

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
FINANCIAL REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

CONTENTS

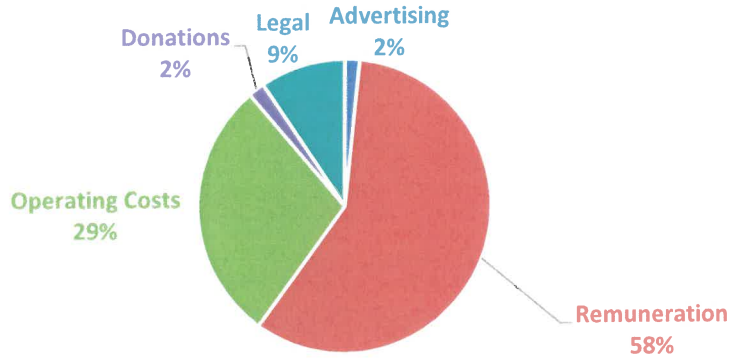
Report required under subsection 255(2A)	2
Operating report	3
Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes of the financial statements	9
Committee of management statement	30
Officer declaration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

THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 MARCH 2024

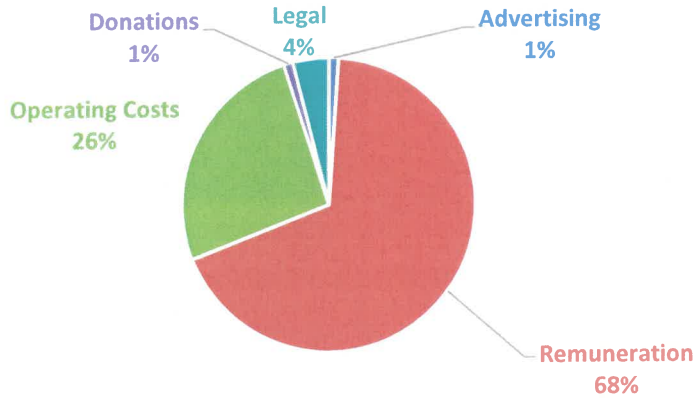
REPORT REQUIRED UNDER SUBSECTION 255(2A)

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 March 2024.

2023 - EXPENDITURE AS REQUIRED UNDER S255(2A) RO ACT



2024 - EXPENDITURE AS REQUIRED UNDER S255(2A) RO ACT



Signature of designated officer: *Robert Graaumanns*
Name and title of designated officer: *Robert Graaumanns President*
Dated: *18/06/2024*

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Operating Report

Introduction

On the 1st of December, 2023 the Construction, Forestry, Maritime, Mining and Energy Union changed its name as a result of the de-amalgamation of the Mining and Energy division. Our union is now called the Construction, Forestry, Maritime, Employees Union Construction and General Division Victorian/Tasmanian Divisional Branch ("CFMEU"). The Union continues its commitment to providing a broad range of services to members and defending members' rights in Victoria and Tasmania.

Principal Activities

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

Financial Position

The Union remains in a secure financial position because office holders have ensured that a "safety net" exists for members both individually and as a union so that our united strength can be defended. The Union's operations resulted in a net surplus of \$18,468,678 for the year ended 31 March 2024 (2023: \$1,403,256). The net surplus for 2024 includes income for the construction of the members health and wellness centre of \$10,972,979, which has been capitalised during the financial year and will be depreciated over its useful life on completion of the construction.

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

Number of Employees

The Union had 114 full time equivalent employees (2023: 106 full time equivalent employees).

Number of Members

The number of members for the year ended 31 March 2024 was 35,846 (2023: 32,242).

Rights of Members

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

Trustee of Superannuation Entity

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 MARCH 2024**

Operating Report (continued)

Office Holders

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

Akbari F	1 April 2023 to 31 March 2024
Albert M	1 April 2023 to 31 March 2024
Balta S	1 April 2023 to 31 March 2024
Beattie B	1 April 2023 to 31 March 2024
Benstead G	1 April 2023 to 31 March 2024
Christopher D	1 April 2023 to 31 March 2024
Cordier A	1 April 2023 to 31 March 2024
Constantinou J	1 April 2023 to 31 March 2024
Farrelly P	1 April 2023 to 31 March 2024
Graauwmans R	1 April 2023 to 31 March 2024
Gritzalis D	1 April 2023 to 31 March 2024
Hassett R	1 April 2023 to 31 March 2024
Harkins K	1 April 2023 to 31 March 2024
Ioannidis A	1 April 2023 to 31 March 2024
Long S	1 April 2023 to 31 March 2024
Lythgo D	1 April 2023 to 31 March 2024
Misic D	1 April 2023 to 31 March 2024
Murphy M	1 April 2023 to 31 March 2024
Myles J	1 April 2023 to 31 March 2024
Myles M	1 April 2023 to 31 March 2024
Perak J	1 April 2023 to 31 March 2024
Perkovic J	1 April 2023 to 31 March 2024
Pitt B	1 April 2023 to 31 March 2024
Raspudic R	1 April 2023 to 31 March 2024
Round P	1 April 2023 to 31 March 2024
Setka J	1 April 2023 to 31 March 2024
Simpson J	1 April 2023 to 31 March 2024
Spernovasilis E	1 April 2023 to 31 March 2024
Theodorou T	1 April 2023 to 31 March 2024
Tomic J	1 April 2023 to 31 March 2024
Zanatta L	1 April 2023 to 31 March 2024

Signed

For and on behalf of the Divisional Branch Management Committee



Robert Graauwmans

Melbourne, 18 June 2024

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 \$	2023 \$
Income			
Revenue from contracts with customers	2	33,795,562	28,949,903
Income for furthering objectives	2	22,467,091	11,544,103
Other Income	2	6,314,377	5,257,197
Total income		62,577,030	45,751,203
Expenses			
Capitation, affiliation, and amalgamation		3,029,937	2,838,192
National Union office campaigns		359,620	1,125,979
Depreciation		1,992,034	1,646,223
Direct employee benefits – office holders	3	5,200,517	4,858,708
Direct employee benefits – office employees	3	17,570,873	14,271,519
Employee related costs (payroll tax, FBT)		3,253,265	2,725,558
Journal costs		1,175,214	931,331
Legal costs	3	1,434,070	3,526,922
Loss on disposal of assets		100,087	97,736
Occupancy		2,080,238	2,911,072
Office and administration		3,524,080	3,549,641
Donations	3	287,668	676,310
Promotional costs		431,349	1,241,881
Other expenses		3,669,400	3,946,875
Total expenses		44,108,352	44,347,947
Surplus for the year		18,468,678	1,403,256
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on revaluation of land and buildings		-	-
Net gain/(loss) on financial assets at fair value through other comprehensive income		956,081	(780,464)
Total comprehensive income for the year		19,424,759	622,792

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024**

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	17(a)	31,326,010	39,141,572
Trade and other receivables	4	1,810,912	727,297
Other financial assets	5	29,401,036	17,681,114
Inventory	6	174,310	110,853
		<u>62,712,268</u>	<u>57,660,836</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	76,900,717	64,698,595
Right-of-use assets	8	330,074	502,287
Intangible assets	9	3,303,330	-
		<u>80,534,121</u>	<u>65,200,882</u>
TOTAL ASSETS		<u>143,246,389</u>	<u>122,861,718</u>
CURRENT LIABILITIES			
Trade and other payables	10	6,590,723	3,348,425
Contract liabilities	11	15,528,883	19,348,829
Provisions	12	14,340,376	12,639,745
Lease liabilities	8	158,063	149,116
		<u>36,618,045</u>	<u>35,486,115</u>
NON-CURRENT LIABILITIES			
Lease liabilities	8	166,735	338,753
		<u>166,735</u>	<u>338,753</u>
TOTAL LIABILITIES		<u>36,784,780</u>	<u>35,824,868</u>
NET ASSETS		<u>106,461,609</u>	<u>87,036,850</u>
MEMBERS' FUNDS			
Accumulated members funds		93,696,419	75,227,741
Reserves		12,765,190	11,809,109
TOTAL MEMBERS' FUNDS		<u>106,461,609</u>	<u>87,036,850</u>

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2024**

	Accumulated Members Funds \$	Asset Revaluation Reserve (i) \$	Financial Assets Reserve (ii) \$	Total \$
Balance at 31 March 2022	73,824,485	11,174,842	1,414,731	86,414,058
Surplus for the year	1,403,256	-	-	1,403,256
Other comprehensive income	-	-	(780,464)	(780,464)
Total comprehensive income	1,403,256	-	(780,464)	622,792
Balance at 31 March 2023	75,227,741	11,174,842	634,267	87,036,850
Surplus for the year	18,468,678	-	-	18,468,678
Other comprehensive income	-	-	956,081	956,081
Total comprehensive income	18,468,678	-	956,081	19,424,759
Balance at 31 March 2024	93,696,419	11,174,842	1,590,348	106,461,609

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

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

THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 \$	2023 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and customers		39,228,143	37,790,079
Receipts from other reporting units	17(c)	665,471	157,614
Operating grant receipts		17,546,508	18,311,218
Rent received		745,621	900,413
Interest and dividends received		1,644,048	323,087
Payments to suppliers and employees		(31,442,466)	(40,068,950)
Payments to other reporting units	17(c)	(7,862,237)	(3,340,012)
Net cash provided by operating activities	17(b)	<u>20,525,088</u>	<u>14,073,449</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(14,284,446)	(1,743,132)
Proceeds from sale of property, plant and equipment		198,215	166,118
Payment for intangible assets		(3,303,330)	-
Net payments for investments in financial assets		<u>(10,763,841)</u>	<u>(6,995,169)</u>
Net cash used in investing activities		<u>(28,153,402)</u>	<u>(8,572,183)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	8	<u>(187,248)</u>	<u>(60,336)</u>
Net cash used in investing activities		<u>(187,248)</u>	<u>(60,336)</u>
Net (decrease)/increase in cash held		(7,815,562)	5,440,930
Cash and cash equivalents at beginning of financial year		<u>39,141,572</u>	<u>33,700,642</u>
Cash and cash equivalents at end of financial year	17(a)	<u><u>31,326,010</u></u>	<u><u>39,141,572</u></u>

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The financial report is for CFMEU Construction and General Division Victorian and Tasmanian Divisional Branch as an individual entity for the year ended 31 March 2024. The CFMEU is an organisation committed to providing a broad range of services to members and defending their rights. The registered office and principal place of operation is 540 Elizabeth Street, Melbourne, Victoria and 196 Campbell Street, Hobart for the Tasmanian division.

Statement of Compliance

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

Compliance with IFRS

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

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

Statement of Significant Accounting Policies

Basis of Preparation

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

New or amended Accounting Standards and Interpretations adopted

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

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

A. Income Tax

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

B. Goods and Services Tax

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

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

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

C. Property, Plant and Equipment

(i) Impairment of Assets

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

(iii) Property

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Fair value is determined on the basis of an independent valuation prepared by external valuation experts. The fair values are recognised in the financial statements and are reviewed at the end of each reporting period to ensure that the carrying value of land and buildings is not materially different from their fair values.

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

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

(iv) Plant and Equipment

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

Depreciation is provided on a diminishing value method.

Depreciation rates used are as follows:

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

D. Leases

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

The Union as a lessee

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

Right-of-use assets

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

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

D. Leases (cont'd)

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

E. Intangibles

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

F. Other Financial Assets

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

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

(i) Trade and Other Receivables

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

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

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

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

F. Other Financial Assets (cont'd)

(iii) Impairment of financial assets

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

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

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

G. Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

H. Employee Benefits

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

I. Cash and Cash Equivalents

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

J. Inventories

Finished goods are stated at lower of cost and net realisable value on a 'first in first out' basis. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

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

K. Trade and Other Payables

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

L. Revenue and income

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

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

L. Revenue and income (cont'd)

Revenue from contracts with customers

Where the Union has a contract with a customer, the Union recognises revenue when or as it transfers control of goods or services to the customer. The Union accounts for an arrangement as a contract with a customer if the following criteria are met:

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

Membership subscriptions

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

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

If there is more than one distinct good or service promised in the membership subscription, the Union allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Union at their standalone selling price, the Union accounts for those sales as a separate contract with a customer.

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

Consideration is received by the Union to enable the entity to further its objectives. The Union recognises each of these amounts of consideration as income when the consideration is received (which is when the Union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union's recognition of the cash contribution does not give to any related liabilities.

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

- Grant income

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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

L. Revenue and income (cont'd)

Rental income

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

Grant income

Grant income will be recognised as revenue when received (which is when the Union obtains control of the cash) unless the grant is to construct a non-financial asset, or has performance obligations which are sufficiently specific to allow recognition to be deferred income (which is the point in time when the Union receives approval from the grantor).

Other income

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

M. Acquisition of Assets and or Liabilities

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

N. Information to be provided to members or Commissioner

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

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

O. Critical Accounting Estimates

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

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

P. Going Concern

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

The Union has agreed to provide the South Australia branch with financial support to ensure they can continue on a going concern basis. This agreed financial support is to continue until the end of the next term being 31 December, 2028.

Q. Comparative Figures

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

		2024	2023
		\$	\$
2 REVENUE AND INCOME			
Revenue from contracts with customers			
Membership subscriptions		32,533,753	27,782,826
Membership levies		646,476	567,981
Training fees		389,059	337,413
EBA processing fee		226,274	261,683
Total revenue from contracts with customers		<u>33,795,562</u>	<u>28,949,903</u>
Income for furthering objectives			
Grant income		22,467,091	11,544,103
Total income for further objectives		<u>22,467,091</u>	<u>11,544,103</u>
Other Income			
Net gains from sale of assets		35,799	21,307
Interest income		1,644,048	323,087
Rental income		745,621	900,413
Donations		-	550
Other income		3,888,909	4,011,840
Total other income		<u>6,314,377</u>	<u>5,257,197</u>
Total income		<u><u>62,577,030</u></u>	<u><u>45,751,203</u></u>

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 \$	2023 \$
3 ITEMS INCLUDED IN SURPLUS		
Surplus has been determined after charging as expenses:		
Depreciation of property, plant and equipment	1,819,821	1,602,162
Depreciation of right-of-use assets	172,213	44,061
Capitation fees – CFMEU – C&G National Office	2,527,324	2,272,169
Consultancy fees	2,040,994	2,362,481
Loss on disposal of assets	100,087	97,736
Meeting of members or council expenses (including room hire)	550	6,002
Conferences and meetings attendance expenses	177,442	94,809
Affiliation fees		
ALP Tasmanian Branch	2,345	2,356
Australia Asia Workers Links	-	3,000
Australian Labour Party	167,142	151,037
Ballarat Trades Hall	5,009	2,976
Bendigo Trades Hall Council	1,190	967
BWI-Building & Wood Workers	50,315	41,847
Community Radio Federation Ltd	3,500	3,500
Geelong Trades Hall Council	12,474	11,760
Gippsland Trades and Labour Council	11,687	6,469
Goulburn Valley Trades & Labour	1,200	1,200
North East & Border Trades & Labour	1,408	1,078
South West Trades & Labour	1,053	1,404
Sunraysia Trades & Labour Council	585	780
Victorian Trades Hall Council	239,073	332,691
Tasmanian Trades and Labour Council	5,632	4,958
	502,613	566,023
Donations		
\$1,000 and less	2,625	2,023
Greater than \$1,000	285,043	674,287
	287,668	676,310
Legal fees		
Litigation	875,029	2,618,730
Penalties	449,990	733,500
Other	109,051	174,692
	1,434,070	3,526,922

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	\$	\$
3 ITEMS INCLUDED IN SURPLUS (CONT'D)		
Employee benefits – office holders		
Wages and salaries	4,056,918	4,294,823
Superannuation	495,030	479,769
Leave entitlements	4,821	(126,395)
Separation and redundancies	643,748	210,511
	<u>5,200,517</u>	<u>4,858,708</u>
 Employee benefits – office employees		
Wages and salaries	14,400,205	13,232,249
Superannuation	1,717,133	1,486,920
Leave entitlements	1,359,914	(389,597)
Separation and redundancies	93,621	(58,053)
	<u>17,570,873</u>	<u>14,271,519</u>
 Remuneration of the auditors:		
Audit of financial report		
Current year-Vic Tas Branch	79,500	75,000
Grant and other audits	37,633	49,477
South Australia Branch Audit paid by CFMEU VIC/TAS	42,341	-
	<u>159,474</u>	<u>124,477</u>
 4 TRADE AND OTHER RECEIVABLES		
Trade debtors	450,904	95,775
Accrued income	565,760	277,158
Deposits paid	223,403	53,707
Prepayments	570,845	300,657
	<u>1,810,912</u>	<u>727,297</u>
 Included in trade debtors:		
Receivables from other reporting units		
CFMEU - Manufacturing Division	42,696	75,509
CFMEU National Office	16,456	144,966
Building Industry 2000	-	752
Total receivable from other reporting units	<u>59,152</u>	<u>221,227</u>

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	\$	\$
5 OTHER FINANCIAL ASSETS		
Current		
Financial assets at fair value through other comprehensive income	11,901,036	10,681,114
Amortised cost financial assets	17,500,000	7,000,000
	29,401,036	17,681,114
6 INVENTORIES		
Current		
Finished goods – at cost	174,310	110,853
	174,310	110,853
7 PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
Freehold land at fair value	33,289,463	32,370,000
	33,289,463	32,370,000
Buildings at fair value	40,606,109	29,450,000
Less: Accumulated depreciation	(1,995,072)	(1,132,859)
	38,611,037	28,317,141
Improvement at cost	197,451	115,370
Less: Accumulated depreciation	(8,033)	(3,743)
	189,418	111,627
Total land and buildings	72,089,918	60,798,768

The revaluations of land and buildings were based on the assessment of their current market value, subject to vacant possession. The independent revaluations were carried out by Sutherland Farrelly and Knight Frank. The effective date of the latest revaluation was November 2021. The valuations were made in accordance with a regular policy of obtaining independent valuation of land and buildings a maximum of every three years or as required ensuring that requirements of accounting standards regarding fair value basis of valuation are met. Refer to Note 15 for further details.

Included within Buildings is \$10,972,979 of construction in progress for the health and wellness centre. The union has contractual construction commitments for the completion of the health and wellness centre of \$28,700,000.

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	\$	\$
7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
Plant and Equipment		
Plant and equipment	1,076,880	832,369
Less: Accumulated depreciation	<u>(372,129)</u>	<u>(366,909)</u>
	<u>704,751</u>	<u>465,460</u>
Training equipment	5,268,752	5,380,251
Less: Accumulated depreciation	<u>(4,512,912)</u>	<u>(4,615,924)</u>
	<u>755,840</u>	<u>764,327</u>
Computer equipment	896,071	1,030,610
Less: Accumulated depreciation	<u>(637,608)</u>	<u>(838,293)</u>
	<u>258,463</u>	<u>192,317</u>
Furniture and fittings	616,251	502,951
Less: Accumulated depreciation	<u>(260,277)</u>	<u>(211,006)</u>
	<u>355,974</u>	<u>291,945</u>
Motor vehicles	4,185,149	3,487,190
Less: Accumulated depreciation	<u>(1,449,378)</u>	<u>(1,301,412)</u>
	<u>2,735,771</u>	<u>2,185,778</u>
Total plant and equipment	<u><u>4,810,799</u></u>	<u><u>3,899,827</u></u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u><u>76,900,717</u></u>	<u><u>64,698,595</u></u>

THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Movement in carrying amounts

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

31 March 2023

	Land and buildings	Improvements	Plant and equipment	Training equipment
Carrying amount at the beginning of the year	61,524,545	53,254	451,598	666,396
Additions	-	60,879	84,484	303,159
Disposals	-	-	(1,594)	(29,945)
Transfers	-	-	-	-
Revaluations	-	-	-	-
Depreciation expense	(837,404)	(2,506)	(69,028)	(175,283)
Carrying amount at the end of the year	60,687,141	111,627	465,460	764,327

	Motor vehicles	Furniture and fittings	Computer equipment	Total
Carrying amount at the beginning of the year	1,587,817	313,850	202,712	64,800,172
Additions	1,181,746	28,173	84,691	1,743,132
Disposals	(210,999)	-	(9)	(242,547)
Transfers	-	-	-	-
Revaluations	-	-	-	-
Depreciation expense	(372,786)	(50,078)	(95,077)	(1,602,162)
Carrying amount at the end of the year	2,185,778	291,945	192,317	64,698,595

31 March 2024

	Land and buildings	Improvements	Plant and equipment	Training equipment
Carrying amount at the beginning of the year	60,687,141	111,627	465,460	764,327
Additions	12,075,572	82,081	361,048	187,822
Disposals	-	-	(26,230)	(24,298)
Transfers	-	-	-	-
Revaluations	-	-	-	-
Depreciation expense	(862,213)	(4,290)	(95,527)	(172,011)
Carrying amount at the end of the year	71,900,500	189,418	704,751	755,840

	Motor vehicles	Furniture and fittings	Computer equipment	Total
Carrying amount at the beginning of the year	2,185,778	291,945	192,317	64,698,595
Additions	1,276,854	114,100	186,969	14,284,446
Disposals	(192,439)	(298)	(19,238)	(262,503)
Transfers	-	-	-	-
Revaluations	-	-	-	-
Depreciation expense	(534,422)	(49,773)	(101,585)	(1,819,821)
Carrying amount at the end of the year	2,735,771	355,974	258,463	76,900,717

THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	\$	\$
8 LEASES		
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:		
Plant and equipment	516,638	516,638
Depreciation expense	(186,564)	(14,351)
Right-of-use assets	330,074	502,287

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

Lease liability	487,869	28,393
Additions	-	516,638
Accretion of interest	24,177	3,174
Payments	(187,248)	(60,336)
Lease liability	324,798	487,869

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

9 INTANGIBLE ASSETS

Software	3,303,330	-
----------	-----------	---

At 31 March 2024, the branch has made a capital expenditure commitment to CFMEU C&G National Office for \$10,171,180 (total cost for branch). The AS400 Modernisation Project is a complete redevelopment of the membership database system which will take up to 5 years to complete. During the year, the branch has paid \$3,303,330 to the CFMEU C&G National Office towards the AS400 Modernisation Project. The intangible recognised for this project is in relation to development costs incurred of the membership database system which have been capitalised and recognised as an intangible asset. Once the new membership database system is complete and in use, it will be amortised on a straight-line basis over the period of expected benefit. No amortisation has been recognised in the year-ended 31 March 2024 on the basis that the membership system was not ready for use at year-end.

10 TRADE AND OTHER PAYABLES

Trade creditors	2,182,573	2,270,306
Sundry creditors and accruals	4,081,526	660,629
GST payable	326,624	417,490
	6,590,723	3,348,425

Included in trade creditors:

Trade payables to other Reporting Units		
CFMEU – Mining & Energy (Morwell)	11,757	11,305
CFMEU – C&G National Office	265,954	444,516
	277,711	455,821

Legal fees payable included in trade creditors

Litigation	41,024	151,966
Penalties	36,600	-
Other legal matters	5,290	-
	82,914	151,966

Included in accruals:

Accruals to other Reporting Units		
CFMEU – C&G National Office	29,943	-
	29,943	-

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 \$	2023 \$
10 TRADE AND OTHER PAYABLES (CONT'D)		
Legal fees payable included in accruals:		
Other	3,185	-
Litigation	-	3,870
The carrying amount of accounts payable approximates fair value.		
11 CONTRACT LIABILITY		
Deferred Membership subscriptions	8,396,199	7,584,164
Other revenue received in advance	7,132,684	11,764,665
	15,528,883	19,348,829

Contract Liability recognised in the reporting period is \$15,528,883, consisting of deferred membership subscriptions and other revenue received in advance, being mainly the grant instalments for the development of the Wellness Centre offset by the portion of revenue recognised in the financial year.

12 PROVISIONS		
Provision for employee entitlements:		
Provision for annual leave – Office Holders	571,160	683,600
Provision for annual leave – Other Employees	1,880,039	1,606,932
Provision for sick leave – Office Holders	163,832	156,789
Provision for sick leave – Other Employees	389,314	319,039
Provision for long service leave – Office Holders	1,320,057	1,219,532
Provision for long service leave – Other Employees	2,279,869	1,263,337
Provision for redundancy – Office Holders	3,250,952	2,607,204
Provision for redundancy – Other Employees	2,850,813	2,757,192
Total Employee Provisions	12,706,036	10,613,625
Provision for legal costs	1,634,340	2,026,120
TOTAL PROVISIONS	14,340,376	12,639,745
Included in provision for legal costs:		
Litigation	1,634,340	2,026,120
	1,634,340	2,026,120

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

The Union is assisting with the administration of the CFMEU South Australia branch. Two elected officials of the DBMC are acting as President and Secretary of the CFMEU South Australian branch. Salaries and wages related to these activities have been borne by the Union and related costs of \$1,440,757 have been expensed.

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

Building Industry 2000 Plus Pty Ltd:		
- Received	1,671	2,701

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

- Trade debtors	-	752
-----------------	---	-----

Building Industry 2000 Plus Pty Ltd ("BI2000PPL") is a public company limited by guarantee of which a current DBMC elected official (Mr John Setka) and a retired elected official (Mr Ralph Edwards) and are acting in the capacity of directors as well as being members of the company.

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

14 FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

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

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

	2024	2023
	\$	\$
Risk Exposures and Response		
Financial assets		
Cash and cash equivalents	31,326,010	39,141,572
Trade and other receivables	1,810,912	727,297
Amortised cost investments	17,500,000	7,000,000
Financial assets at fair value through other comprehensive income	11,901,036	10,681,114
Total financial assets	62,537,958	57,549,983
Financial Liabilities		
Trade and other payables	6,590,723	3,348,425
Lease liabilities	324,798	487,869
Total financial liabilities	6,915,521	3,836,294
Net exposure	55,622,437	53,713,689

Credit Risk

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

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

14 FINANCIAL INSTRUMENTS (CONT'D)

Foreign Currency Risk

Both the functional and presentation currency of CFMEU is in Australian dollars (A\$).
The Union's exposure to foreign currency risk is minimal.

Interest Rate Risk

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

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

Maturing in	1 month or less	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Non- interest bearing	Total	Weighted average effective interest rate
	\$	\$	\$	\$	\$	\$	%
2023							
<i>Financial assets</i>							
Cash	34,714,212	3,000,000	-	-	1,427,360	39,141,572	0.59
Trade and other receivables	-	-	-	-	727,297	727,297	-
Investments	-	-	7,000,000	-	10,681,114	17,681,114	4.37
	<u>34,714,212</u>	<u>3,000,000</u>	<u>7,000,000</u>	<u>-</u>	<u>12,835,771</u>	<u>57,549,983</u>	
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	3,348,425	3,348,425	-
Lease liabilities	13,229	26,652	109,235	338,753	-	487,869	6.00
	<u>13,229</u>	<u>26,652</u>	<u>109,235</u>	<u>338,753</u>	<u>3,348,425</u>	<u>3,836,294</u>	
2024							
<i>Financial assets</i>							
Cash	13,980,760	5,000,000	-	-	12,345,250	31,326,010	3.02
Trade and other receivables	-	-	-	-	1,810,912	1,810,912	-
Investments	-	-	17,500,000	-	11,901,036	29,401,036	5.34
	<u>13,980,760</u>	<u>5,000,000</u>	<u>17,500,000</u>	<u>-</u>	<u>26,057,198</u>	<u>62,537,958</u>	
<i>Financial liabilities</i>							
Trade and other payables	-	-	-	-	6,590,723	6,590,723	-
Lease liabilities	14,023	28,251	115,789	166,735	-	324,798	6.00
	<u>14,023</u>	<u>28,251</u>	<u>115,789</u>	<u>166,735</u>	<u>6,590,723</u>	<u>6,915,521</u>	

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date. For the year ending 31 March 2024, if interest rates had moved, as illustrated in table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Net profit		Net assets	
	2024	2023	2024	2023
	\$	\$	\$	\$
+ 1% (100 basis points)	485,012	456,537	485,012	456,537
- 0.5% (50 basis points)	242,506	228,269	242,506	228,269

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

15 FAIR VALUE MEASUREMENTS

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

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

The fair value hierarchy consists of the following levels:

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

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

31 March 2023	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>				
Financial assets at fair value through other comprehensive income (Note 5)				
- Investments in managed investment schemes	-	10,681,114	-	10,681,114
	-	10,681,114	-	10,681,114
<i>Non-financial assets</i>				
Land and building (Note 7)	-	-	60,798,768	60,798,768
	-	-	60,798,768	60,798,768
31 March 2024	Level 1	Level 2	Level 3	Total
<i>Financial assets</i>				
Financial assets at fair value through other comprehensive income (Note 5)				
- Investments in managed investment schemes	-	11,901,036	-	11,901,036
	-	11,901,036	-	11,901,036
<i>Non-financial assets</i>				
Land and building (Note 7)	-	-	72,089,918	72,089,918
	-	-	72,089,918	72,089,918

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	\$	\$
15 FAIR VALUE MEASUREMENTS (CONT'D)		
<i>Reconciliation of Level 3 fair value movements</i>		
Financial assets		
Carrying amount at the beginning of the period	-	1,682
Disposals	-	(1,682)
Carrying amount at the end of the period	-	-
 <i>Land and building</i>		
Carrying amount at the beginning of the period	60,798,768	61,577,799
Additions	12,157,653	60,879
Revaluations	-	-
Amortisation for the period	(866,503)	(839,910)
Carrying amount at the end of the period	72,089,918	60,798,768

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

(a) Recurring fair value measurement

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

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

Specific valuation techniques used to value financial instruments include:

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

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

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

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

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

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

15 FAIR VALUE MEASUREMENTS (CONT'D)

Description	Fair value at 31 March 2024	Unobservable inputs	Range of inputs
<i>Freehold land and building</i>			
4/31 Sabre Drive, Port Melbourne, Victoria	\$1,800,000	Direct sales comparison approach supported by the capitalisation of income approach	Building value rates per square metre
15/36 Sabre Drive, Port Melbourne, Victoria	2,242,592	Direct sales comparison approach	Building value rates per square metre
8/41 Sabre Drive, Port Melbourne, Victoria	\$1,520,000	Direct sales comparison approach supported by the capitalisation of income approach	Building value rates per square metre
9/41 Sabre Drive, Port Melbourne, Victoria	\$1,800,000	Direct sales comparison approach supported by the capitalisation of income approach	Building value rates per square metre
10/41 Sabre Drive, Port Melbourne, Victoria	\$1,800,000		
1-7 Wharf Road, Port Melbourne, Victoria	\$11,400,000	Direct sales comparison approach supported by the capitalisation of income approach	Land value rates per square metre
11 Wharf Road, Port Melbourne, Victoria	\$7,000,000	Direct sales comparison approach	Building value rates per square metre
532 Elizabeth Street, Melbourne, Victoria	\$14,332,980	Capitalisation of income approach supported by the direct sales comparison approach	Building value rates per square metre
540 Elizabeth Street, Melbourne, Victoria	\$32,000,000	Capitalisation of income approach supported by the direct sales comparison approach	Building value rates per square metre

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024	2023
	\$	\$
16 KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-term employee benefits	3,241,260	3,463,936
Post-employment benefits	352,215	358,643
Other long-term employment benefits	697,590	638,085
Termination benefits	-	119,702
Total	4,291,065	4,580,366

The names of the Division Branch Management Committee who were elected and held office during the financial period ended 31 March 2024 are:

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

	2024	2023
	\$	\$
17 CASH FLOW INFORMATION		
(a) Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	5,760	4,459
Cash at bank	5,019,574	31,491,848
Short-term term deposits	26,300,676	7,645,265
	31,326,010	39,141,572

Fund / account operated in respect to compulsory levies or voluntary contributions are \$Nil (2023: \$Nil).

Training unit account operated (other than general fund) for the purpose of receiving grants and other training fees are \$208,863 (2023: \$25,163,170).

Transfers or withdrawals to a fund, account or controlled entity operated for a special purpose is \$Nil (2023: \$Nil).

(b) Reconciliation of cash flow from operations surplus		
Net surplus	18,468,678	1,403,256
Depreciation	1,992,034	1,646,223
Profit/(Loss) on disposal of property, plant & equipment	64,288	76,429
(Increase)/Decrease in trade and other receivables	(1,083,615)	(97)
(Increase)/Decrease in inventory	(63,457)	(6,052)
Increase/(Decrease) in trade and other payables	3,266,475	1,613,983
Increase/(Decrease) in deferred revenue	(3,819,946)	9,215,418
Increase/(Decrease) in provisions	1,700,631	124,289
Net cash provided by operating activities	20,525,088	14,073,449

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
NOTES TO FINANCIAL STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 \$	2023 \$
17 CASH FLOW INFORMATION (CONT'D)		
(c) Cash flow to/from other reporting units		
Cash inflows		
CFMEU C & G Division - National Office	83,379	96,427
CFMEU National Office	211,613	58,302
CFMEU Mining and Energy (Morwell)	4,153	2,885
CFMEU ACT	16,824	-
CFMEU Manufacturing Division	32,813	-
CFMEU NSW	151,674	-
CFMEU South Australia	17,597	-
CFMEU Queensland	99,946	-
CFMEU Western Australia	47,472	-
Total cash inflows	665,471	157,614
Cash outflows		
CFMEU C & G Division - National Office	7,814,881	2,802,028
CFMEU National Office	1,684	37,076
CFMEU Manufacturing Division	-	452,799
CFMEU Mining and Energy (Morwell)	45,672	38,109
CFMEU Queensland	-	10,000
Total cash outflows	7,862,237	3,340,012

18 CONTINGENT LIABILITY

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

19 COMMITMENTS AND CONTINGENCIES

Other than the commitments disclosed within Intangible assets and Property, Plant and Equipment, there were no further commitments and contingencies at the date of this report.

20 EVENTS SUBSEQUENT TO BALANCE DATE

Following balance date, CFMEU has arranged a bank guarantee for a new classroom lease. The terms of the lease required a bank guarantee for \$880,723 to be entered into subsequent to year end in May 2024.

No other events or circumstances have arisen since the end of the financial period 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 the future financial periods.

21 UNION DETAILS

The principal place of business of the Union is:

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

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

On the 18th of June, 2024 the Divisional Branch Management Committee of The Construction, Forestry, Maritime, Employees Union Construction and General Division Victorian and Tasmanian Divisional Branch ("the reporting unit") passed the following resolution in relation to the general purpose financial report ("GPFR") for the year ended 31 March 2024:

The Divisional Branch Management Committee declares that in its opinion:

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

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



Theo Theodorou
DBMC

Steven Balta
DBMC



18th of June, 2024

**THE CONSTRUCTION, FORESTRY, MARITIME, EMPLOYEES UNION
CONSTRUCTION AND GENERAL DIVISION
VICTORIAN/TASMANIAN DIVISIONAL BRANCH
OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024**

I, Robert Graauwmans being the President of the Construction, Forestry, Maritime, Employees Union Construction and General Division Victorian and Tasmanian Divisional Branch declare that the following activities did not occur during the reporting period ending 31 March 2024.

The reporting unit did not:

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



Robert Graauwmans
DBMC Member

18th of June, 2024

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Construction, Forestry, Maritime, Employees Union Construction and General Division Victorian/Tasmanian Divisional Branch (the reporting unit), which comprises the statement of financial position as at 31 March 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report and the officer declaration statement.

In our opinion the accompanying financial report of Construction, Forestry, Maritime, Employees Union Construction and General Division Victorian/Tasmanian Divisional Branch, presents fairly, in all material respects the reporting unit's financial position as at 31 March 2024 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

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

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

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

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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

This description forms part of our auditor's report.

Declaration by the auditor

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

BDO Audit Pty Ltd



Elizabeth Blunt
Director

Melbourne

18 June 2024

Registration number (as registered under the RO Act) : AA2021/34