equipment at 31 March 2021.

Other than the items disclosed, there were no further commitments and contingencies at the date of this report.

20 EVENTS SUBSEQUENT TO BALANCE DATE

No events or circumstances other than those disclosed have arisen since the end of the financial period which significantly affected or may significantly effect the operations of the Union, the results of those operations, or the state of affairs of the Union in the future financial periods.

21 UNION DETAILS

The principal place of business of the Union is:

CFMEU Construction and General Division (Victorian and Tasmanian Branch)
540 Elizabeth Street
MELBOURNE VIC 3000

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

On the 29th of July, 2021 the Divisional Branch Management Committee of The Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Victorian and Tasmanian Divisional Branch ("the reporting unit") passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 March 2021:

The Divisional Branch Management Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Theo Theodorou
DBMC



Steven Balta
DBMC



29th of July, 2021

**THE CONSTRUCTION, FORESTRY, MARITIME, MINING & ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021**

I, Robert Graauwmans being the President of the Construction, Forestry, Maritime, Mining & Energy Union Construction and General Division Victorian and Tasmanian Divisional Branch declare that the following activities did not occur during the reporting period ending 31 March 2021.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have another entity administer the financial affairs of the reporting unit
- receive capitation fees from another reporting unit
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- make a payment to a former related party of the reporting unit



Robert Graauwmans
DBMC Member

29th of July, 2021



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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Construction, Forestry, Maritime, Mining and Energy Union Construction and General Division Victorian/Tasmanian Divisional Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Construction, Forestry, Maritime, Mining and Energy Union Construction and General Division Victorian/Tasmanian Divisional Branch, which comprises the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion the accompanying financial report of Construction, Forestry, Maritime, Mining and Energy Union Construction and General Division Victorian/Tasmanian Divisional Branch, presents fairly, in all material respects the reporting unit's financial position as at 31 March 2021 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

Other information

The members of the Divisional Branch Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the operating report, but does not include the financial report and our auditor's report thereon.



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

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

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

Responsibilities of the members of the Office Holders' for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 this financial report.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Divisional Branch Committee of Management.



- Conclude on the appropriateness of the Divisional Branch 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 Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

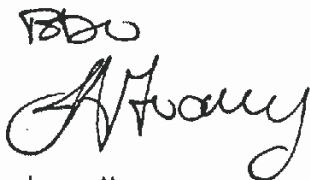
We communicate with the Divisional Branch Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, James Mooney, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'James Mooney', written over a small, faint BDO logo.

James Mooney

Director

Melbourne, 29 July 2021

Registration number (as registered by the RO Commissioner under the Act): AA2017/65