



9 October 2020

Michael Buchan
Secretary, Western Australia Divisional Branch
Construction, Forestry, Maritime, Mining and Energy Union

Dear Michael Buchan

Re: – Financial reporting – Construction, Forestry, Maritime, Mining and Energy Union, Western Australia Divisional Branch - for year ending 31 March 2020 (FR2020/2)

I refer to the financial report of the Western Australia Divisional Branch of the Construction, Forestry, Maritime, Mining and Energy Union in respect of the year ending 31 March 2020. The documents were lodged with the Registered Organisations Commission (**ROC**) on 22 September 2020.

The financial report has been filed.

The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 the report for year ending 31 March 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

New Accounting Standards – AASB 15 and AASB 1058

Note 1(j) states that Australian Accounting Standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* have been adopted and that they did not have a material impact. Please note that in future years the reporting unit must include all relevant/required financial disclosures¹ in accordance with the Australian Accounting Standards. I draw attention to the following, as applicable, for future reference.

AASB 15 - Separate disclosure of revenue from contracts with customers²

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

AASB 15 - Disaggregation of revenue from contracts with customers²

Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

¹ e.g. update of revenue policy – see model Revenue Note 1.7 p.28 ff.

² e.g. identification of contract revenue/other income categories – see model P&L p.12 – disaggregation – see model Note 3 p.45

AASB 1058 - Disaggregation of income of not-for-profit entities²

Australian Accounting Standard AASB 1058 Income of Not-for-Profit Entities paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories:

- a. grants, bequests and donations of cash, other financial assets and goods;
- b. recognised volunteer services; and
- c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

Additional comment – going concern

I have noted the information provided at Note 1(a) which indicates that the Branch is aware of the need to address the operating and net equity trends which were referred to in last year's filing letter. I also acknowledge the statement that management have taken steps that are expected to reduce losses in future. The ROC would expect that future reports will include information about the progress in addressing going concern-related issues.

Reporting Requirements

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

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

**Financial Report for the 12 Months
ended 31 March 2020**

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

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**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 2020 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, Campbell McCullough, Robert Benkesser, Glenn Hawkins, Graham Pallot, Robert Pearson, Aaron Mackrell, Les Wylie, John Pound, Mick Vassila, Alan Luke, Troy Smart, Peter Joshua

Review of Activities

The principal activities of the Branch during the 12 months ended 31 March 2020 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 2020.

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 \$5,444,826 for the 12 months ended 31 March 2020, which represents an effective increase of 8% compared to the last reporting period.
- The deficit for the 12-month period was \$2,251,828, compared with a deficit of \$2,373,599 for the last reporting period.
- Full details of revenue and expenditure are set out on page 6 and 7.

Significant Changes in Financial Affairs

Significant changes in the state of affairs of the Branch during the year were:

- Total assets decreased to \$7,301,140 as at 31 March 2020 (31 March 2019: \$9,444,538), with the decrease arising from the net result for the period.
- Total liabilities increased marginally to \$4,182,759 as at 31 March 2020 (31 March 2019: \$4,129,329), largely consistent with the prior period.

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

- Net assets decreased to \$3,118,381 as at 31 March 2020 (31 March 2019: \$5,315,209).

There were no other 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.

With respect to the financial reporting period ended 31 March 2020 the financial statements have been prepared based upon conditions existing as at that date, although adjustments have been made where appropriate for impacts of COVID 19 that have arisen subsequent to that date and which provide further clarity in relation to account balances recorded as at 31 March 2020. There is general consensus that the effects of the COVID 19 outbreak are the result of an event that arose during the reporting period, although its effects have continued to evolve subsequent to year end.

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 2020 recorded in the register of members and taken to be members of the Branch were 5,347.

Employee Information

The number of full-time equivalent employees of the Branch as at 31 March 2020 was 23.

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.

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

Signed on behalf of the Committee of Management

Dated this 18th day of August 2020.



Michael Buchan
Secretary

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CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

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

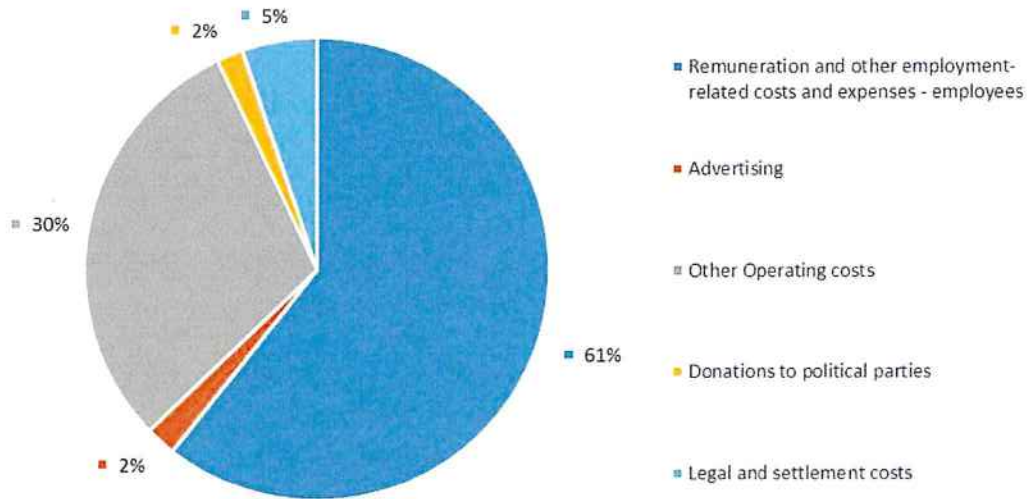
REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 March 2020

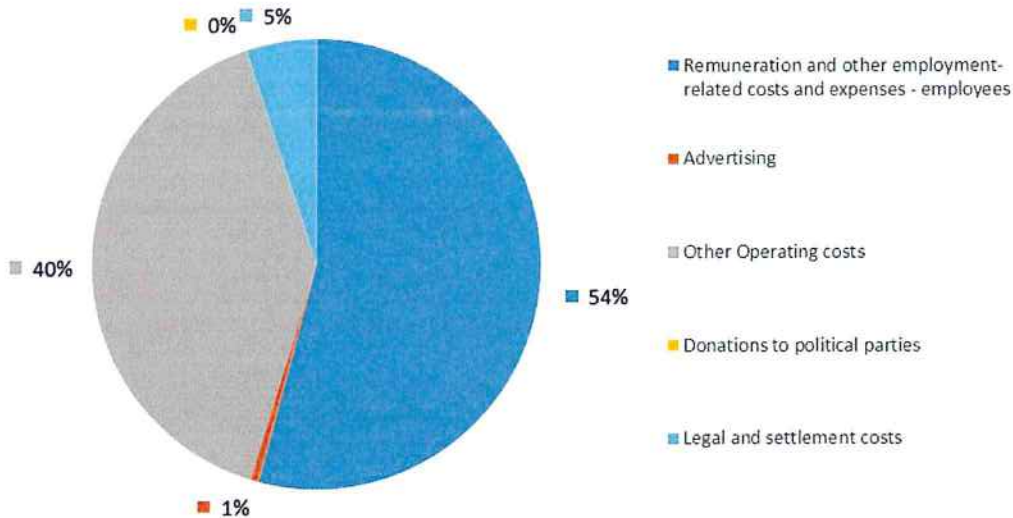
The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2020.

Diagrammatic form

2020 - Expenditure as required under s.255(2A)
RO Act



2019 - Expenditure as required under s.255(2A)
RO Act



Signature of designated officer: _____

Michael Buchan

Name and title of designated officer: Michael Buchan - Secretary

Dated: 18th August 2020

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	31 Mar 2020 \$	31 Mar 2019 \$
MEMBERS FUNDS			
Balance at Beginning of Year		5,315,209	7,688,808
Surplus / (Deficiency)		(2,196,828)	(2,373,599)
		<u>3,118,381</u>	<u>5,315,209</u>
CURRENT ASSETS			
Cash on Hand		846	2,160
Cash in Financial Institutions		3,392,300	3,853,001
Sundry Debtors		183,158	265,589
Managed Investments – at market value	3	1,220,188	1,068,421
TOTAL CURRENT ASSETS		<u>4,796,492</u>	<u>5,189,171</u>
NON-CURRENT ASSETS			
Loans Receivable – CFMEU W	2	-	1,702,072
Loans Receivable – CFMEU C&G National		-	-
Furniture & Fittings - at cost	4	126,170	125,920
Furniture & Fittings - accumulated depreciation	4	(104,737)	(97,780)
Motor Vehicles - at cost	4	669,144	686,247
Motor Vehicles - accumulated depreciation	4	(235,929)	(156,092)
Canteens at Cost	4	406,794	406,794
Canteens - Accumulated Depreciation	4	(406,794)	(406,794)
The Herrons property	4	560,000	600,000
Karratha property	4	480,000	355,000
Birchley Heights property	4	1,010,000	1,040,000
TOTAL NON-CURRENT ASSETS		<u>2,504,648</u>	<u>4,255,367</u>
TOTAL ASSETS		<u>7,301,140</u>	<u>9,444,538</u>
CURRENT LIABILITIES			
Trade Creditors		193,105	86,757
Sundry Creditors		97,113	91,071
GST clearing Account		45,205	21,467
Income Received in Advance		1,920,618	1,998,949
Payables to employers for the employers making payroll deductions of membership subscriptions		-	-
Provision for Holiday Pay	5	574,043	493,853
Provision for legal/settlement costs – litigation		250,000	150,000
Provision for Legal/Settlement Costs – other legal matters		-	-
Provision for Retirement Benefit	5	536,973	670,147
TOTAL CURRENT LIABILITIES		<u>3,617,057</u>	<u>3,512,244</u>
NON-CURRENT LIABILITIES			
Loans Payable – CSTC	2	-	159,007
Provision for Long Service Leave	5	565,702	458,078
TOTAL NON-CURRENT LIABILITIES		<u>565,702</u>	<u>617,085</u>
TOTAL LIABILITIES		<u>4,182,759</u>	<u>4,129,329</u>
NET ASSETS		<u>3,118,381</u>	<u>5,315,209</u>

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 MARCH 2020**

	Note	12 Months Ended 31 Mar 2020 \$	12 Months Ended 31 Mar 2019 \$
REVENUE			
Membership Subscriptions		4,132,984	4,214,490
Training Levy		237,264	381,844
Revaluation / (Devaluation) of Managed investments		51,187	38,241
Other Receipts - Sundry Income		311,434	166,638
Interest Received		59,374	134,291
Rent Received		70,886	74,110
Other investment income		106,854	27,396
Merchandise Sales		6,041	13,158
Revenue from undertaking recovery of wages activity		-	-
Legal fees and Penalties Recovered		302,898	-
Grants and Donations		-	-
Payroll tax refund		85,149	-
Sponsorship income		94,880	-
Gain / (loss) on Sale of Assets		(14,125)	(171)
		5,444,826	5,049,997
EXPENDITURE			
Administration fees		17,520	17,520
Advertising		167,367	43,351
Affiliation Fees			
- Unions WA		53,974	53,158
- Australian Labor Party		41,797	48,453
- BWI Affiliation fees		9,165	8,272
Election Expenses		101,282	44,314
Auditor's Remuneration –audit of the financial statements		34,000	42,000
Auditors Remuneration – other services		10,779	9,450
Bank Charges		21,425	14,815
Campaign Costs		91,682	135,697
Computer Requirements		54,503	30,308
Consultancy Fees		21,689	18,615
CSTC Training Top Up		56,948	47,628
Depreciation		142,907	265,997
Donations			
- Less than \$1,000		993	-
- \$1,000 and more		281,238	263,899
Fees/allowances paid to persons to attend conferences or meetings as a representative of the Branch		-	-
Fees incurred as consideration for employers making payroll deductions of member subscriptions		-	-
Grants – less than \$1,000		-	-
Grants - \$1,000 or more		-	-
Merchandise Purchases		17,194	64,529
Finance Costs		-	-
Freight		469	1,414

**CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 12 MONTHS ENDED 31 MARCH 2020**

	Note	12 Months Ended 31 Mar 2020 \$	12 Months Ended 31 Mar 2019 \$
EXPENDITURE (continued)			
Funeral Benefits		-	9,665
Fringe Benefits Tax		4,573	34,012
Impairment Loss – Property		-	205,000
Insurance		153,886	166,131
Insurance - Member Benefit		131,670	285,063
Legal and Settlement Costs			
- Litigation – Settlements / Orders		410,705	376,891
- Other Legal Matters		-	-
Meeting Expenses – meetings of members, conferences, councils, committees, etc		20,823	28,421
Meeting expenses – other		-	-
Member Benefits		36,263	20,364
Motor Vehicle Expenses & Service charges		154,425	96,193
Payroll Tax		236,841	201,493
Parking		31,796	37,075
Penalties imposed under the RO Act and Fair Work Act 2009		-	-
Printing, Postage & Stationery		83,402	142,574
Photocopying & Office Expenses		105,402	83,448
Provision for Employee Entitlements		54,643	(91,815)
Rent, Rates and Electricity		104,650	86,030
Repairs & Maintenance		7,303	17,170
Sponsorship		20,582	124,775
Staff Amenities		6,787	5,119
Subscriptions		9,345	15,400
Superannuation and Redundancy Contributions	6	705,332	569,897
Sustentation / Capitation Fees (Federal)		368,617	379,666
Staff Reimbursements		-	-
Telephone		33,089	48,150
Training		(640)	6,886
Travel and Accommodation		142,447	131,197
Wages – Office holders	6	881,620	1,043,556
Wages - Other employees	6	2,868,162	2,291,815
		<u>7,696,654</u>	<u>7,423,596</u>
SURPLUS / (DEFICIT) FOR THE YEAR		(2,251,828)	(2,373,599)
Revaluation of land and buildings		55,000	-
Other comprehensive income for the year		<u>55,000</u>	<u>-</u>
Deficit attributable to the Union		(2,196,828)	(2,373,599)
Total Comprehensive income / (deficit) attributable to the Union		<u>(2,196,828)</u>	<u>(2,373,599)</u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS ENDED 31 MARCH 2020**

	General Funds \$	Hardship Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 31 March 2018	7,080,041	608,767	-	7,688,808
Total Surplus/(Deficit) for the period ended 31 March 2019	(2,373,599)	-	-	(2,373,599)
Adjustment to Retained Earnings for Change in Accounting Policy	-	-	-	-
Balance at 31 March 2019	4,706,442	608,767	-	5,315,209
Total Surplus/(Deficit) for the period ended 31 March 2020	(2,251,828)	-	-	(2,251,828)
Revaluation	-	-	55,000	55,000
Adjustment to Retained Earnings for Change in Accounting Policy	-	-	-	-
Balance at 31 March 2020	2,454,614	608,767	55,000	3,118,381

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 12 MONTHS ENDED 31 MARCH 2020**

	Note	12 Months Ended 31 Mar 2020 \$	12 Months Ended 31 Mar 2019 \$
Cashflows from Operating Activities			
Receipts from members		5,485,821	5,282,736
Other receipts		-	-
Payments to suppliers and employees		(7,341,310)	(7,574,238)
Interest received		59,374	134,291
Net Cash Provided by (used in) Operating Activities	9	(1,796,115)	(2,157,211)
Cashflows from Investing Activities			
Payments for managed investments		(100,000)	-
Payments for Property, Plant & Equipment		(112,939)	(632,378)
Proceeds from sale of Property, Plant & Equipment		3,974	156,364
Net Cash Provided by (used in) Investing Activities		(208,965)	(476,014)
Cashflows from Financing Activities			
Repayment of loans receivable		1,543,065	868,000
Decrease in Loans Payable		-	-
Increase in Loans Receivable		-	-
Net Cash Provided by (used in) Financing Activities		1,543,065	868,000
Net Increase (Decrease) in Cash Held		(462,015)	(1,765,225)
Cash at 1 April 2019		3,855,161	5,620,386
Cash at 31 March 2020		3,393,146	3,855,161

Receipts from and payments to other reporting units and related entities are set out in Note 12.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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1. 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
- 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

Membership subscriptions are accounted for on an accruals basis, with revenue recognised as the membership service is provided, which is typically based on the passage of time over the subscription period. Membership subscriptions paid in advance are recorded in Income Received in Advance under current liabilities.

Training levy income is accounted for on a cash receipts basis which, on an annual basis, would not materially differ from that calculated on an accruals basis.

Rental income is recognised on a straight-line basis over the relevant lease term

Interest and investment income is recognised on an accruals basis when it has the right to and controls that income.

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

(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

(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.

CONSTRUCTION FORESTRY MARITIME MINING AND ENERGY UNION
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(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) 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, GST is recognised as part of the cost of the purchase.

Receivables and payables are stated with the amount of GST included.

(i) 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.

(j) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

AASB 15, AASB 1058 and AASB 16 became effective from 1 April 2019. Management have determined that the adoption of these standards has not had a material impact on the Union.

AASB 15: Revenue from Contracts with Customers

This standard applies, with limited exceptions, to all revenues arising from contracts with customers. AASB 15 establishes a 5 step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity

(j) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS (continued)

expects to be entitled in exchange for transferring goods or services to a customer. If a transaction is outside the scope of AASB 15 the recognition and measurement of income arising from the transaction may instead be specified by another standard, for example AASB 1058 Income of Not-For Profit Entities.

AASB 1058: Income of Not-for-Profit Entities

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably (the Union has not recognised such services as it could not reliably measure the fair value of such services), whether or not the services would have been purchased if they had not been donated.

Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients);

or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004 Contributions.

AASB 1058 did not significantly impact the entity's financial statements during the year.

AASB 16 Leases

AASB replaces the current AASB 17 lease standard. AASB 16 removes the classification of leases as either operating leases or finance leases, effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognizing a "right-of-use" asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

AASB 16 did not impact the entity's financial statements during the year.

(k) FINANCIAL INSTRUMENTS

Non-derivative financial liabilities

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Union's operation. They are measured at amortised cost using the effective interest rate method.

Non-derivative financial assets

(i) Classification

The Union classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Union measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of the financial assets carried at fair value through profit or loss are expensed in profit or loss. Measurement of cash and cash equivalents and trade and other receivables, including contract assets, remain at amortised cost consistent with the comparative period.

(iii) Impairment

For trade receivables the union applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(l) 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 4 for information on best estimates used in the valuation of land and buildings.

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(l) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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 2020 depending on the ultimate outcome of actions in progress at year end.

(m) 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. LOANS RECEIVABLE & PAYABLE

The loans receivable and payable from the Construction Forestry Mining and Energy Union of Workers (CFMEU W) and the Construction Skills Training Centre (CSTC) are unsecured, interest free and were repaid in full during the period ended 31 March 2020.

3. MANAGED INVESTMENTS

	31 March 2020	31 March 2019
	\$	\$
Cash in financial institutions	923,079	345,117
Shares in listed companies/trusts	297,109	723,304
Total Managed Investments	1,220,188	1,068,421

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

4. PROPERTY, PLANT & EQUIPMENT

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);

	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	2,050,000	-	21,433	433,215	2,504,648

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4. PROPERTY, PLANT & EQUIPMENT (Continued)

The Herrons, Karratha and Birchley Heights properties were valued by the Committee of Management based on appraisals (not an independent, licenced valuation) of relevant sales evidence as at 31 March 2020.

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 and the time between the reporting date and the date of the annual report. The length of time it will take to manage the effects of the COVID 19 pandemic on the broader economies and property markets is still unknown.

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.

Uncertainty around Property Valuations

The COVID 19 pandemic has impacted market activity in many sectors. The valuation assessments undertaken have placed more weighting to currently available information. The current response to the COVID 19 pandemic means that the Union has faced increased uncertainty on which to base valuation judgements. In the event that impacts of the COVID 19 pandemic are more material or prolonged than anticipated, this may further impact on the fair values adopted for the Union's property assets and the future price achieved if a property is sold.

5. EMPLOYEE PROVISIONS

	31 Mar 2020	31 Mar 2019
	\$	\$
Office Holders;		
Annual leave	340,517	371,418
Long service leave	340,228	312,734
Separation and redundancies	-	-
Retirement Benefit	366,296	413,846
	1,047,041	1,097,998
Employees other than Office Holders;		
Annual leave	233,526	122,435
Long service leave	225,474	145,344
Separation and redundancies	-	-
Retirement benefit	170,677	256,301
	629,677	524,080
Total employee provisions	1,676,718	1,622,078
Comprising;		
Other employee provisions	-	-
Holiday Pay	574,043	493,853
Retirement benefit	536,973	670,147
Current	1,111,016	1,164,000
Non-current – Long service leave	565,702	458,078
Total employee provisions	1,676,718	1,622,078

To be read in conjunction with the attached notes

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6. EMPLOYEE BENEFITS

Employee benefits paid to Office holders during the year comprised of:

Wages and Salaries	822,346	922,606
Leave and Other Entitlements	59,274	120,950
Non-monetary benefits	38,507	49,086
Superannuation	141,539	167,160
Separation and Redundancy	11,136	9,831
	1,072,802	1,269,633

Employee benefits paid to other employees during the year comprised:

Wages and Salaries	2,564,778	1,873,633
Leave and Other Entitlements	303,384	418,182
Non-monetary benefits	123,305	64,860
Superannuation	450,241	342,969
Separation and Redundancy	102,416	49,937
	3,544,124	2,749,581

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.

7. 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 2020	31 March 2019
	\$	\$
Short term employee benefits		
Salary (incl leave taken)	782,668	922,607
Annual Leave accrued	57,066	68,002
Performance bonus	-	-
Non-monetary benefits	38,507	49,085
Total short-term employee benefits	878,241	1,039,694
Post-employment benefits		
Superannuation	141,539	167,160
Total post-employment benefits	141,539	167,160
Other Long-Term Benefits		
Long Service Leave accrued	27,015	30,291
Retirement Benefit accrued	26,007	26,087
Termination benefits	-	-
Total other long-term benefits	53,022	56,378
Total Key Management Personnel Remuneration	1,072,802	1,263,232

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8. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272, subsections (1), (2) and (3) of the Registered Organisations Commission:

- 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).

9. CASHFLOW INFORMATION

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

	12 Months Ended 31 Mar 2020 \$	12 Months Ended 31 Mar 2019 \$
Operating Surplus	(2,251,828)	(2,373,599)
Non-cash flows in operating surplus		
Depreciation	142,907	265,997
Revaluation of Managed Investments	(51,187)	(38,241)
Revaluation of PPE		205,000
Changes in Assets and Liabilities:		
(Increase)/decrease in receivables	82,431	(68,607)
Increase/(decrease) in payables and Unearned Income	112,797	(56,118)
Increase/(decrease) in provisions	154,640	(91,814)
(Profit)/Loss on sale of investments/assets	14,125	171
Cash Flows from/(to) Operations	(1,796,115)	(2,157,211)

10. 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 2020 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;

10. FINANCIAL RISK MANAGEMENT (continued)

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 \$30,000 (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.

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 \$43,000. For further details on interest rate risk refer to the table below.

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10. FINANCIAL RISK MANAGEMENT (continued)

e) Interest Rate Risk

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	Interest Rates:	
		1 year or less	Over 1 year			Fixed	Floating
2020							
Financial Assets							
Cash Assets	3,392,300	923,079	-	846	4,316,225	-	-
Shares	-	-	-	297,109	297,109	-	-
Sundry Debtors	-	-	-	183,158	183,158	-	-
Related Entity Loans	-	-	-	-	-	-	-
Total Financial Assets	3,392,300	923,079	-	481,113	4,796,492	-	-
2019	3,853,001	345,117	-	2,693,125	6,891,243	-	-
2020							
Financial Liabilities							
Trade payables	-	-	-	193,105	193,105	-	-
Other payables	-	-	-	142,318	142,318	-	-
Total Financial Liabilities	-	-	-	335,423	335,423	-	-
2019	-	-	-	358,302	358,302	-	-

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

11. 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 2020) is not expected to be material and will likely not be known until 2021.

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.

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12. RELATED PARTY DISCLOSURES

There are no related party transactions other than remuneration of office holders, as disclosed in Notes 6 and 7 and the following transactions and balances listed below:

	12 Months Ended 31 Mar 2020	12 Months Ended 31 Mar 2019
	\$	\$
Cash flows paid to the CFMEU Construction & General National Office during the year		
- Capitation fees	368,617	379,666
- National campaign levies	179,513	114,870
- Legal cost contribution - litigation	-	8,855
- Dentsu X cost contribution	84,884	-
- Bossman Media cost contribution	78,638	-
- Staff Expense Contribution (Andrea Grivias)	-	2,500
- ACTU Change the rules campaign	-	86,272
- CFMEU National campaign donation	-	86,272
- Moss Group TV Production	-	18,182
Amounts payable to CFMEU Construction & General National Office (GST Inc)		
- Balance payable at year end	81,876	36,121
Cash flows received from CFMEU Construction & General National Office		
- Travel & conference reimbursements	15,461	30,005
Cash flows paid to CFMEU Construction & General Victoria Branch		
- Miscellaneous payments	270	-
Cash flows received from CFMEU Construction & General Victoria Branch		
- WA Conference related	27,976	2,757
Cash flows received from CFMEU Construction & General Queensland Branch		
- WA Conference related	-	795
Cash flows received from CFMEU Construction & General New South Wales Branch		
- WA Conference Related	-	5,514

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12. RELATED PARTY DISCLOSURES (continued)	12 Months Ended 31 Mar 2020	12 Months Ended 31 Mar 2019
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	1,273
Cash flows paid to CFMEU Construction & General ACT Branch		
- Donation	100,000	-
Amounts receivable from Construction Forestry Mining and Energy Union of Workers (CFMEUW)		
- Balance receivable at year end	-	1,702,072
Amounts received from Construction Forestry Mining and Energy Union of Workers (CFMEUW)		
- Loan repayment	1,702,072	-
Amounts payable to Construction Skills Training Centre (CSTC)		
- Balance payable at year end	-	197,550
Amounts receivable from Construction Skills Training Centre (CSTC)		
- Balance receivable at year end	169,191	151,337
Transactions with Construction Skills Training Centre (CSTC)		
- Administration fees owed to CSTC	17,520	17,520
- Administration fees owed from CSTC	68,790	68,790
- Transfer of training levies to CSTC	59,948	47,628
- Payroll tax recovered from CSTC	28,164	52,206
- Loan repayment to CSTC	139,007	-

13. CAPITAL EXPENDITURE COMMITMENTS

There are no capital expenditure commitments for the 12 months ended 31 March 2020.

14. 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.

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.

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14. FAIR VALUE MEASUREMENTS (continued)

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 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	-	-	
<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 2019				
Recurring fair value measurements				
<i>Financial assets</i>				
Available-for-sale financial assets:				
Shares in listed companies/trusts	723,304	-	-	723,304
Total financial assets recognised at fair value	723,304	-	-	723,304
<i>Non-financial assets</i>				
Land and Buildings	-	1,995,000	-	1,995,000
Total non-financial assets recognised at fair value	-	1,995,000	-	1,995,000

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14. FAIR VALUE MEASUREMENTS (continued)

Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 31 March 2020 \$	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.

15. 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 2020.

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 \$6,529 (2019: \$5,500), taxation advice \$4,250 (2019: \$3,950)

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.

16. EVENTS SUBSEQUENT TO BALANCE DATE

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.

With respect to the financial reporting period ended 31 March 2020 the financial statements have been prepared based upon conditions existing as at that date, although adjustments have been made where appropriate for impacts of COVID 19 that have arisen subsequent to that date and which provide further clarity in relation to account balances recorded as at 31 March 2020. There is general consensus that the effects of the COVID 19 outbreak are the result of an event that arose during the reporting period, although its effects have continued to evolve subsequent to year end.

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.

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.

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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 18th August 2020 in relation to the general purpose financial report (GPFR) of the reporting unit for the 12-month financial period ended 31 March 2020:

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 18th day of August 2020.

**AUDITORS REPORT
TO THE MEMBERS OF CONSTRUCTION FORESTRY
MARITIME MINING
AND ENERGY UNION THE CONSTRUCTION AND GENERAL DIVISION – WA BRANCH**

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Construction Forestry Maritime Mining and Energy Union Construction and General Division – WA Branch (the Reporting Unit), which comprises the statement of financial position as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity, the report required under subsection 255(2A) and statement of cash flows for the year ended 31 March 2020, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management 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 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

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

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

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

Responsibilities 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 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 is responsible for assessing the Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

I communicate with the Committee of Management regarding, amongst 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 approved auditor, a member of the Chartered Accountants Australia & 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.

My opinion on the financial report is not modified in respect of these matters.

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

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

Moore Australia

MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS
PERTH

Neil Pace

NEIL PACE
PARTNER
REGISTERED AUDITOR #AA2017/14
AND APPROVED AUDITOR FCA AND HOLDER
OF A CURRENT PUBLIC PRACTICE CERTIFICATE

Signed at Perth this th 7 day of August 2020.

**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 2020 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- and that the full report was presented to and approved by a meeting of the committee of management of the reporting unit on 19th August 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.
- that the full report was provided to members of the reporting unit on 19th August 2020 and
- that the full report was presented to and approved by a General Meeting of members on the 9th September 2020



Michael Buchan
Secretary

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

Dated this 21st day of September 2020.