



28 September 2021

Michael Buchan
Branch Secretary
Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, WA
Divisional Branch
Sent via email: mbuchan@cfmeuwa.com
CC: swilliams@moorestephens.com.au

Dear Michael Buchan,

**Construction, Forestry, Maritime, Mining and Energy Union-Construction and General Division, WA Divisional Branch
Financial Report for the year ended 31 March 2021 – (FR2021/2)**

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, WA Divisional Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 22 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.

Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

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

**Construction Forestry Maritime Mining and Energy Union
Construction and General Division – WA Branch**

Financial Report for the Year Ended 31 March 2021

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

TABLE OF CONTENTS

	PAGE
Operating Report	1 - 2
Report required under subsection 255(2A)	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cashflows	7
Notes to and Forming Part of the Financial Statements	8 - 30
Committee of Management Statement	31
Auditor's Report to Members	32 - 33
Certificate of Secretary	34

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

OPERATING REPORT

The Committee of Management present their operating report in respect of the 12 months ended 31 March 2021 as follows:

Members of the Management Committee

The members of the Management Committee at any time during the 12 months and the period which they held the position were:

Michael Buchan, Robert Benkesser, Glenn Hawkins, Graham Pallot, Robert Pearson, Brad Upton, Troy Smart, Aaron Mackrell, Stephen Catania, Dean Brooker, Nathan Fisher, Jimmy Poole, Matt Ryan, Gary Shorto, Les Wylie, John Pound, Mick Vassila, Alan Luke and Peter Joshau.

Review of Activities

The principal activities of the Branch during the 12 months ended 31 March 2021 was as the Western Australian Branch of the Construction and General Division of the Construction, Forestry, Maritime, Mining and Energy Union. The activities of the Branch included;

- (i) Recruiting organising and advocating for workers in the Construction industry
- (ii) Promoting the interests of, and protecting the safety of members
- (iii) Negotiating and enforcing collective agreements
- (iv) Providing advice and representing members in Industrial Courts and at WorkCover

There was no significant change in the nature of the Branch's activities during the 12 months ended 31 March 2021.

The Branch has continued to be active in advocating for legislative changes in the areas of:

- Labour Hire and Job Security through Labour Hire licencing laws
- Government Procurement and Public Infrastructure spending through the Delivering Quality for WA Research Paper and Policy Recommendations
- Occupational Health and Safety through Industrial Manslaughter laws

We continued to engage the WA Labor State government in these and other areas where we believe legislative changes would have a positive impact on fairness, safety, wellbeing and dignity for our members.

We continue to advocate for the rights of all workers and act in the interests of our members.

The results of the activities for the financial period are summarised as follows:

- Total revenue was \$4,862,495 for the 12 months ended 31 March 2021, which represents an effective decrease of 11% compared to the last reporting period.
- The deficit for the 12-month period was \$886,478, compared with a deficit of \$2,196,828 for the prior reporting period.
- Full details of revenue and expenditure are set out on page 4.
- Total assets decreased to \$6,043,495 as at 31 March 2021 (31 March 2020: \$7,301,140), with the decrease arising from the write off of trade receivables, write down of the investment portfolio value and depreciation expenditure on property, plant and equipment.
- Total liabilities decreased to \$3,811,592 as at 31 March 2021 (31 March 2020: \$4,182,759), largely due to a reduction in employee provisions.
- Net assets decreased to \$2,231,903 as at 31 March 2021 (31 March 2020: \$3,118,381).

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Significant Changes in Financial Affairs

There were no significant changes in the Branch's affairs during the financial period.

Impacts of COVID 19

On the 11th March 2020, the World Health Organisation declared the Coronavirus or COVID 19 a pandemic. COVID 19 is a health risk that has global consequences which has significantly affected the world economy. The strategies adopted by governments in dealing with the virus at an international, domestic and local level are changing daily and re-assessments by governments and world leaders is ongoing. Various industries have and will continue to be impacted more than others for some time to come.

The impacts of COVID 19 have not significantly affected the financial position of the Union as at the date of this report nor the financial results for the period then ended, nor have they had a significant impact subsequent to year end.

The COVID 19 pandemic has created unprecedented uncertainty in terms of the overall economic environment such that economic events and conditions in future may be materially different from those experienced by the Union as at the date of this report. At this time, it is not possible for the Union to estimate the future effects of COVID 19 on its operations as any impact will depend on the magnitude and duration of any economic downturn, with the full range of possible effects unknown.

The Right of Members to Resign

A member may resign from the membership of the Union by a written notice addressed and delivered to the Divisional Branch Secretary or other officer of the Divisional Branch authorised to receive such correspondence.

Membership Information

The number of members of the Branch as at 31 March 2021 recorded in the register of members and taken to be members of the Branch were 6,312.

Employee Information

The number of full-time equivalent employees of the Branch as at 31 March 2021 was 19.

Trustee of a Superannuation Entity

No officer or member is a trustee of a superannuation entity or an exempt public-sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme, where the criterion for the officer or member holding such a position is being an officer or member of a registered organisation.

Signed on behalf of the Committee of Management

Dated this 11th day of August 2021.



Michael Buchan
Secretary

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND
GENERAL DIVISION – WA BRANCH**

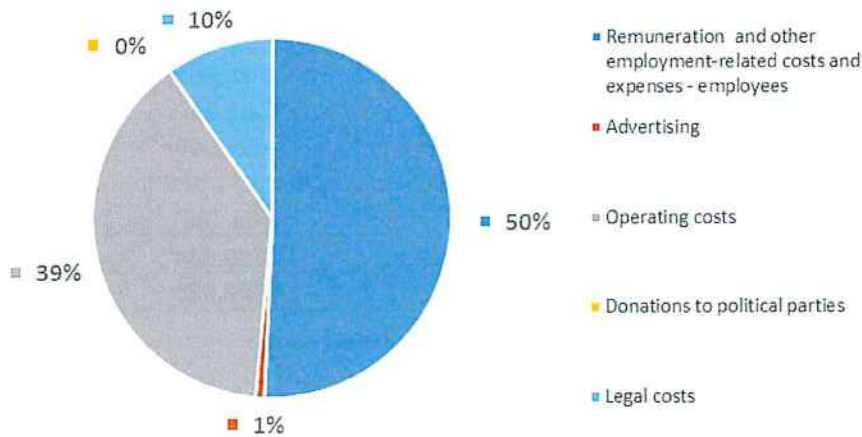
REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 March 2021

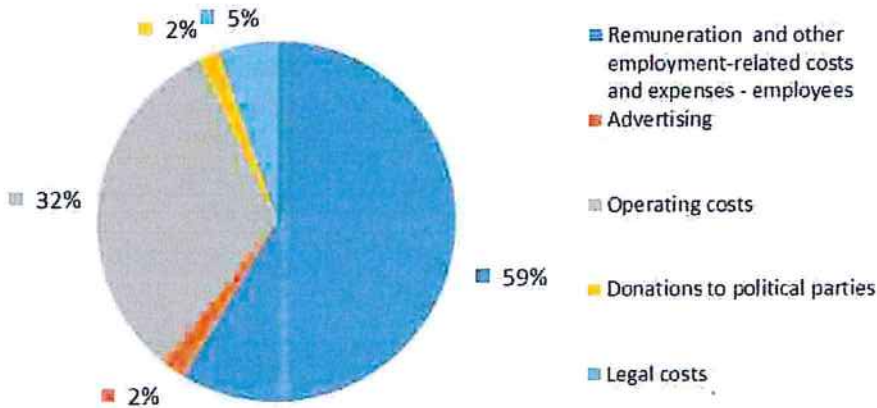
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2021.

Diagrammatic form

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



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



Signature of designated officer: 

Name and title of designated officer: Michael Buchan - Secretary

Dated: 11th August 2021

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 \$	2020 \$
Revenue from contracts with customers	2		
Membership Subscriptions		4,346,091	4,132,984
Capitation fees and other revenue from another reporting unit	2A	-	-
Training Levy	2B	156,860	237,264
Total revenue from contracts with customers		<u>4,502,951</u>	<u>4,370,248</u>
Income for furthering objectives			
Grants and/or donations	2C	-	-
Total income for furthering objectives		<u>-</u>	<u>-</u>
Other Income			
Investment income		20,385	106,854
Rental Income		52,262	70,886
Other income	2E	326,093	910,963
Revenue from recovery of wages activity	2D	-	-
Net Gain / (loss) on Sale of Assets		(39,196)	(14,125)
Total other income		<u>359,544</u>	<u>1,074,578</u>
Total income		<u>4,862,495</u>	<u>5,444,826</u>
Expenses			
Employee expenses	3A	2,911,235	4,509,756
Capitation fees and other expense to another reporting unit	3B	427,966	368,617
Affiliation fees	3C	90,435	104,936
Administration expenses	3D	730,243	964,296
Grants or donations	3E	33,390	282,231
Depreciation and amortisation		86,970	142,907
Finance costs		12,984	21,425
Legal costs	3F	560,579	410,705
Other expenses	3G	861,171	847,002
Audit fees	11	34,000	44,779
Total expenses		<u>5,748,973</u>	<u>7,696,654</u>
Surplus/(deficit) for the year		<u>(886,478)</u>	<u>(2,251,828)</u>
Other comprehensive income			
Gain/(loss) on revaluation of land & buildings		-	55,000
Total comprehensive income for the year		<u>(886,478)</u>	<u>(2,196,828)</u>

To be read in conjunction with the attached notes

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,507,106	3,393,146
Trade and other receivables	5	77,982	183,158
Other Financial Assets	6	1,136,124	1,220,188
TOTAL CURRENT ASSETS		<u>3,721,212</u>	<u>4,796,492</u>
NON-CURRENT ASSETS			
Property, plant & equipment	7	2,322,283	2,504,648
TOTAL NON-CURRENT ASSETS		<u>2,322,283</u>	<u>2,504,648</u>
TOTAL ASSETS		<u>6,043,495</u>	<u>7,301,140</u>
CURRENT LIABILITIES			
Trade payables	8	113,486	193,105
Other payables	9	2,527,287	2,062,936
Employee provisions	10	611,517	1,111,016
Provision for legal/settlement costs – litigation		75,000	250,000
TOTAL CURRENT LIABILITIES		<u>3,327,290</u>	<u>3,617,057</u>
NON-CURRENT LIABILITIES			
Employee provisions	10	484,302	565,702
TOTAL NON-CURRENT LIABILITIES		<u>484,302</u>	<u>565,702</u>
TOTAL LIABILITIES		<u>3,811,592</u>	<u>4,182,759</u>
NET ASSETS		<u>2,231,903</u>	<u>3,118,381</u>
EQUITY			
General fund		1,568,136	2,454,614
Hardship fund		608,767	608,767
Asset revaluation reserve		55,000	55,000
TOTAL MEMBERS FUNDS		<u>2,231,903</u>	<u>3,118,381</u>

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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

	General Fund \$	Hardship Fund \$	Asset Revaluation Reserve \$	Total \$
Balance as at 31 March 2019	4,706,442	608,767	-	5,315,209
Surplus/(deficit)	(2,251,828)	-	-	(2,251,828)
Other comprehensive income	-	-	55,000	55,000
Balance as at 31 March 2020	2,454,614	608,767	55,000	3,118,381
Surplus/(deficit)	(886,478)	-	-	(886,478)
Other comprehensive income	-	-	-	-
Balance as at 31 March 2021	1,568,136	608,767	55,000	2,231,903

NB: All funds required by the rules of the Union are included in the statement of changes in equity. There have been no withdrawals or transfers from a fund other than the general fund as set out above.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 \$	2020 \$
Cashflows from Operating Activities			
Receipts from members		5,070,566	5,412,270
Receipts from other reporting units		3,054	73,551
Payments to suppliers and employees		(5,390,238)	(6,235,933)
Payments to other reporting units		(642,932)	(1,105,377)
Interest received		3,257	59,374
Net Cash Provided by (used in) Operating Activities	14	<u>(956,293)</u>	<u>(1,796,115)</u>
Cashflows from Investing Activities			
Net payments for managed investments		14,054	(100,000)
Payments for Property, Plant & Equipment		(88,176)	(112,939)
Proceeds from sale of Property, Plant & Equipment		144,375	3,974
Net Cash Provided by (used in) Investing Activities		<u>70,253</u>	<u>(208,965)</u>
Cashflows from Financing Activities			
Repayment of loan's receivable		-	1,543,065
Net Cash Provided by (used in) Financing Activities		<u>-</u>	<u>1,543,065</u>
Net Increase (Decrease) in Cash Held		(886,040)	(462,015)
Cash & cash equivalents at the beginning of the reporting period		3,393,146	3,855,161
Cash & cash equivalents at the end of the reporting period		<u>2,507,106</u>	<u>3,393,146</u>

To be read in conjunction with the attached notes

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements (being Tier 1 reporting requirements) that have been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other pronouncements of the Australian Accounting Standards Board and the reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009. The Branch is a not-for-profit entity for financial reporting purposes.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on the 31st day of July 2020 by the members of the Management Committee.

(a) GOING CONCERN

The Union has assessed its ability to continue as a going concern, taking into account all available information for a period of 12 months from the date of issuing the financial statements.

Notwithstanding the impact of the COVID 19 pandemic, in relation to which the impact on the Union to date has not been significant, the Management Committee remains confident that the Union will be able to continue as a going concern, which assumes the Union will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the financial statements. In reaching this conclusion the following factors have been considered;

- The level of current assets of the Union including cash and other liquid assets which can be drawn upon if required;
- The forecast trading results for the next 15 months;
- The success management have had in the current year in reducing the annual deficit to less than half that of the prior year;
- Management have taken steps that are expected to reduce losses in future; and
- The expected timing and amounts of employee related liabilities (provisions) expected to be paid out in the next 12 months. Such liabilities are required to be classified as current liabilities notwithstanding they may not actually be paid out on the next 12 months.

The outcome of the above leads the management committee to determine that the Union's financial position is strong and it will be able to meet its debts as and when they fall due for a period of at least 12 months from the date of issue of the financial statements.

The financial statements have therefore been prepared on a going concern basis.

(b) REVENUE

The Branch 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.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch 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 Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch'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 Branch 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 Branch 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, the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For membership subscriptions paid annually in advance, the Branch 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 Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Branch transfers the training services.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

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

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch 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 Branch's recognition of the cash contribution does not give rise to any related liabilities.

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

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

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

Volunteer Services

The Branch receives volunteer services. In those circumstances where the fair value of the volunteer services can be measured reliably, the Branch recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

During the year, the Branch did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Interest income

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

Rental income

Leases in which the Branch as a lessor, do 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 income in the period in which they are earned.

(c) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment loss.

Plant and equipment, motor vehicles and furniture and fittings acquired are brought to account at cost.

Property, comprising land and buildings, is carried at fair value which is based on either independent valuations or valuations by the Committee of Management. Revaluation increments are credited to an Asset Revaluation Reserve. Properties are revalued regularly so as to ensure they are always reflected at fair value.

The carrying amount of property, plant and equipment is reviewed annually by board members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal.

Depreciation

The Depreciable amount of all fixed assets is depreciated on the diminishing value over their useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Furniture & Fittings	7.5 - 37.5%pa
Motor Vehicles	22.5%pa
Property	Nil pa

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

(d) FAIR VALUE OF ASSETS AND LIABILITIES

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(e) IMPAIRMENT OF ASSETS

At each reporting date, the Union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

(f) INCOME TAX

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act (1997).

(g) EMPLOYEE BENEFITS

Provision is made for the Union's liability for employee benefits arising from services rendered by employees at balance date.

Liability for Annual Leave benefits are expected to be settled within 12 months and are therefore considered current liabilities. Liability for Long Service Leave benefits are not expected to be settled within 12 months and are therefore considered non-current liabilities, notwithstanding that any immaterial amounts may be settled within the next 12 months.

Provisions for employee benefits are brought to account at the amounts expected to be paid when the liability is settled, plus related on-costs. Provisions for redundancy fund are accrued at its current value. Any movement in the redundancy provision is expensed through the superannuation account.

Superannuation contributions made by the Union are expensed when due, except in the case for the redundancy fund mentioned above.

(h) PROVISIONS

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probably that an outflow of economic benefits will result and that outflow can be reliably measured.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

(i) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(j) TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from customers in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(e) for further discussion on determination of impairment losses.

(k) TRADE AND OTHER PAYABLES

Trade and other payables represent the liabilities for goods and services received by the Union that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

(l) GOODS & SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where GST incurred on purchases is not recoverable from the ATO.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included with other receivables or payables in the statement of financial position.

(m) MANAGED INVESTMENTS

Managed Investments comprise of a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent fund manager. Managed Investments are classified as "financial assets at fair value through profit and loss" and are recorded at net market value, with any changes in net market value brought to account in the Statement of Comprehensive Income in the periods in which they occur.

(n) FINANCIAL INSTRUMENTS

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Union commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss on the basis of the two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

The Union initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Union made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Union's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Union no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Union recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Union use the simplified approach to impairment, as applicable under AASB 9.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to trade receivables or contract assets that results from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that contain a significant financing component.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Union recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

(o) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year.

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

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting reports are expected to have a future material financial impact.

(p) COMPARATIVE AMOUNTS

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

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

(q) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The management committee evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

Key estimates – Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to the Union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates -Fair Value of Land and Buildings

The Union regularly reassesses the value of land and buildings so as to ensure that they are reflected at fair value based on either independent valuations or third part appraisals. Such assessments are based on information available, and judgements made at the time of preparing these financial statements. Due to the COVID 19 pandemic, estimation uncertainty at balance date, that may have a significant risk of resulting in a material adjustment to the carrying amounts of assets within the next financial year, relates to the valuation of land and buildings. Refer to note 7 for information on best estimates used in the valuation of land and buildings.

Key estimates – Provision for Legal and Settlement Costs

At each reporting date the union assesses the amount which should be provided for in relation to legal and settlement costs. The amount determined is based on management's assessment of the likely outcome of actions in progress at year end taking into account the advice from legal counsel.

Actual legal and settlement costs could be lower or higher than the amount provided for at 31 March 2021 depending on the ultimate outcome of actions in progress at year end.

(r) REGISTRATION STATUS

The Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch is a federally registered divisional branch of the Construction Forestry Maritime Mining and Energy Union.

2. REVENUE AND INCOME

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

A disaggregation of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch's revenue by type of arrangement 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:

	2021	2020
	\$	\$
Type of customer		
Members	4,346,091	4,132,984
Employers	156,860	237,264
Total revenue from contracts with customers	<u>4,502,951</u>	<u>4,370,248</u>

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

2A. CAPITATION FEES AND OTHER REVENUE FROM ANOTHER REPORTING UNIT	2021	2020
	\$	\$
Nil	-	-
Total capitation fees and other revenue from another reporting unit	<u>-</u>	<u>-</u>
2B. LEVIES	2021	2020
	\$	\$
Training Levy	156,860	237,264
Total levies	<u>156,860</u>	<u>237,264</u>
2C. GRANTS AND/OR DONATIONS	2021	2020
	\$	\$
Nil	-	-
Total grants and donations	<u>-</u>	<u>-</u>
2D. REVENUE FROM RECOVERY OF WAGES ACTIVITY	2021	2020
	\$	\$
Nil	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>
2E. OTHER INCOME	2021	2020
	\$	\$
Other receipts – sundry income	216,606	311,434
Government subsidies	100,000	-
Merchandise sales	25,180	6,041
Legal fees and penalties recovered	32,879	302,898
Payroll tax refund	-	85,149
Sponsorship income	18,181	94,880
Interest income	3,257	59,374
Revaluation of managed investments	(70,010)	51,187
Total other income	<u>326,093</u>	<u>910,963</u>

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

3A. EMPLOYEE EXPENSES

	2021 \$	2020 \$
Office Holders:		
Wages and salaries	726,378	822,346
Superannuation	112,989	141,539
Leave and other entitlements	(51,122)	59,274
Separation and redundancies	9,048	11,136
	797,293	1,034,295
Employees other than office holders:		
Wages and salaries	1,748,659	2,564,778
Superannuation	297,487	450,241
Leave and other entitlements	(5,881)	358,026
Separation and redundancies	73,677	102,416
	2,113,942	3,475,461
Total employee expenses	2,911,235	4,509,756

Office holders comprise key management personnel having authority and responsibility for planning, directing and controlling the activities of the Union, and include members of the management committee.

3B. CAPITATION FEES AND OTHER EXPENSE TO ANOTHER REPORTING UNIT

	2021 \$	2020 \$
Capitation fees		
CFMEU Construction & General National Office	427,966	368,617
	427,966	368,617
Other expense to another reporting unit		
Nil	-	-
	-	-
Total capitation fees and other expense to another reporting unit	427,966	368,617

3C. AFFILIATION FEES

	2021 \$	2020 \$
Unions WA	41,944	53,974
Australian Labor Party	41,975	41,797
BWI	6,516	9,165
Total affiliation fees	90,435	104,936

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

3D. ADMINISTRATION EXPENSES

	2021	2020
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conferences	-	-
Conference and meeting expenses	34,427	20,823
Contractors/consultants	38,782	21,689
Property expenses	51,696	104,650
Office expenses	236,814	237,385
Information communications technology	83,420	54,503
Insurance	114,111	146,926
Advertising	46,549	167,367
Election expenses	61,166	101,282
Campaign costs	54,010	91,682
Other	9,268	17,989
Total administration expenses	730,243	964,296

3E. GRANTS OR DONATIONS

	2021	2020
	\$	\$
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	1,798	993
Total expensed that exceeded \$1,000	31,592	281,238
Total grants or donations	33,390	282,231

3F. LEGAL COSTS

	2021	2020
	\$	\$
Litigation	560,579	410,705
Other legal costs	-	-
Total legal costs	560,579	410,705

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

3G. OTHER EXPENSES

	2021 \$	2020 \$
Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Fringe Benefits Tax	46,510	4,573
Impairment Expense – trade receivables	169,233	-
Member benefits	305,263	174,893
CSTC Training Top Up	18,222	56,948
Merchandise purchases	24,536	17,194
Motor vehicle expenses & service charges	94,672	154,425
Payroll tax	118,980	236,841
Parking	34,180	31,796
Repairs & maintenance	-	7,303
Sponsorship	15,036	20,582
Travel and accommodation	34,539	142,447
Total other expenses	861,171	847,002

4. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank	2,507,006	3,392,300
Cash on hand	100	846
Total cash and cash equivalents	2,507,106	3,393,146

5. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
Receivables from other reporting unit(s)		
Construction Skills Training Centre	-	153,810
Total receivables from other reporting unit(s)	-	153,810
Less allowance for expected credit losses		
Construction Skills Training Centre	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	153,810
Other receivables:		
GST receivables	-	-
Other	77,982	29,348
Total other receivables	77,982	29,348
Total trade and other receivables (net)	77,982	183,158

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

6. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$ -
Financial assets at fair value through profit or loss		
Cash in financial institutions	357,755	923,079
Shares in listed companies/trusts	778,369	297,109
Total other financial assets	1,136,124	1,220,188

Managed investments are recorded at fair value, which reflects market value, as at the reporting date.

7. PROPERTY, PLANT & EQUIPMENT

	2021	2020
	\$	\$
Land and Buildings		
Carrying value	2,050,000	2,050,000
Accumulated depreciation	-	-
Total land and buildings	2,050,000	2,050,000
Canteens		
Carrying value	406,794	406,794
Accumulated depreciation	(406,794)	(406,794)
Total canteens	-	-
Furniture & Fittings		
Carrying value	136,568	126,170
Accumulated depreciation	(118,538)	(104,737)
Total furniture & fittings	18,030	21,433
Motor Vehicles		
Carrying value	436,208	669,144
Accumulated depreciation	(181,955)	(235,929)
Total motor vehicles	254,253	433,215
Total property, plant & equipment	2,322,283	2,504,648

Movement in carrying amounts

Movements in carrying amounts for each class of property, plant & equipment between the beginning and the end of the current financial year (for those classes that moved);

2021	Land and Buildings	Canteens	Furniture & Fittings	Motor vehicles	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	2,050,000	-	21,433	433,215	2,504,648
Additions	-	-	1,990	86,224	88,214
Disposals	-	-	(38)	(183,571)	(183,609)
Depreciation & amortisation expense	-	-	(5,355)	(81,615)	(86,970)
Revaluation	-	-	-	-	-
Carrying amount at the end of year	2,050,000	-	18,030	254,253	2,322,283

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

7. PROPERTY, PLANT & EQUIPMENT (Continued) 2020	Land and Buildings	Canteens	Furniture & Fittings	Motor vehicles	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	1,995,000	-	28,141	530,155	2,553,296
Additions	-	-	250	112,689	112,939
Disposals	-	-	-	(73,680)	(73,680)
Depreciation & amortisation expense	-	-	(6,958)	(135,949)	(142,907)
Revaluation	55,000	-	-	-	55,000
Carrying amount at the end of year	<u>2,050,000</u>	<u>-</u>	<u>21,433</u>	<u>433,215</u>	<u>2,504,648</u>

The properties above were valued by the Management Committee based on appraisals (not an independent, licenced valuation) in 2020. The Committee has assessed the market and has concluded that there would not have been a material movement in market values in the twelve months since, notwithstanding the uncertainty regarding COVID 19 as discussed below.

Valuation Basis

The basis of valuation of land and buildings is fair value. Fair values are based on market values, being the price that would be received to sell an asset in an orderly transaction between market participants at the reporting date.

As a result of the COVID 19 pandemic assessing fair value as at the reporting date involves uncertainties around the underlying assumptions, given the constantly changing nature of the situation.

Whilst the current economic climate and the impacts of the COVID 19 pandemic in the medium to longer term are still uncertain, the assessment undertaken to determine the fair value of the Union's land and buildings is based on the best available current information.

8. TRADE PAYABLES

	2021 \$	2020 \$
Trade creditors and accruals	48,202	111,229
Total trade payables	<u>48,202</u>	<u>111,229</u>
Payables to other reporting unit(s)		
CFMEU Construction & General National Office	65,284	81,876
Total payables to other reporting unit(s)	<u>65,284</u>	<u>81,876</u>
Total trade payables	<u>113,486</u>	<u>193,105</u>

9. OTHER PAYABLES

	2021 \$	2020 \$
GST payable	88,341	45,205
Sundry creditors	112,666	97,113
Superannuation payable	29,286	-
Income received in advance	2,296,994	1,920,618
Total other payables	<u>2,527,287</u>	<u>2,062,936</u>

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

10. EMPLOYEE PROVISIONS

	2021	2020
	\$	\$
Office Holders:		
Annual leave	259,927	340,517
Long service leave	243,508	340,228
Separation and redundancies	-	-
Other	38,170	366,296
	541,605	1,047,041
 Employees other than office holders:		
Annual leave	282,546	233,526
Long service leave	240,794	225,474
Separation and redundancies	-	-
Other	30,874	170,677
	554,214	629,677
 Total employee provisions	1,095,819	1,676,718
 Current	611,517	1,111,016
Non-current	484,302	565,702
Total employee provisions	1,095,819	1,676,718

11. REMUNERATION OF AUDITORS

	2021	2020
	\$	\$
Audit of the financial statements	29,000	34,000
Other services	5,000	10,779
Total remuneration of auditors	34,000	44,779

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

12. KEY MANAGEMENT PERSONNEL REMUNERATION

Key Management Personnel comprise the members of the Management Committee as set out on page 1 (the Operating Report).

	31 March 2021	31 March 2020
	\$	\$
Short term employee benefits		
Salary (incl leave taken)	747,205	782,668
Annual Leave accrued	73,549	57,066
Performance bonus	-	-
Total short-term employee benefits	820,754	839,734
Post-employment benefits		
Superannuation	112,989	141,539
Total post-employment benefits	112,989	141,539
Other Long-Term Benefits		
Long Service Leave accrued	44,136	27,015
Net Retirement Benefit accrued	(180,586)	26,007
Termination benefits	-	-
Total other long-term benefits	(136,450)	53,022
Total Key Management Personnel Remuneration	797,293	1,034,295

13. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the *Fair Work (Registered Organisations) Act 2009*:

- 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 within 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).

14. CASHFLOW INFORMATION

Reconciliation of Cashflow from Operations with Operating Surplus is as follows:

	2021	2020
	\$	\$
Operating Surplus	(886,478)	(2,251,828)
Non-cash flows in operating surplus		
Depreciation	86,970	142,907
Revaluation of Managed Investments	70,010	(51,187)
(Profit)/Loss on sale of investments/assets	39,196	14,125
Changes in Assets and Liabilities:		
(Increase)/decrease in receivables	105,176	82,431
Increase/(decrease) in payables and Unearned Income	384,732	112,797
Increase/(decrease) in provisions	(755,899)	154,640
Cash Flows from/(to) Operations	(956,293)	(1,796,115)

15. FINANCIAL RISK MANAGEMENT

The Union undertakes transactions in a range of financial instruments. The material financial instruments are:

- Cash assets
- Managed investments (a diversified portfolio of tradeable listed investments, managed funds and cash management trusts)
- Sundry debtors and loans receivable
- Trade and sundry creditors
- Other financial liabilities

The union does not have any derivative instruments as at 31 March 2021 and does not speculate in any types of financial instruments.

The activities of the Union expose it primarily to the financial risks, associated with its financial instruments, of market risk, credit risk and interest rate risk. The Committee of Management are responsible for the monitoring and managing the financial risks of the Union. They monitor these risks through monthly board meetings where management accounts are presented and analysed. Any changes or issues identified are communicated to the administration team who implement changes. Management of the different types of financial risks are explained below;

a) Market Risk

The only material market risk we are exposed to is the risk that the fair value or future cash flows of our managed investments will fluctuate because of changes in market prices. We manage these risks by having a diversified portfolio of tradeable equities, managed funds and cash, managed by an independent funds manager. The investment value and returns are regularly reported to and monitored by the Committee of Management who makes changes as required.

Sensitivity Analysis

If market prices of our tradeable securities were 10% higher or lower the impact on our operating surplus would be to increase/decrease the surplus by approximately \$78,000 (as a substantial proportion of the managed investments are currently held in cash). A sensitivity of 10% has been selected as this is considered reasonable given the diversified portfolio.

b) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations to repay us and thus will cause us to make a financial loss.

The largest material credit risk we are exposed to relates to cash assets, which comprises cash at banks and managed investments. We manage these risks by limiting the amount of funds invested with any financial institution and by evaluation of the financial institutions selected.

The Union also has exposure to credit risk through its sundry debtors and loans receivable. Most receivables are from a related union (the CFMEUW). Whilst there is a concentration of credit risk it has been assessed that the CFMEUW can comfortably meet its obligations.

c) Liquidity Risk

Liquidity risk is the risk that the Union will not be able to meet its financial obligations as they fall due, the Union manages liquidity risk by maintaining adequate cash reserves and by monitoring forecast cash flows, which reflect managements' expectations of the settlement of financial assets and liabilities.

All financial assets and liabilities mature within a period of less than 12 months.

d) Fair Value Financial Instruments

The carrying amounts of financial assets and liabilities approximate their fair values.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

15. FINANCIAL RISK MANAGEMENT (continued)

e) Interest Rate Risk

The Unions' exposure to interest rate risk, which is the risk that a financial instruments' value will fluctuate as a result of the changes in market interest rates, is limited only to its cash holdings with a number of banks.

To demonstrate the Unions' sensitivity to changes in interest rates a movement in rate of plus or minus 1% at the reporting date would have increased / decreased net profit by approximately \$28,648. For further details on interest rate risk refer to the table below.

The following table summarises interest rate risk for the Company together with effective interest rates as at balance date:

	Floating Interest Rate	Fixed rate maturing:		Non - Interest Bearing	TOTAL
		1 year or less	Over 1 year		
2021					
Financial Assets					
Cash Assets	2,507,006	-	-	100	2,507,106
Other Financial Assets	-	357,755	-	778,369	1,136,124
Other Receivables	-	-	-	77,982	77,982
Related Entity Loans	-	-	-	-	-
Total Financial Assets	2,507,006	357,755	-	856,451	3,721,212
2020	3,392,300	923,079	-	481,113	4,796,492
2021					
Financial Liabilities					
Trade payables	-	-	-	113,486	113,486
Other payables	-	-	-	230,293	230,293
Total Financial Liabilities	-	-	-	343,779	343,779
2020	-	-	-	335,423	335,423

Floating interest rates represent the most recently determined rate applicable to the instrument at balance date.

16. CONTINGENT LIABILITIES

The Union and specified officials are subject to regulatory actions and are being prosecuted for Civil penalties under Federal Legislation in 2 cases. The Union and its officials have a cross claim in respect of one of the matters. The Committee of Management are of the opinion that the actions can be successfully defended by the Union and are currently involved in litigation challenging the actions.

Given the complex and protracted nature of these actions and advice from legal counsel, it is not practicable to reliably estimate fully the potential financial impact, if any, of these actions at this time, although any potential financial impact (in addition to that already provided for in the financial statements as at 31 March 2021) is not expected to be material and will likely not be known until 2022.

The information usually required by AASB 137 Provisions, Contingent Liabilities and Contingent Assets, is not disclosed on the grounds that it can be expected to seriously prejudice the outcome of the litigation.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

17. RELATED PARTY DISCLOSURES

There are no related party transactions other than remuneration of office holders, as disclosed in Notes 10 and 12 and the following transactions and balances listed below:

	2021	2020
	\$	\$
Cash flows paid to the CFMEU Construction & General National Office during the year		
- Capitation fees	427,966	368,617
- National campaign levies	52,510	179,513
- Dentsu X cost contribution	-	84,884
- Bossman Media cost contribution	-	78,638
Amounts payable to CFMEU Construction & General National Office (GST Inc)		
- Balance payable at year end	65,284	81,876
Cash flows received from CFMEU Construction & General National Office		
- Travel & conference reimbursements	-	15,461
Cash flows paid to CFMEU Construction & General Victoria Branch		
- Miscellaneous payments	1,030	270
Cash flows received from CFMEU Construction & General Victoria Branch		
- WA Conference related	-	27,976
Cash flows received from CFMEU Construction & General New South Wales Branch		
- Miscellaneous receipts	-	550
Cash flows received from CFMEU Construction & General ACT Branch		
- WA Conference related	-	1,400
Cash flows paid to CFMEU Construction & General ACT Branch		
- Donation	-	100,000
Cash flows paid to Eureka Lawyers		
- Professional Fees	112,586	94,500
Cash flows received from Construction Forestry Mining and Energy Union of Workers (CFMEUW)		
- Loan repayment	-	1,702,072

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

17. RELATED PARTY DISCLOSURES (continued)

	2021	2020
	\$	\$
Amounts receivable from Construction Skills Training Centre (CSTC)		
- Balance receivable at year end	-	169,191
Transactions with Construction Skills Training Centre (CSTC)		
- Administration fees owed to CSTC	-	17,520
- Administration fees owed from CSTC	-	68,790
- Transfer of training levies to CSTC	18,040	59,948
- Payroll tax recovered from CSTC	3,054	28,164
- Loan repayment to CSTC	-	139,007

18. CAPITAL EXPENDITURE COMMITMENTS

There are no capital expenditure commitments for the 12 months ended 31 March 2021.

19. FAIR VALUE MEASUREMENTS

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

19. FAIR VALUE MEASUREMENTS (continued)

Valuation Techniques

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Union are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 March 2021				
Recurring fair value measurements				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	778,369	-	-	778,369
Total financial assets recognised at fair value	778,369	-	-	778,369
<i>Non-financial assets</i>				
Land and Buildings	-	2,050,000	-	2,050,000
Total non-financial assets recognised at fair value	-	2,050,000	-	2,050,000
31 March 2020				
Recurring fair value measurements				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	297,109	-	-	297,109
Total financial assets recognised at fair value	297,109	-	-	297,109
<i>Non-financial assets</i>				
Land and Buildings	-	2,050,000	-	2,050,000
Total non-financial assets recognised at fair value	-	2,050,000	-	2,050,000

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

19. FAIR VALUE MEASUREMENTS (continued)
Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 31 March 2021 \$	Valuation Technique(s)	Inputs Used
<i>Non-financial assets</i>			
Land and buildings (i)	2,050,000	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per hectare; market borrowing rate
	2,050,000		

- (i) The fair value of land and buildings is determined at least every three years based on valuations by either an independent valuer or by the Committee of Management. At the end of each intervening period the Committee of Management review the carrying values and when appropriate update the fair value measurement to reflect current market conditions using the valuation techniques noted above.

There were no changes during the period in the valuation techniques used to determine Level 2 fair values.

20. OTHER MATTERS

None of the activities set out in items 10 and 12 of the Reporting Guidelines occurred during the 12 months ended 31 March 2021.

During the reporting period no capitation fees were received from another reporting unit, and no compulsory levies were raised from members.

During the reporting period the Union did not have another entity administer the financial affairs of the Union.

During the reporting period the Union did not make a payment to a former related party of the reporting unit.

During the reporting period the Union did not 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 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.

During the reporting period the Union did not receive revenue from undertaking recovery of wages activity.

During the reporting period no compulsory levies were imposed on the reporting unit.

Auditors Remuneration other services – accounting advice \$2,900 (2020: \$6,529), taxation advice \$6,792 (2020: \$4,250)

Other than as noted above, the Branch has not agreed to provide financial support to any other reporting unit or entity nor has the Branch received financial support from another reporting unit or entity.

21. EVENTS SUBSEQUENT TO BALANCE DATE

No other matters 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.

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

The Committee of Management of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch passed the following resolution at a Management Committee meeting held on 11th August 2021 in relation to the general purpose financial report (GPFR) of the reporting unit for the 12-month financial period ended 31 March 2021:

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

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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;
- e) during the financial year to which the GPFR relates and since the end of the period:
 - (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 to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is true and I know that it is an offence to make a declaration knowing that it is false in a material particular - for and on behalf of the Committee of Management:



Michael Buchan
Secretary

Dated this 11th day of August 2021.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

CERTIFICATE OF SECRETARY

I, Michael Buchan being the Secretary of the Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch certify:

- that the documents lodged herewith are copies of the full report for the Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA 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 10th August 2021 ; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 21st September in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Michael Buchan
Secretary

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
CONSTRUCTION AND GENERAL DIVISION – WA BRANCH

Dated this 21st day of September, 2021.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME
MINING AND ENERGY UNION CONSTRUCTION AND GENERAL
DIVISION – WA BRANCH****Opinion**

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA (the reporting unit) 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 ended 31 March 2021, notes to the financial statements included a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch as at 31 March 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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 reporting unit in accordance with the independence 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 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY
UNION CONSTRUCTION AND GENERAL DIVISION – WA BRANCH (CONTINUED)**

Responsibility of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal controls as the committee of management determine 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 reporting unit'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 reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

My 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 include the economic decisions of the users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standard Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.

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, in my opinion there are no deficiencies, failures or shortcomings in respect of the matters referred to in section 252 and 257(2) of the RO Act.



SHAUN WILLIAMS
PARTNER
REGISTERED AUDITOR #AA2017/78
AND APPROVED AUDITOR AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 11th day of August 2021.