



21 September 2018

Mr Dave Noonan  
Divisional Secretary, Construction and General Division  
Construction, Forestry, Maritime, Mining and Energy Union

Dear Mr Noonan

**Re: – Construction and General Division, CFMMEU - financial report for year ending 31 March 2018 (FR2018/10)**

I acknowledge receipt of the financial report of the Construction and General Division of the Construction, Forestry, Maritime, Mining and Energy Union. The documents were lodged with the ROC on 31 August 2018.

The financial report has been filed. You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next report.

Disclosure requirements - measured at fair value

Australian Accounting Standard *AASB 13 Fair Value Measurement* paragraph 93 identifies the disclosure requirements for when assets and liabilities are measured at fair value.

These disclosure requirements were not sufficiently addressed in the GPFR.

Reporting requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**Construction Forestry Maritime Mining and Energy Union,  
Construction and General Division – National Office**

ABN 46 243 168 565

**Financial Statements**

**For the Year Ended 31 March 2018**

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Financial Statements

For the Year Ended 31 March 2018

<b>Contents</b>	<b>Page</b>
Operating Report	1
Divisional Executive Statement	5
Statement of Profit or Loss and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Independent Audit Report	53

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Operating Report

31 March 2018

The Divisional Executive present their report on the Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office ("the Union") for the financial year ended 31 March 2018.

## Divisional Executive

The names of the Divisional Executive in office at any time during the year are:

<b>Names</b>	<b>Position</b>	<b>Dates</b>
Dave Noonan	National Secretary	1/4/17 - 31/3/18
Frank O'Grady	Divisional Assistant Secretary	1/4/17 - 15/10/17
Andrew Sutherland	Assistant National Secretary	15/10/17 - 31/3/18
Brad Parker	Assistant National Secretary	1/4/17 - 15/10/17
Nigel Davies	Assistant National Secretary	15/10/17 - 31/3/18
Joe McDonald	President	1/4/17 - 15/10/17
Dean Hall	ACT Divisional Executive Member	1/4/17 - 15/10/17
Dean Hall	President	15/10/17 - 31/3/18
John Setka	National Vice-President	1/4/17 - 31/3/18
Shaun Reardon	National Vice President	1/4/17 - 31/3/18
Elias Spernovasilis	VIC-TAS Divisional Executive Member	1/4/17 - 31/3/18
Rita Mallia	NSW Divisional Executive Member	1/4/17 - 15/10/17
Brian Parker	NSW Divisional Executive Member	1/4/17 - 2/3/18
Darren Greenfield	NSW Divisional Executive Member	15/10/17 - 31/3/18
Michael Greenfield	QLD Divisional Executive Member	2/3/18 - 31/3/18
Jade Ingham	QLD Divisional Executive Member	1/4/17 - 31/3/18
Michael Ravbar	QLD Divisional Executive Member	1/4/17 - 31/3/18
Aaron Cartledge	SA Divisional Executive Member	1/4/17 - 31/3/18
Mick Buchan	WA Divisional Executive Member	1/4/17 - 31/3/18

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Operating Report

31 March 2018

### Principal activities and significant changes in nature of activities

The principal activities of the Union during the financial year were:

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

There were no significant changes in the nature of the Union's principal activities during the financial year.

### Operating results

The deficit of the Union for the year end 31 March 2018 amounted to \$ 375,154 (3 month period ended 31 March 2017: deficit of \$ 173,908).

### Review of operations

A review of the operations and results of the Union is performed in the meetings of the Executive Officers and also at each meeting of the Divisional Executive. Additionally, such matters are considered at the regular meeting of the General Officers of the Union.

# **Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office**

ABN 46 243 168 565

---

## **Operating Report**

**31 March 2018**

### **Significant changes in state of affairs**

#### *Change of year end*

During the prior period, a resolution was passed by the Divisional Executive to vary the financial reporting period-end of the Union from 31 December, to become 31 March. This was approved by the Fair Work Commission and was resolved to be put in place from the three-month period ending 31 March 2017, with the first full year-end being the 12 months to 31 March 2018.

#### *Change of name*

This financial report is for the CFMEU Construction & General Division National Office ("the Union") which has an ABN of 46 243 168 565, and which operates as a Division of the Construction, Forestry, Mining and Energy Union ("the CFMEU"). On 27th March 2018, as a result of an amalgamation, the CFMEU changes its name to Construction, Forestry, Maritime, Mining and Energy Union, which is identified as a revised certificate of registration under the Fair Work Registered Organisations) Act. As a result, the Union is now referred to as the Construction, Forestry, Maritime, Mining and Energy Construction & General Division National Office.

### **Events after the reporting date**

Subsequent to balance date, the Union disposed of the Land and Buildings referred to at note 10. As at the date of this financial report, contracts have been exchanged and settlement has been made. As a result, a capital gain of approximately \$4M has been realised in June 2018. Having carefully considered the fair value of this property as at balance date – in conjunction with the most recent valuations and the subsequent settlement – the Divisional Executive remain of the opinion that the resultant gain, is a consequence of matters and circumstances that occurred subsequent to balance date. Refer to note 25 for further details of property sale.

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.

### **Membership of the Union**

There were 65,531 financial members of the Union as at 31 March 2018.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Operating Report

31 March 2018

### Rights of members to resign

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

### Employees of the Union

As at 31 March 2018 the Union employed 14 full time equivalent employees.

### Superannuation trustees

Mr Dave Noonan is the Divisional Secretary of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus. He is also a director of C Bus Property Pty Ltd.

Mr Frank O'Grady was a Divisional Assistant Secretary of the Union and is a director of United Super Pty Ltd which acts as Trustee of C Bus.

Ms Rita Mallia was a Divisional Executive Member. Rita is a director of United Super Pty Ltd which acts as Trustee of C Bus.

No other officer or member of the Union acts:

- (i) as a trustee of a superannuation entity of an exempt public sector superannuation scheme; or
- (ii) as a director of a Company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

Signed in accordance with a resolution of the Divisional Executive:



DAVE NOONAN  
Divisional Secretary

Dated 23 August 2018

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Divisional Executive Statement

On 23 August 2018, the Divisional Executive of the Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office ("Union"), passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 March 2018:

The Divisional Executive 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* ("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 Union will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
  - i) meetings of the Divisional Executive were held in accordance with the rules of the Union 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 Union 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) 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 Union; and
  - v) where information has been sought in any request by a member of the Union or Commissioner duly made under section 272 of the RO Act it has been provided to the member or Commissioner; 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.



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Divisional Executive Statement

(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 Divisional Executive.



DAVE NOONAN

**Divisional Secretary**



NIGEL DAVIES

**Divisional Assistant Secretary**

Dated 23 August 2018

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 March 2018

	Note	12 months ending 31 March 2018 \$	3 months ending 31 March 2017 \$
Revenue	4	5,405,380	1,071,551
Other income	4	320,641	74,492
		<u>5,726,021</u>	<u>1,146,043</u>
Administration expenses		(632,051)	(117,765)
Affiliation fees		-	(1,294)
Capitation fees		(1,124,585)	(278,933)
Conference and meeting expenses		(424,767)	(13,108)
Depreciation		(188,171)	(39,902)
Donation expense		(21,923)	(41)
Employee benefits expense	5	(2,300,929)	(597,295)
Other operating expenses		(617,598)	(125,531)
Legal fees	5	(319,961)	(62,995)
Travel expenses		(443,714)	(83,087)
Loss on disposal of assets		(27,476)	-
<b>Result for the year</b>		<u>(375,154)</u>	<u>(173,908)</u>
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<u>(375,154)</u>	<u>(173,908)</u>

The accompanying notes form part of these financial statements.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Balance Sheet

As at 31 March 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	328,524	952,026
Trade and other receivables	7	1,229,903	1,857,933
Other financial assets	8	1,500,000	2,083,580
Other assets	9	333,973	129,876
Non-current assets held for sale	11	3,048,334	-
<b>TOTAL CURRENT ASSETS</b>		<b>6,440,734</b>	<b>5,023,415</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	265,148	3,936,059
<b>TOTAL NON-CURRENT ASSETS</b>		<b>265,148</b>	<b>3,936,059</b>
<b>TOTAL ASSETS</b>		<b>6,705,882</b>	<b>8,959,474</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	286,866	1,742,420
Other liabilities	13	168,940	330,210
Employee benefits	14	810,844	917,167
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,266,650</b>	<b>2,989,797</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	14	33,617	188,908
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>33,617</b>	<b>188,908</b>
<b>TOTAL LIABILITIES</b>		<b>1,300,267</b>	<b>3,178,705</b>
<b>NET ASSETS</b>		<b>5,405,615</b>	<b>5,780,769</b>
<b>EQUITY</b>			
Retained earnings		5,405,615	5,780,769
<b>TOTAL EQUITY</b>		<b>5,405,615</b>	<b>5,780,769</b>

The accompanying notes form part of these financial statements.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Statement of Changes in Equity

For the Year Ended 31 March 2018

	Retained Earnings	
	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
Opening Balance	5,780,769	5,954,677
Result for the period	(375,154)	(173,908)
Closing balance	<u>5,405,615</u>	<u>5,780,769</u>

The accompanying notes form part of these financial statements.

---

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Statement of Cash Flows

For the Year Ended 31 March 2018

	12 months ending 31 March 2018	3 months ending 31 March 2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Capitation fees received	5,508,613	1,313,676
Payments to suppliers and employees	(8,480,809)	(1,119,227)
Interest received	36,469	6,021
Other receipts	1,842,604	(73,713)
Net cash provided by / (used by) operating activities	15 <u>(1,093,123)</u>	<u>126,757</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of plant and equipment	18,280	-
Purchase of property, plant and equipment	(132,239)	(54,619)
Net (purchase)/proceeds from investments	583,580	(3,805)
Net cash provided by / (used by) investing activities	<u>469,621</u>	<u>(58,424)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net cash used by financing activities	-	-
Net increase / (decrease) in cash and cash equivalents held	(623,502)	68,333
Cash and cash equivalents at beginning of year	952,026	883,693
Cash and cash equivalents at end of financial year	6 <u>328,524</u>	<u>952,026</u>

The accompanying notes form part of these financial statements.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

### For the Year Ended 31 March 2018

The financial report covers the Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office ("the Union") as an individual accounting reporting unit. The Union is a not-for-profit organisation.

The Union operates as a Division of the Construction, Forestry, Mining and Energy Union ("the CFMEU"). On 27 March 2018, as a result of an amalgamation, the CFMEU changed its name to Construction, Forestry, Maritime, Mining and Energy Union, which is identified on a revised certificate of registration under the Fair Work (Registered Organisations) Act. As a result, the Union is now referred to as the Construction, Forestry, Maritime, Mining and Energy Union, Construction & General Division National Office.

In the prior period, a resolution was passed by the Divisional Executive to vary the financial reporting period-end of the Union from 31 December, to become 31 March. This was approved by the Fair Work Commission and was resolved to be put in place from the three-month period ending 31 March 2017, with the first full year-end being the 12 months to 31 March 2018.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the applicable Australian Accounting Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) and the *Fair Work (Registered Organisations) Act 2009*.

The financial statements 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. historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian Dollars.

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

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Union and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### *Membership subscriptions*

All membership dues received from financial members are retained by the respective State Divisional Branches making up the Union.

#### *Capitation fees*

Capitation fees revenue earned from the provision of services to the State Divisional Branches of the Union, are recognised on an accruals basis.

#### *Other income*

Other income is recognised on an accruals basis when the Union is entitled to it.

#### *Sale of goods*

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### *Donations*

Donations and bequests are recognised as revenue when received.

#### *Interest revenue*

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (a) Revenue and other income

##### *Rental income*

Investment property revenue is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

##### *Levies*

On occasion, the Union is responsible for the collection of levies from state-based reporting units of the Construction and General Division, on behalf of the CFMEU National Office. Whilst the cash flows are facilitated (and reported) through this Union, the substance and nature of these transactions are such that the Union is merely the conduit for the levy collection and hence no income or expense is reported in this financial report.

All revenue is stated net of the amount of goods and services tax (GST).

#### (b) Property, plant and equipment

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

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

##### *Depreciation*

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Union, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (b) Property, plant and equipment

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2%
Furniture, fixtures and fittings	5 - 25%
Motor vehicles	20%
Computer equipment and software	20 - 33.3%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (c) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Union are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (d) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Union becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### *Financial Assets*

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Union's trade and most other receivables fall into this category of financial instruments.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (d) Financial instruments

Discounting is omitted where the effect of discounting is considered immaterial.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Union renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Union does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Union's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

#### *Impairment of financial assets*

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (d) Financial instruments

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Financial liabilities*

Financial liabilities are classified as other financial liabilities.

The Union's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

#### (e) Impairment of non-financial assets

At the end of each reporting period the Union determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (e) Impairment of non-financial assets

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

#### (f) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### (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.

#### (h) Economic dependence

The principle source of income for Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office is capitation fees from its Divisions. Accordingly, the Union is economically dependent on the ability of the Divisions to continue to service the needs of its members on industrial and workplace matters.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (k) Income tax

No provision for income tax is necessary, as the Union (being a registered Industrial Trade Union) is exempt from income tax under s.50-15 of the Income Tax Assessment Act.

#### (l) Related party disclosures

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

#### (m) Adoption of new and revised accounting standards

During the current period, there have been no new or revised accounting standards that have become mandatory, which have had a material impact (in the current year or retrospectively) upon the measurement of assets, liabilities, equity, income or expenses, nor upon the disclosures required in this financial report.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (n) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided not to early adopt these Standards. The following summarises those future requirements, and their impact on the Union where the standard is relevant:

##### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model. The standard is not applicable until 1 January 2018 but is available for early adoption.

Following the changes approved by the AASB in December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.

While the Union has yet to undertake a detailed assessment, it is expected that there will be no impact on the Union.

##### **AASB 15 Revenue from contracts with customers**

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The standard is mandatory for not-for-profit entities for financial years commencing on or after 1 January 2019.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 2 Summary of Significant Accounting Policies

#### (n) New Accounting Standards and Interpretations

##### **AASB 15 Revenue from contracts with customers**

At this stage, the Union is not able to estimate the impact of the new rules on the Union's financial statements. The Union will make more detailed assessments of the impact over the next twelve months.

##### **AASB 16 Leases**

The standard will affect primarily the accounting for the Union's operating leases. However, the Union has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Union's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The standard is mandatory for annual reporting periods beginning on or after 1 January 2019. At this stage, the Union does not intend to adopt the standard before its effective date.

### 3 Critical Accounting Estimates and Judgments

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key estimates - impairment of property, plant and equipment**

The Union assesses impairment at the end of each reporting period by evaluating conditions specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 3 Critical Accounting Estimates and Judgments

#### Key estimates - provisions

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

#### Key estimates - receivables

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

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 4 Revenue and Other Income

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
Membership subscriptions	-	-
<b>Capitation fees by branch</b>		
Victoria and Tasmania	1,665,856	380,195
New South Wales	1,004,702	196,941
Queensland	790,574	233,065
South Australia	105,705	25,079
Western Australia	346,829	81,347
Australian Capital Territory	106,515	23,507
	<u>4,020,181</u>	<u>940,134</u>
<b>Campaign levies fees received (CFMEU Construction &amp; General)</b>		
Victoria and Tasmania	281,990	-
New South Wales	139,170	-
Queensland	166,700	-
South Australia	18,430	-
Western Australia	65,760	-
Australian Capital Territory	14,690	-
Other campaign fees received	3,969	-
	<u>690,709</u>	<u>-</u>
Attendance fees	216,823	82,032
Computer costs reimbursed	7,745	3,468
Wage reimbursements	31,327	23,415
Advertising revenue	135,868	22,642
Divisional conference sponsorship	302,727	-
Legal fee recoveries	-	(140)
Financial support from another Reporting unit	-	-
<b>Total revenue</b>	<u>5,405,380</u>	<u>1,071,551</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 4 Revenue and Other Income

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
<b>Other revenue</b>		
Interest - investment	36,469	16,208
Rental income	222,066	58,284
Other income	60,094	-
Gain on disposal of assets	2,012	-
<b>Total other income</b>	<b>320,641</b>	<b>74,492</b>
<b>Total revenue and other income</b>	<b>5,726,021</b>	<b>1,146,043</b>

*Please refer to note 2(l) for further commentary in relation to the consistency of transactions and balances between reporting units.*

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 5 Result for the Year

The result for the year includes the following specific expenses:

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
<b>Employee expenses comprises:</b>		
<b><i>Holders of office:</i></b>		
- Wages and salaries	638,736	94,396
- Superannuation	55,626	12,579
- Leave and other entitlements	(67,453)	11,193
- Separation and redundancies	14,205	2,925
- Other employee expenses	47,487	7,536
	<b>688,601</b>	<b>128,629</b>
<b><i>Employees other than office holders:</i></b>		
- Wages and salaries	1,528,267	421,289
- Superannuation	153,854	46,071
- Leave and other entitlements	(194,160)	(38,521)
- Separation and redundancies	29,213	8,265
- Other employee expenses	95,154	31,562
	<b>1,612,328</b>	<b>468,666</b>
<b>Total employee expense</b>	<b>2,300,929</b>	<b>597,295</b>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 5 Result for the Year

The result for the year includes the following specific expenses:

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
	-	-
<b>Capitation fees paid</b>		
CFMEU National Office	1,124,585	278,933
<b>Affiliation fees</b>		
- ICTUR affiliation	-	1,294
<b>Administration expenses</b>		
- Consideration to employers for payroll deductions	-	-
- Compulsory Levies - ACTU IR Levy	-	-
- Conference and meeting expenses	424,767	13,108
- Fees/ allowances - meeting and conferences	-	-
- Financial support given to other Reporting Units	-	-
Penalties - via RO act or RO regulations	-	-
Loss on disposal on fixed assets	27,476	-

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 5 Result for the Year

The result for the year includes the following specific expenses:

	12 months ending 31 March 2018	3 months ending 31 March 2017
Note	\$	\$
<b>Legal Costs</b>		
- Litigation	738,409	54,951
- Other legal matters	83,302	7,922
- Royal Commission costs	39,710	19,622
- Costs reimbursed by CFMEU Branches	18(c) (541,460)	(19,500)
	<u>319,961</u>	<u>62,995</u>
<b>Grants or donations:</b>		
- Donations - total paid that were \$1,000 or less	-	41
- Donations - total paid that were more than \$1,000	20,000	-
- Grants - total paid that were \$1,000 or less	-	-
- Grants - total paid that were more than \$1,000	-	-
	<u>20,000</u>	<u>41</u>
<b>Depreciation and amortisation</b>		
- Buildings	101,320	24,985
- Property plant and equipment	86,850	14,917
	<u>188,170</u>	<u>39,902</u>

### 6 Cash and Cash Equivalents

Cash on hand	-	1,554
Cash at bank	328,524	772,747
Short term deposits - at call	-	177,725
	<u>328,524</u>	<u>952,026</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 7 Trade and Other Receivables

	As at 31 March 2018	As at 31 March 2017
	\$	\$
Trade receivables	709,013	828,057
Other receivables	520,890	1,029,876
	<u>1,229,903</u>	<u>1,857,933</u>

#### (a) Receivables from other Reporting Units:

CFMEU Construction and General		
- New South Wales Branch	154,706	185,239
- Victoria and Tasmania Branch	702,298	787,820
- Queensland Branch	(181,781)	220,199
- South Australia Branch	33,808	42,836
- Western Australia Branch	(81,056)	59,933
- Australian Capital Territory Branch	19,662	8,345
CFMEU National	287,788	43,436
CFMEU Forestry and Furnishing Products	-	2,054

*The above balances exclude the campaign levy contributions collected on behalf of the CFMEU National Office, in accordance with note 2(a) and disclosed at note 18(c)(ii).*

*Please refer to note 2(l) for further commentary in relation to the consistency of transactions and balances between reporting units.*

### 8 Other Financial Assets

Held-to-maturity financial assets	<u>1,500,000</u>	<u>2,083,580</u>
-----------------------------------	------------------	------------------

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 9 Other Assets

	As at 31 March 2018	As at 31 March 2017
	\$	\$
Prepayments	331,507	115,963
Accrued income	2,466	13,913
	<u>333,973</u>	<u>129,876</u>

#### Prepayments relating to other Reporting Units:

CFMEU National	<u>287,780</u>	-
----------------	----------------	---

### 10 Property, Plant and Equipment

Land and buildings		
At cost	16,928	5,273,885
Accumulated depreciation	(15,074)	(1,602,152)
	<u>1,854</u>	<u>3,671,733</u>
Furniture, fixtures and fittings		
At cost	71,900	91,013
Accumulated depreciation	(64,854)	(74,066)
	<u>7,046</u>	<u>16,947</u>
Motor vehicles		
At cost	81,998	118,344
Accumulated depreciation	(26,539)	(41,457)
	<u>55,459</u>	<u>76,887</u>
Computer equipment and software		
At cost	442,703	359,131
Accumulated depreciation	(241,914)	(188,639)
	<u>200,789</u>	<u>170,492</u>
	<u>265,148</u>	<u>3,936,059</u>



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 10 Property, Plant and Equipment

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings	Furniture, fixtures and fittings	Motor vehicles	Computer equipment and software	Total
	\$	\$	\$	\$	\$
Balance at 1 April 2017	3,671,733	16,947	76,887	170,492	3,936,059
Additions	1,712	-	40,000	90,527	132,239
Disposals	(521,937)	(2,770)	(40,715)	(1,223)	(566,645)
Transfers to held for sale (refer to note 11)	(3,048,334)	-	-	-	(3,048,334)
Depreciation expense	(101,320)	(7,131)	(20,713)	(59,007)	(188,171)
<b>Balance at 31 March 2018</b>	<b>1,854</b>	<b>7,046</b>	<b>55,459</b>	<b>200,789</b>	<b>265,148</b>
Balance at 1 January 2017	3,696,718	18,127	82,723	123,774	3,921,342
Additions	-	1,924	-	52,695	54,619
Depreciation expense	(24,985)	(3,104)	(5,836)	(5,977)	(39,902)
<b>Balance at 31 March 2017</b>	<b>3,671,733</b>	<b>16,947</b>	<b>76,887</b>	<b>170,492</b>	<b>3,936,059</b>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 11 Assets held for sale

	As at 31 March 2018	As at 31 March 2017
	\$	\$
Non-current assets held for sale		
Land and buildings	3,048,334	-
Total non-current assets held for sale	<u>3,048,334</u>	<u>-</u>

Subsequent to balance date, the Union disposed of the Land and Buildings referred to at note 24.

### 12 Trade and Other Payables

Trade payables	91,910	177,002
Sundry payables and accrued expenses	194,956	1,565,418
	<u>286,866</u>	<u>1,742,420</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 12 Trade and Other Payables

(a) Payables to other reporting units:

	As at 31 March 2018	As at 31 March 2017
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	29,033	1,481
- Western Australia Branch	15,150	13,824
- South Australia Branch	2,505	-
- Queensland Branch	-	8,328
- Australian Capital Territory Branch	-	4,136
- New South Wales Branch	-	7,118
CFMEU National Office	21,781	978,398

*The above balances exclude the campaign levy contributions collected on behalf of the CFMEU national office, in accordance with note 2(a) and disclosed at note 18(c)(ii).*

*Please refer to note 2(l) for further commentary in relation to the consistency of transactions and balances between reporting units.*

(b) Amounts included in trade payables:

**Legal costs**

- Litigation	-	-
- Other	-	254,900
	-	254,900

Consideration payable to employers for payroll deductions	-	-
-----------------------------------------------------------	---	---

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 13 Other liabilities

	As at 31 March 2018 \$	As at 31 March 2017 \$
Amounts received in advance	<u>168,940</u>	330,210
<b>(a) Received in advance from other reporting units</b>		
<b>CFMEU Construction and General</b>		
Australian Capital Territory Branch	168,940	15,687
South Australian Branch	-	32,119
Western Australian Branch	-	135,440
New South Wales Branch	-	34,793
Victoria and Tasmania Branch	-	70,497
Queensland Branch	-	41,674
	<u>168,940</u>	330,210
<b>14 Employee Benefits</b>		
Current	810,844	917,167
Non-current	33,617	188,908
	<u>844,461</u>	1,106,075

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 14 Employee Benefits

(a) Employee benefits attributable to:

	As at 31 March 2018	As at 31 March 2017
	\$	\$
<b>Office Holders:</b>		
Annual leave	60,345	123,585
Long service leave	170,840	166,385
Separation and redundancies	-	-
Other	26,734	11,561
	<u>257,919</u>	<u>301,531</u>
<b>Employees other than office holders:</b>		
Annual leave	200,874	288,659
Long service leave	329,623	483,044
Separation and redundancies	-	-
Other	56,045	32,841
	<u>586,542</u>	<u>804,544</u>
	<u>844,461</u>	<u>1,106,075</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 15 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
Result for the year	(375,154)	(173,908)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
Depreciation	188,171	39,902
Loss on disposal of property, plant and equipment	27,476	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,148,919	(194,318)
- (increase)/decrease in other assets	11,447	(10,187)
- (increase)/decrease in prepayments	(215,544)	50,931
- increase/(decrease) in trade and other payables	(1,455,554)	250,204
- increase/(decrease) in employee provisions	(261,614)	(27,329)
- increase/(decrease) in income in advance	(161,270)	191,462
Cashflow from operations	<u>(1,093,123)</u>	<u>126,757</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 15 Cash Flow Information

(b) Cash flow information

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
<b>Net cash flows relating to reporting units (incl. GST):</b>		
CFMEU Construction and General		
- Victoria and Tasmania Branch	2,867,746	706,590
- New South Wales Branch	1,754,856	258,063
- Queensland Branch	1,938,787	302,850
- Western Australia Branch	507,408	130,395
- Australian Capital Territory Branch	92,238	30,485
- South Australia Branch	161,568	11,391
CFMEU National Office	(3,163,689)	(538,967)
CFMEU Mining and Energy QLD	(20,000)	-
CFMEU Mining and Energy Division	(23,678)	(18,992)
CFMEU Forestry and Furnishing Products	(5,885)	376
<b>Total</b>	<b>4,109,351</b>	<b>882,191</b>

*Please refer to note 2(l) for further commentary in relation to the consistency of transactions and balances between reporting units.*

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 16 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of the Union during the year are as follows:

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
Short-term employee benefits	693,781	113,517
Long-term benefits	(19,386)	12,423
Post-employment benefits	14,205	11,434
Termination benefits	-	2,925
	<u>688,600</u>	<u>140,299</u>

### Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 18 - Related Party Transactions.

### 17 Remuneration of Auditors

Remuneration of the auditor of the Union:

- audit and other assurance services	27,700	19,425
- taxation services	-	2,973
- other accounting services	46,560	11,200
Total remuneration	<u>74,260</u>	<u>33,598</u>



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

Being the National Office of the Construction & General Division of the Construction, Forestry, Mining and Energy Union ("the Union"), from time-to-time the Union coordinates various administrative activities on behalf of its various constituent State divisional branches. This includes the collation of certain costs, which are apportioned to the appropriate branches and invoiced in full. Accordingly, with the Union merely the facilitator of such transactions between independent third parties (and there is no profit component in recharging the respective branches), these are not considered to be related party incomes/expenses of the Union and hence are not required to be disclosed. Notwithstanding this, the transfer of funds to meet these obligations remain related party transactions, and accordingly have been disclosed in the related party cash flows reported below. Additionally, any amounts outstanding as at balance date between related parties are disclosed below.

The Union's main related parties are as follows:

#### (a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Divisional Executive (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 16: Interests of Key Management Personnel (KMP).

#### (b) Other related parties

All Reporting Units of the Construction Forestry Maritime Mining and Energy Union (CFMEU) are considered to be related parties. Reporting Units are defined in Section 242 of the Fair Work (Registered Organisations) Act 2009 ("the RO Act").

#### (c) Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

From time to time the Union makes expenditures which relate to itself as well as other Reporting Units of the CFMEU. These expenditures are then reimbursed to the Union at cost hence they are not considered to be related party transactions.

*Please refer to note 2(l) for further commentary in relation to the consistency of transactions and balances between reporting units.*

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

#### Transaction with related parties:

##### (i) Capitation fees charged (excluding GST)

Refer to Note 4.

##### (ii) Campaign levies received on behalf of CFMEU National Office (including GST)

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
Opening balance	(330,210)	-
<b>Campaign fees charged to Reporting Units on behalf of CFMEU National office:</b>		
CFMEU Construction and General		
- New South Wales	139,170	-
- Victoria and Tasmania	281,990	-
- Australian Capital Territory	14,690	-
- South Australia	18,430	-
- Western Australia	65,760	-
- Queensland Branch	166,700	-
	<b>686,740</b>	<b>-</b>
Net payment made to CFMEU National Office	(630,000)	(330,210)
Campaign fees paid by Branches	104,530	-
Balance payable to CFMEU Construction and General Australian Capital Territory Branch	13 (168,940)	(330,210)

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

#### *(ii) Campaign levies (incl GST) (Continued)*

This is represented by net amounts owing/(receivable) as follows:

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
CFMEU Construction and General		
- Australian Capital Territory	168,940	15,687
- New South Wales	-	34,793
- Victoria and Tasmania	-	70,497
- Queensland	-	41,674
- South Australia	-	32,119
- Western Australia	-	135,440
Balance payable	<u>168,940</u>	<u>330,210</u>

#### *(iii) Rental income*

CFMEU Construction and General		
- New South Wales Branch	<u>74,017</u>	<u>18,322</u>

#### *(iv) Legal fees contribution by branches*

CFMEU Construction and General		
- Victoria and Tasmania Branch	163,039	-
- New South Wales Branch	79,531	-
- Queensland Branch	95,438	-
- South Australia Branch	11,930	-
- Western Australia Branch	39,766	-
- Australian Capital Territory Branch	7,953	-
	<u>397,657</u>	<u>-</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

*(v) ABCC Campaign contributions by branches*

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
CFMEU Construction and General		
- Victoria and Tasmania Branch	205,582	-
- New South Wales Branch	101,232	-
- Queensland Branch	121,257	-
- South Australia Branch	13,408	-
- Western Australia Branch	47,832	-
- Australian Capital Territory Branch	10,689	-
	<u>500,000</u>	-

*(vi) Penalties contribution by branches*

CFMEU Construction and General		
- Victoria and Tasmania Branch	113,926	-
- New South Wales Branch	57,025	-
- Queensland Branch	67,557	-
- South Australia Branch	6,835	-
- Western Australia Branch	24,385	-
- Australian Capital Territory Branch	5,449	-
	<u>275,177</u>	-

*(vii) Wage Reimbursement*

CFMEU Construction and General		
- Queensland branch	<u>32,807</u>	-

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

*(viii) Capitation fees expense*

	<b>12 months ending 31 March 2018</b>	<b>3 months ending 31 March 2017</b>
	\$	\$
CFMEU National Office	<u>1,124,585</u>	<u>278,933</u>

*(ix) Rent expense and outgoings*

CFMEU Mining and Energy Division National	<u>167,583</u>	<u>33,578</u>
-------------------------------------------	----------------	---------------

*(x) Transfer of leave accrual*

CFMEU - Forest & Forest Products Division	<u>14,313</u>	<u>-</u>
-------------------------------------------	---------------	----------

*(xi) Property expenses*

CFMEU Construction and General - Victoria and Tasmania Branch	<u>80,485</u>	<u>-</u>
------------------------------------------------------------------	---------------	----------

*(xii) Donations expense*

CFMEU - Mining & Energy - Queensland Branch	<u>20,000</u>	<u>-</u>
---------------------------------------------	---------------	----------

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

*(xiii) Air fare expenses*

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
CFMEU construction and General		
- New South Wales Branch	12,683	-
- Queensland Branch	14,552	620
- South Australia Branch	2,277	591
- Western Australia Branch	55,176	12,567
- Australian Capital Territory Branch	16,256	2,062
	<u>100,944</u>	<u>15,840</u>

*(xiv) Legal fees*

CFMEU National Office	-	46,522
	<u>-</u>	<u>46,522</u>

*(xv) Purchase of vehicle equipment*

CFMEU Construction and General		
- Queensland Branch	40,000	-
	<u>40,000</u>	<u>-</u>

*(xvi) National conference expenses*

CFMEU National Office	-	21,643
CFMEU Construction and General		
- Western Australia	69,186	-
	<u>69,186</u>	<u>21,643</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

*(xvii) Director fees*

	12 months ending 31 March 2018	3 months ending 31 March 2017
	\$	\$
CFMEU Construction and General - New South Wales Branch	28,384	-

*(xviii) ABCC campaign costs*

CFMEU National Office	500,000	-
-----------------------	---------	---

*(xix) Campaign Levies - Expense*

CFMEU National Office	472,500	-
-----------------------	---------	---

*(xx) Other expenses (income)*

CFMEU Construction and General - New South Wales Branch	9,035	-
- Victoria and Tasmania Branch	2,421	1,644
CFMEU - Forest & Forest Products Division	(750)	-
	<u>10,706</u>	<u>1,644</u>

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 18 Related Party Information

#### (d) Related Party Balances

##### *(i) Trade and other receivables*

Refer to Note 7(a).

##### *(ii) Trade and other payables*

Refer to Note 12(a).

### 19 Financial Risk Management

The main risks that the Union is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2018 \$	2017 \$
<b>Financial Assets</b>			
Cash and cash equivalents	6	328,524	952,026
Held-to-maturity investments	8	1,500,000	2,083,580
Trade and other receivables	7	1,229,903	1,857,933
<b>Total financial assets</b>		<b>3,058,427</b>	<b>4,893,539</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
- Trade and other payables	12	286,866	1,742,420
- Income in advance	13	168,940	330,210
<b>Total financial liabilities</b>		<b>455,806</b>	<b>2,072,630</b>



# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 19 Financial Risk Management

#### (a) Credit risk

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

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

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

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

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

#### (b) Credit risk - Trade and Other Receivables

The following table details the Union's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Union and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Union.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 19 Financial Risk Management

#### (b) Credit risk - Trade and Other Receivables

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

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
	\$	\$	\$	\$	\$	\$	\$
<b>2018</b>							
Other receivables	1,229,903	-	-	-	-	-	1,229,903
Total	1,229,903	-	-	-	-	-	1,229,903
<b>2017</b>							
Trade receivables	26,767	-	-	-	-	-	26,767
Other receivables	1,831,166	-	-	336,032	-	227,026	1,268,108
Total	1,857,933	-	-	336,032	-	227,026	1,294,875

The Union does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

#### (c) Liquidity Risk - Financial Liability

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the balance sheet due to the effect of discounting.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 19 Financial Risk Management

#### (c) Liquidity Risk - Financial Liability

*Financial liability maturity analysis - Non-derivative*

	1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables	<b>286,866</b>	1,655,226	-	-	<b>286,866</b>	1,655,226

The timing of expected outflows is not expected to be materially different from contracted cashflows.

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

##### (i) Interest rate risk

Exposure to interest rate risk arises on financial assets recognised at the end of the reporting period. Whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. A 1% increase or decrease in interest rates would have an insignificant impact on equity and profit or loss for the Union.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 20 Fair Value Measurement

#### Net Fair Values

##### *Fair value estimation*

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

### 21 Capital Management

Management controls the capital of the Union in order to safeguard their ability to continue as a going concern, so that they can fund its operations.

There are no externally imposed capital requirements.

### 22 Capital and leasing commitments

#### Operating leases

	2018	2017
	\$	\$
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	121,176	89,106
- between one year and five years	444,533	-
	<u>565,709</u>	<u>89,106</u>

The Union has a lease for the premises it occupies at Level 9, 215-217 Clarence Street Sydney. The 5 year term of the lease expires on 30 November 2022.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 23 Lessor Commitments

#### *Operating lease commitments receivable - Union as lessor*

The Union leases out property under commercial leases. These non-cancellable leases have terms between 3 and 10 years. All leases include an option for to increase rent to current market rental on an annual basis. The property has been sold subsequent to year-end, as referred to in note 24.

	2018	2017
	\$	\$
The future minimum lease payments under non-cancellable leases are no later than 1 year	<u>8,761</u>	<u>186,302</u>

### 24 Contingent Liabilities and Contingent Assets

#### (a) Contingent liability

There are three (3) related matters before the Federal Court in which former officials are claiming the Union contravened the Fair Work Act 2009 and/or the Fair Work (Registered Organisations) Act 2009 as a result of those officials being removed from office. It is uncertain if and to what extent these claims against the Union will be upheld and what court orders may be made against or in favour of the Union. The ultimate outcomes of these claims (individually and collectively) cannot be measured reliably.

In addition, as an organisation, the Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office may be liable to contribute funds to the settlement of legal costs on behalf of branches.

#### (b) Guarantee

The Union has provided a guarantee to its bankers in relation to a banking facility

-	<u>51,000</u>
---	---------------

In addition, as an organisation, the Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office may be liable to contribute funds to the settlement of legal costs on behalf of branches.

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### 24 Contingent Liabilities and Contingent Assets

#### (c) Contingent asset

During the 2018 year, a commercial property in which the Union held a proportional interest, was disposed of to an independent third party. The majority of the building was owned by the CFMEU Construction & General Victorian/Tasmanian Branch ("Vic/Tas"). The proportional sale proceeds relating to the Union is materially in excess of the carrying value recorded in the Union's financial report and accordingly a significant surplus is expected to be realised. However, the quantum of this amount is currently subject to ongoing discussions and accordingly cannot presently be measured reliably. Accordingly, the Union has transferred the value of this property asset to a (current) receivable account, at its written down at the time of sale, in accordance with the practice of recording property assets at their (depreciated) historical cost and consistent with Accounting Standards – with no profit or loss on sale yet being recognised. In its financial report of the year ended 31 March 2018, Vic/Tas has recorded an accrual payable to the Union of \$1,433,766 to settle any claims against this property, but also has raised this matter as a contingent liability. Should this accrual amount be agreed upon, a profit on disposal of approximately \$900,000 would be realised, however the Union believes that it is probable that its entitlement allows for a settlement sum which is significantly higher than this offer amount; again, subject to ongoing negotiations on matters of governance, usage and operations. Given the variability of possible outcomes, it is not practicable to provide any further information in quantifying the likely profit on sale amount, so as to not prejudice seriously the negotiated position of the Union and also to eliminate the risk of providing misleading indications of the likelihood of income arising.

### 25 Events after the end of the Reporting Period

Subsequent to balance date, the Union disposed of its Pitt Street property, included at note 11. As at the date of this financial report, contracts have been exchanged and settlement has been made. As a result, a capital gain of approximately \$4M has been realised in June 2018. Having carefully considered the fair value of this property as at balance date – in conjunction with the most recent valuations and the subsequent settlement – the Divisional Executive remain of the opinion that the resultant gain, is a consequence of matters and circumstances that occurred subsequent to balance date. Accordingly, at balance sheet date the asset is appropriately carried at cost less depreciation and any impairment.

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 – National Office

ABN 46 243 168 565

---

## Notes to the Financial Statements

For the Year Ended 31 March 2018

### **26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009**

As required under the reporting guidelines provided for under section 255 of the Fair Work (Registered Organisations) Act 2009, it is confirmed that:

1. The Union's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit; and
2. The Union has not agreed or does not have an agreement to provide financial support to another reporting unit to ensure its ability as a going concern; and
3. The Union has not acquired an asset or liability as a result of amalgamation, restructure or alternative reporting unit determination or revocation.
4. Other specific disclosures - funds: There are no funds separated, or required to be operated by the Union.

### **27 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

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

**Independent Audit Report to the members of  
Construction Forestry Maritime Mining and Energy Union, Construction and General  
Division – National Office**

**Report on the Audit of the Financial Report**

We have audited the financial report of Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office ("the Union"), which comprises the balance sheet as at 31 March 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Union as at 31 March 2018 and of their financial performance and cash flows for the year then ended in accordance with:

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

We declare that management's use of the going concern basis in preparation of the Union's financial statements is appropriate.

**Basis for Opinion**

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

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



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 Committee of Management for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 we identify during our audit.


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

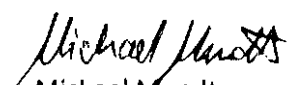
#### **Report on Other Legal and Regulatory Requirements**

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

#### **Report on the Recovery of Wages Activity financial report**

The scope of my work extended to the recovery of wages activity, however as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

  
Daley & Co  
Chartered Accountants

  
Michael Mundt  
Partner

Registration number (as required by the RO commissioner under the RO Act): AA 2017/67

Wollongong  
23 August 2018

# Construction Forestry Maritime Mining and Energy Union, Construction and General Division – National Office

ABN 46 243 168 565

---

## Designated Officer's Certificate

31 March 2018

I, Dave Noonan, being the Divisional Secretary of the Construction Forestry Maritime Mining and Energy Union, Construction and General Division - National Office, 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 - National Office for the period ended 31 March 2018 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 27 August 2018; and
- that the full report was presented to a meeting of the Divisional Executive of the reporting unit on 23 August 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



DAVE NOONAN  
Divisional Secretary

Dated 31 August 2018