FAIR WORK AUSTRALIA

12 July 2012

Mr Michael O'Connor
Divisional Secretary, Forestry and Furnishing Products Division
CFMEU
148-152 Miller Street
WEST MELBOURNE VIC 3003

FILE COPY

Dear Mr O'Connor

Re: Lodgement of Financial Accounts and Statements – CFMEU, Forestry and Furnishing Products Division – for year ending 31 December 2011 (FR2011/2848)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 25 June 2012.

The documents have been filed.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice Branch

cc. Mr Barry Disken, Financial Controller

Terrace Towers
80 William Street
East Sydney NSW 2011

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FR2011/2848

CFMEU

CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION

FORESTRY & FURNISHING PRODUCTS DIVISION

22 June 2012

Mr S Kellett
Fair Work Australia
Level 8
80 William Street
East Sydney NSW 2011

RECEIVED
25 JUN 2012
FAIR WORK AUSTRALIA
NEW SOUTH WALES

Dear Stephen

Re: CFMEU FFPD Financial Statements for year ended 31 December 2011

Please find enclosed the signed CFMEU FFPD Financial Statements for the year ended 31 December 2011 and Certificate by Secretary or Prescribed Designated Officer.

Yours sincerely

B. Disken

Barry Disken
Financial Controller

National Office
ABN 34 183 611 895

148 – 152 Miller Street
WEST MELBOURNE
VICTORIA 3003

PH: (03) 9274 9200
FAX: (03) 9274 9284

Freecall: 1800 060 556

Email: admin@cfmeuffpd.org

CERTIFICATE BY SECRETARY OR PRESCRIBED DESIGNATED OFFICER

S268 Fair Work (Registered Organisations) Act 2009

I, Michael O'Connor prescribed designated officer, certify that the enclosed documents lodged, consisting of the general purpose financial report of the Construction, Forestry, Mining & Energy Union Forestry, Furnishing, Building Products and Manufacturing Division for the year ended 31 December 2011.

- are copies of the documents provided to members from 29 May 2012.
- were subsequently presented to a meeting in accordance with section 266, being a meeting of committee of management held on 20 June 2012.

National Secretary
Construction, Forestry, Mining & Energy Union
Forestry, Furnishing, Building Products and Manufacturing Division

Date 22 June 2012

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Committee of management (here and thereafter referred to as the Divisional Executive) present their Operating Report on the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and controlled entity, (the Reporting Unit) for the financial year ended 31 December 2011.

Principal Activities

The principal activities of the reporting unit during the past year fell into the following categories:

- Implementation of the decisions of the Divisional Executive and National Conference.
- Implementation of the reporting unit's organising agenda, including direct assistance and strategic advice on particular industry sector or site organising projects, the training and development of officials and assistance to Districts on planning, resourcing and conducting campaigns.
- Industrial support including representation of membership grievances, research, interpretation and advice on legal and legislative matters, and advocacy before industrial tribunal.
- Facilitation of communication within and between the Districts including the National Journal and website.
- Pursuing relevant change to the conditions of eligibility rules of the Union, and responding to other unions' rules applications where they impact on membership of FFPD.
- The interpretation and administration of Awards and Agreements, and making applications to vary Awards on behalf of Districts to upgrade or amend them.
- Management of information technology and strategic membership system designs to support organising.
- Involvement in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to FFPD members.

Operating Result

The operating loss of the consolidated group for the financial year was $4,739 (2010: Profit $111,131). No provision for tax was necessary as the Union is exempt from income tax.

Significant Changes

There were no significant changes in the nature of activities of the consolidated group during the year.

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the reporting unit, the results of those operations, or the state of affairs of the reporting unit in future financial years.

Rights of Members

Subject to the union's rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members of the Union have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Union.

The right of members to resign from the Union is set out in Rule 12 of the Rules of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and controlled entity.

OPERATING REPORT
Continued

Superannuation Officeholders

Alex Millar is the FFPD National Senior Vice President of the Union and Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd

Michael O'Connor is the FFPD National Secretary of the Union, the CFMEU National Office Secretary and Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd

David Kirner is a FFPD National Trustee of the Union,. and Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd
- BIRST

Frank Vari is a FFPD National Vice President of the Union and Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd

Kevin Millie is the Director of the Superannuation Trustee Company:
- FIRST Superannuation Pty Ltd

No other officer or member of the Union acts:

(i) as a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

(ii) as a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

OPERATING REPORT
Continued

Other Prescribed Information
In accordance with Regulation 159 of the Fair Work (Registered Organisations) Regulations 2009:

(a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under section 244 of the Fair Work (Registered Organisations) Act 2009 was 7,121.

(b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 41.

(c) The names of each person who have been a member of the Divisional Executive of the Union at any time during the reporting period, and the period for which he or she held such a position were:

Name	Position
Jane Calvert	FFPD National President
Alex Millar	FFPD National Senior Vice President
Craig Smith	FFPD National Vice President
Frank Vari	FFPD National Vice President
Michael O'Connor	FFPD National Secretary
Leo Skourdoumbis	FFPD National Assistant Secretary
Kenneth Fraser	FFPD National Trustee
David Kirner	FFPD National Trustee
Kenneth Miller	FFPD National Trustee (Resigned 20 December 2011)
Scott McLean	FFPD National Trustee (Terminated 22 December 2011)
Bradley Coates	FFPD National Executive Member
Damian Cooke	FFPD National Executive Member
Kim Mason	FFPD National Executive Member
Cliff Palmer	FFPD National Executive Member

Divisional Executive Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Divisional Executive:

Jane Calvert

Jane Calvert – FFPD National President

Michael O'Connor – FFPD National Secretary

Melbourne 18 May 2012

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		$	$	$	$
Revenue	4	6,932,570	6,543,624	6,789,798	6,542,699
Administration expense	5	(1,137,774)	(918,312)	(1,129,276)	(913,655)
Affiliation fees, compulsory levies and sustentation fees	5	(266,366)	(269,654)	(266,366)	(269,654)
Bad debts		674	(37,216)	674	(37,216)
Depreciation expense	5	(210,992)	(192,143)	(158,028)	(140,508)
Employee benefits expense	5	(3,996,488)	(3,724,606)	(3,996,488)	(3,723,659)
Doubtful debts provision		-	37,347	(64,140)	37,347
Interest paid		(32,870)	(28,826)	(22,500)	(19,932)
Loss on sale of fixed assets		(6,850)	(939)	(659)	(939)
Motor vehicle expense		(372,539)	(351,906)	(372,539)	(351,906)
Occupancy expense		(255,430)	(238,076)	(218,731)	(204,539)
Provision for impairment		-	-	92,190	(98,745)
Telephone and facsimile expense		(132,125)	(176,111)	(132,125)	(176,111)
Travel expense		(526,549)	(529,968)	(526,549)	(529,968)
Other expenses		-	(2,083)	-	(2,083)
Profit/(loss) before income tax expense		(4,739)	111,131	(4,739)	111,131
Income tax expense	1(a)				
Net profit/(loss) attributable to members		(4,739)	111,131	(4,739)	111,131
Other comprehensive income		-	-	-	-
Total comprehensive income		(4,739)	111,131	(4,739)	111,131

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		$	$	$	$
CURRENT ASSETS					
Cash and cash equivalents	6	3,608,726	3,905,945	3,605,807	3,886,074
Trade and other receivables	7	320,983	85,550	319,758	91,261
Prepayments	8	60,312	62,984	60,312	52,907
TOTAL CURRENT ASSETS		3,990,021	4,054,479	3,985,877	4,030,242
NON-CURRENT ASSETS					
Trade and other receivables	7	-	-	2,633,820	2,668,187
Property, plant and equipment	9	3,729,561	3,702,279	896,143	813,376
Financial assets	10	133,911	128,697	126,900	123,337
TOTAL NON-CURRENT ASSETS		3,863,472	3,830,976	3,656,863	3,604,900
TOTAL ASSETS		7,853,493	7,885,455	7,642,740	7,635,142
CURRENT LIABILITIES					
Trade and other payables	11	1,193,127	1,220,426	1,227,374	1,215,113
Short term provisions	12	1,031,479	1,141,833	1,031,479	1,141,833
TOTAL CURRENT LIABILITIES		2,224,606	2,362,259	2,258,853	2,356,946
NON-CURRENT LIABILITIES					
Long term provisions	12	187,057	76,627	187,057	76,627
Trade and other payables	13	695,000	695,000	450,000	450,000
TOTAL NON-CURRENT LIABILITIES		882,057	771,627	637,057	526,627
TOTAL LIABILITIES		3,106,663	3,133,886	2,895,910	2,883,573
NET ASSETS		4,746,830	4,751,569	4,746,830	4,751,569
EQUITY					
Retained earnings		4,746,830	4,751,569	4,746,830	4,751,569
TOTAL EQUITY		4,746,830	4,751,569	4,746,830	4,751,569

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	PPW Support Fund $	Retained earnings $	Total $
CONSOLIDATED GROUP				
Balance at 1 January 2010		1,594,607	3,045,831	4,640,438
Profit attributable to members		-	111,131	111,131
Transfer to PPW Support Fund		252,318	(252,318)	-
Balance at 31 December 2010		1,846,925	2,904,644	4,751,569
Loss attributable to members		-	(4,739)	(4,739)
Transfer to PPW Support Fund		248,169	(248,169)	-
Balance at 31 December 2011		2,095,094	2,651,736	4,746,830
PARENT ENTITY				
Balance at 1 January 2010		1,594,607	2,919,826	4,514,433
Prior period adjustment	3	-	126,005	126,005
		1,594,607	3,045,831	4,640,438
Profit attributable to members		-	111,131	111,131
Transfer to PPW Support Fund		252,318	(252,318)	-
Balance at 31 December 2010		1,846,925	2,904,644	4,751,569
Loss attributable to members		-	(4,739)	(4,739)
Transfer to PPW Support Fund		248,169	(248,169)	-
Balance at 31 December 2011		2,095,094	2,651,736	4,746,830

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Consolidated Group		Parent Entity	
		2011	2010	2011	2010
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Memberships & levies		3,885,600	4,208,249	3,893,625	4,208,530
Interest received		154,882	142,111	154,880	142,110
Other income received		3,575,319	3,052,582	3,416,513	3,051,376
Payments to suppliers and employees		(7,662,682)	(7,137,857)	(7,626,825)	(7,153,857)
Net cash (used in)/ provided by operating activities	19(b)	(46,881)	265,085	(161,807)	248,159
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for property, plant and equipment		(254,943)	(517,008)	(251,273)	(259,297)
Proceeds from disposal of property, plant & equipment		9,819	21,882	9,819	14,228
Payments for Financial Assets		(5,214)	(1,332)	(3,563)	(1,282)
Payments to Short term borrowings		-	(51,418)	-	(51,418)
Net Cash used by investing activities		(250,338)	(547,876)	(245,017)	(297,769)
CASH FLOWS FROM FINANCING ACTIVITIES					
Loans to related parties					
- Proceeds from repayments		-	-	126,557	-
Proceeds from borrowings		-	245,000	-	-
Net Cash provided by financing activities		-	245,000	126,557	-
Net increase/(decrease) in cash held		(297,219)	(37,791)	(280,267)	(49,610)
Cash at beginning of year		3,905,945	3,943,736	3,886,074	3,935,684
Cash at end of year	19(a)	3,608,726	3,905,945	3,605,807	3,886,074

The accompanying notes form part of these financial statements.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
Cash assets in respect of recovered money at beginning of year	-	-	-	-
Receipts				
Amounts recovered from employers in respect of wages etc	-	91,357	-	91,357
Interest received on recovered money	-	-	-	-
Total receipts	-	91,357	-	91,357
Payments				
Deductions of amounts due in respect of membership for:-				
- 12 months or less	-	-	-	-
- greater than 12 months	-	-	-	-
Deductions of donations or other contributions to accounts or funds of:-				
- the reporting unit	-	-	-	-
- other entity	-	-	-	-
Deductions of fees or reimbursements of expenses	-	4,568	-	4,568
Payments to workers in respect of recovered money	-	86,789	-	86,789
Total payments	-	91,357	-	91,357
Cash assets in respect of recovered money at end of year	-	-	-	-

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the financial statements and notes of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and controlled entity and the separate financial statements and notes of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division as an individual parent entity ('Parent Entity').

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

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. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. **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.

b. **Property, Plant and Equipment**
Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation.

Property, building improvements and plant and equipment are measured on the cost basis.

The carrying amount of property, building improvements and plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation
The depreciable amount of all property, plant and equipment (excluding freehold land) are depreciated on a reducing balance basis over the useful lives of the assets to the consolidated group commencing from the time the asset is held ready for use. Building improvements are depreciated over the estimated useful lives of the building.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

b. **Plant and Equipment continued**
The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.0%
Office equipment	10.0% to 33.33%
Furniture, fittings and equipment	5.0% to 47.90%
Motor vehicles	22.5%

c. **Leases**
Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

d. **Employee Benefits**
Provision is made for the consolidated group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and RDO which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Consolidated group to an employee superannuation fund and are charged as expenses when incurred.

e. **Financial Instruments**

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, or amortised cost using the effective method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:
i) the amount at which the financial asset or financial liability is measured at initial recognition
ii) less principal repayments
iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
iv) less any reduction for impairment.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Consolidated group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Consolidated group sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the Consolidated group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition
Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Consolidated group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

g. Revenue
Revenue from membership subscriptions is recognised on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

h. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

i. **Comparative Figures**

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

j. **Impairment of Assets**

At each reporting date, the Consolidated group review the carrying value of the 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 income statement.

k. **Critical Accounting Estimates and Judgements**

The Divisional Executive evaluates estimates and judgements 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 Consolidated group.

Key Estimates

The Divisional Executive assess impairment at each reporting date by evaluating conditions specific to the Consolidated group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

Key Judgements

No key judgments have been used in the preparation of this financial report.

l. **New Accounting Standards for Application in Future Periods**

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Consolidated group has decided not to early adopt. A discussion of those future requirements and their impact on the Consolidated group is as follows:

- AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

  This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Consolidated group has not yet determined any potential impact on the financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

l. New Accounting Standards for Application in Future Periods continued

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;

- simplifying the requirements for embedded derivatives;

- removing the tainting rules associated with held-to-maturity assets;

- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

- requiring financial assets to be reclassified where there is a change in an consolidated group's business model as they are initially classified based on: (a) the objective of the consolidated group's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

- requiring a Consolidated group that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the Consolidated group's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the consolidated group is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

  The Consolidated group has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

  AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and

- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

  Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

l. New Accounting Standards for Application in Future Periods continued

Since the Consolidated group is a not-for-profit private sector entity, the Consolidated group may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Consolidated group may take advantage of Tier 2 reporting at a later date.

- AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

  This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard make amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

  This Standard will affect certain disclosures only relating to financial instruments and is therefore not expected to significantly impact the Consolidated group.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

  This Standard makes amendments to AASB 112: Income Taxes and incorporates Interpretation 121 into AASB 112.

  Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

  The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

  The amendments are not expected to significantly impact the Consolidated group.

- AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113} (applicable for annual reporting periods commencing on or after 1 July 2011).

  AASB 1054 sets out the Australian-specific disclosures that are additional to IFRS disclosure requirements.

  The disclosure requirements in AASB 1054 were previously located in other Australian Accounting Standards.

  These standards are not expected to significantly impact the consolidated group.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

l. New Accounting Standards for Application in Future Periods continued

- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] (applicable for annual reporting periods commencing on or after 1 January 2013).

  AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurements.

  AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) measured at fair value.

  These standards are not expected to significantly impact the consolidated group.

- AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income {AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049} (applicable for annual reporting periods commencing on or after 1 July 2012).

  The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

  This standard affects presentation only and is therefore not expected to significantly impact the consolidated group.

- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14} (applicable for annual reporting periods commencing on or after 1 January 2013).

  These standards introduce a number of changes to accounting and presentation of defined benefit plans. The consolidated group does not have any defined benefit plans and so is not impacted by the amendment.

  AASB 119 (September 2011) also includes changes to the accounting for termination benefits that require an entity to recognise an obligation for such benefits at the earlier of

(i) for an offer that may be withdrawn – when the employee accepts;

(ii) for an offer that cannot be withdrawn – when the offer is communicated to affected employees; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

l. New Accounting Standards for Application in Future Periods continued

(iii) where the termination is associated with restructuring of activities under AASB 137: Provisions, Contingent Liabilities and Contingent Assets, and if earlier than the first two conditions – when the related restructuring costs are recognised.

The consolidated group has not yet been able to reasonably estimate the impact of these changes to AASB 119.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or the General Manager of Fair Work Australia, 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 specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.
3. A reporting unit must comply with an application under subsection (1).

NOTE 3: PRIOR PERIOD ADJUSTMENT

The prior period adjustment relates to differences in the inter-entity balances between the parent entity and the wholly owned controlled entity, ACN 117 909 127 Pty Ltd.
The total adjustment included:

	$	Financial Statement affected
Prior period related party transactions	334,388	Trade and other receivables
Forgiven related party creditor from 2009	220,350	Trade and other payables
Impairment of related party	(527,478)	Provision for impairment
Prior period provision for impairment expense	98,745	Statement of Comprehensive Income
Total prior period adjustment	126,005	

The prior period related party transactions relates to transactions dating back to 2006 and 2008, which were discovered when the controlled entity recently had financial statements prepared and audited. The impairment on the amount owing by ACN 117 909 127 Pty Ltd is due to a net asset deficiency of the controlled entity. Accordingly, the difference has been corrected as a prior year adjustment.

NOTE 3: PRIOR PERIOD ADJUSTMENT continued

The following financial statement lines have been affected:

	2010 Parent Entity Adjusted amount $	2010 Parent Entity Previous amount $
STATEMENT OF COMPREHENSIVE INCOME		
Revenue	6,542,699	6,542,699
Expenses		
Provision for impairment	(98,745)	-
Other Expenses	(6,332,823)	(6,332,823)
Total comprehensive income	111,131	209,876
STATEMENT OF FINANCIAL POSITION		
TOTAL CURRENT ASSETS	4,030,242	4,030,242
NON CURRENT ASSETS		
Trade and other receivables	3,195,665	2,861,277
Provision for impairment	(527,478)	-
Other non-current assets	936,713	936,713
TOTAL NON CURRENT ASSETS	3,604,900	3,797,990
TOTAL ASSETS	7,635,142	7,828,232
CURRENT LIABILITIES		
Trade and other payables	1,215,113	1,435,463
Short term provisions	1,141,833	1,141,833
TOTAL CURRENT LIABILITIES	2,356,946	2,577,296
TOTAL NON CURRENT LIABILITIES	526,627	526,627
TOTAL LIABILITIES	2,883,573	3,103,923
NET ASSETS	4,751,569	4,724,309

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 4: REVENUE				
Operating activities				
Membership dues received	3,378,439	3,378,229	3,378,439	3,378,229
Sustentation fees:				
- Victoria FFTS Branch:	258,979	254,402	258,979	254,402
- WA/NT/Qld District	54,189	-	54,189	-
Support Fund Levy: Pulp and Paper Workers' District	154,426	171,772	154,426	171,772
Directors fees				
- BIRST	10,500	11,000	10,500	11,000
- FIRST Superannuation Pty Ltd	217,775	192,600	217,775	192,600
- Other	97,250	63,194	97,250	63,194
Consultancy fees	334,673	330,783	334,673	330,783
Coordinator fees	1,339,927	1,133,677	1,339,927	1,133,677
Training Income	43,505	12,221	43,505	12,221
Sponsorship Income	23,023	31,845	23,023	31,845
Contributions – OHS & E	229,436	223,199	229,436	223,199
Contributions – Industry Skills Development	112,000	112,000	112,000	112,000
Conference registrations	70,346	-	70,346	-
Unrealised Gain (Loss) on Investments	(544)	(135)	(544)	(135)
Dividends received	276	176	82	79
Representation fees	105,152	99,863	105,152	99,863
Interest received	154,666	142,111	154,664	142,110
Recovery of Legal fees	-	298,227	-	298,227
Rent received	49,983	33,250	49,983	33,250
Insurance Proceeds - Floods	142,576	26,135	-	26,135
Other income	155,993	29,075	155,993	28,248
Total revenue	6,932,570	6,543,624	6,789,798	6,542,699

NOTE 5: PROFIT/(LOSS) FOR YEAR

Profit/(Loss) before income tax expense has been determined after:

EXPENSES

Administration expense				
Accounting fees	3,357	505	1,773	390
Bank charges	8,864	8,579	8,803	8,514
Campaign expenses	144,415	20,428	144,415	20,428
Child Labour Support Campaign	5,080	5,542	5,080	5,542
Computer expenses	141,836	98,989	141,836	98,989
Conference expenses	93,776	28,672	93,776	28,672
Consultancy expenses	85,859	98,762	85,859	98,762

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 5: PROFIT/(LOSS) FOR YEAR continued				
EXPENSES continued				
Administration expense continued				
Donations:				
ALP candidate for Ashford – Stephen Key	-	50	-	50
ALP candidate for Braddon – Sid Sidebottom	-	11,348	-	11,348
Canassist	500	500	500	500
ALP candidate for Deakin	-	1,800	-	1,800
Independent candidate for SA – Darren O'Halloran	-	15,091	-	15,091
Longford Junior Football Club	500	-	500	-
Community CPS of Australia	500	-	500	-
ALP New South Wales	-	909	-	909
ALP Tasmania	-	500	-	500
ALP Candidate for BASS - Scott McLean	1,564	7,000	1,564	7,000
ALP Victoria	-	1,000	-	1,000
Northern Rivers Unionist Network	-	400	-	400
Honoraria	36,025	31,375	36,025	31,375
Insurance	57,724	60,662	57,724	60,662
Late fee paid	2,200	-	-	-
Legal expenses	106,500	59,906	106,500	59,906
Meeting expenses	68,970	76,430	68,970	76,430
Member benefits	12,487	11,388	12,487	11,388
Membership system expenses	58,283	53,981	58,283	53,981
Postage and freight	22,304	25,472	22,304	25,472
Printing and stationery	46,439	47,207	46,439	47,207
Promotional material	48,055	77,196	48,055	77,196
Publications and subscriptions	36,625	20,466	36,407	20,254
Repairs and maintenance	1,601	9,853	1,866	9,588
Security	3,841	4,400	3,841	4,400
Staff expenses	9,899	9,546	9,899	9,546
Sundry expenses	2,459	764	2,459	764
Remuneration of auditor				
- audit (current year)	23,200	22,000	18,500	18,000
- audit (previous years)	24,500	28,967	24,500	28,967
Training:				
- Employees	8,892	13,323	8,892	13,323
- Members & other	81,519	65,301	81,519	65,301
	1,137,774	918,312	1,129,276	913,655

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 5: PROFIT/(LOSS) FOR YEAR continued				
EXPENSES continued				
Affiliation fees, compulsory levies and Sustentation fees				
Affiliation fees:				
- Australian Labour Party				
- South Australia	8,826	7,561	8,826	7,561
- Tasmania	2,478	2,471	2,478	2,471
- Victoria	46,778	47,770	46,778	47,770
- New South Wales	6,867	9,764	6,867	9,764
- Ballarat Trades Hall Council	1,216	811	1,216	811
- Geelong Trades Hall Council	328	316	328	316
- NSW Labour Council	5,387	7,003	5,387	7,003
- S A Unions	8,350	10,555	8,350	10,555
- Unions WA	878	1,536	878	1,536
- South West T&LC	38	150	38	150
- Victorian Trades Hall Council	12,828	12,299	12,828	12,299
- International Federation of Chemical, Energy, Mine and General Workers' Union	7,015	6,222	7,015	6,222
- South Australian May Day Committee	-	400	-	400
- Other	655	2,208	655	2,208
Compulsory levies:				
- Australian Council of Trade Unions	-	16,750	-	16,750
- Victorian Trades Hall Council				
- Campaign levy	1,319	1,263	1,319	1,263
- Women's levy	733	699	733	699
- Young unionists levy	620	507	620	507
- S A Unions	7,350	-	7,350	-
Sustentation fees:				
- CFMEU National Office	154,700	135,675	154,700	135,675
- Other	-	5,694	-	5,694
	266,366	269,654	266,366	269,654
Depreciation expense				
Motor vehicles	130,067	120,615	128,430	116,259
Furniture, fittings and equipment	7,313	6,791	5,614	5,092
Buildings & Building Improvements	48,550	44,474	2,069	2,069
Office equipment	25,062	20,263	21,915	17,088
	210,992	192,143	158,028	140,508

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 5: PROFIT/(LOSS) FOR YEAR continued				
EXPENSES continued				
Employee benefit expense				
Salaries				
- elected officials	537,668	712,536	537,668	712,536
- employees	2,334,916	2,361,529	2,334,916	2,361,529
Superannuation				
- elected officials	97,075	110,203	97,075	110,203
- employees	287,527	269,874	287,527	269,874
Provision for annual leave				
- elected officials	(23,206)	3,572	(23,206)	3,572
- employees	37,705	11,064	37,705	11,064
Provision for long service leave				
- elected officials	(35,188)	(11,661)	(35,188)	(11,661)
- employees	52,285	17,435	52,285	17,435
Provision for personal leave				
- elected officials	(36,579)	(26,413)	(36,579)	(26,413)
- employees	13,545	(7,506)	13,545	(7,506)
Provision for RDO				
- elected officials	(20,280)	2,869	(20,280)	2,869
- employees	11,060	8,888	11,060	8,888
Provision for severance:				
- elected officials	734	24,848	734	24,848
- employees	-	(24,366)	-	(24,366)
Termination payments:				
- elected officials	294,898	-	294,898	-
- employees	99,434	-	99,434	-
Transfer of employee entitlements	82,733	-	82,733	-
Fringe benefits tax	51,970	45,312	51,970	45,312
Payroll tax	176,801	187,899	176,801	187,899
Workcover	33,390	38,523	33,390	37,576
	3,996,488	3,724,606	3,996,488	3,723,659

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank	3,606,446	3,903,665	3,603,527	3,883,794
Cash on hand	2,280	2,280	2,280	2,280
	3,608,726	3,905,945	3,605,807	3,886,074

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 7: TRADE AND OTHER RECEIVABLES				
CURRENT				
Trade Receivables	177,178	2,561	177,178	2,561
Accrued Income	10,863	12,780	10,863	12,780
Other Receivables	132,942	70,950	131,717	76,661
	320,983	86,291	319,758	92,002
Less Provision for impairment	-	(741)	-	(741)
	320,983	85,550	319,758	91,261
NON-CURRENT				
Loan to related party	-	-	3,069,108	3,195,665
Less: Provision for impairment	-	-	(435,288)	(527,478)
	-	-	2,633,820	2,668,187

(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

	Consolidated Group		Parent Entity	
	Non-current	Current	Non-current	Current
	$	$	$	$ $
Provision for impairment as at 1 January 2010	-	38,384	-	38,384
- Reversal	-	(37,643)	527,478	(37,643)
- Written off	-	-	-	-
Provision for impairment as at 31 December 2010	-	741	527,478	741
- Reversal	-	(741)	(92,190)	(741)
- Written off	-	-	-	-
Provision for impairment as at 31 December 2011	-	-	435,288	-

NOTE 7: TRADE AND OTHER RECEIVABLES continued

(ii) Credit Risk – Trade and Other Receivables

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivables.

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

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

	Gross Amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31 -60	61-90	> 90	
	$	$	$	$	$	$	$
2011							
Trade receivables	177,178	-	-	3,465	13,956	17,012	142,745
Other receivables	143,805	-	-	-	-	-	143,805
Total	320,983	-	-	3,465	13,956	17,012	286,550
2010							
Trade receivables	2,561	741	-	-	-	-	1,820
Other receivables	83,730	-	-	-	-	-	83,730
Total	86,291	741	-	-	-	-	85,550

The consolidated group does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 8: OTHER CURRENT ASSETS				
CURRENT				
Prepayments	60,312	62,984	60,312	52,907
NOTE 9: PLANT AND EQUIPMENT				
Land – at cost	1,119,584	1,119,584	14,000	14,000
Buildings – at cost	1,053,815	1,053,815	103,453	103,453
Less accumulated depreciation	(109,329)	(83,501)	(27,242)	(25,173)
	944,486	970,314	76,211	78,280
Building Improvements – at cost	916,286	912,571	-	-
Less accumulated depreciation	(90,154)	(67,432)	-	-
	826,132	845,139	-	-
Office equipment – at cost	453,825	394,598	414,302	355,075
Less accumulated depreciation	(338,976)	(313,914)	(326,456)	(304,539)
	114,849	80,684	87,846	50,536
Furniture, fittings and equipment – at cost	165,677	161,656	151,648	147,627
Less accumulated depreciation	(125,261)	(117,948)	(117,656)	(112,042)
	40,416	43,708	33,992	35,585
Motor vehicles – at cost	1,043,882	906,486	1,043,882	884,545
Less accumulated depreciation	(359,788)	(263,636)	(359,788)	(249,570)
	684,094	642,850	684,094	634,975
TOTAL PLANT AND EQUIPMENT	3,729,561	3,702,279	896,143	813,376

NOTE 9: PLANT AND EQUIPMENT continued

Movements In Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the start and end of the current financial year.

	Land & Buildings	Building Improvements	Office Equipment	Motor Vehicles	Furniture Fittings & Equipment	TOTAL
	$	$	$	$	$	$
Consolidated Group						
Balance at start of year	2,089,898	845,139	80,684	642,850	43,708	3,702,279
Additions	-	3,715	59,227	187,980	4,021	254,943
Disposals	-	-	-	(16,669)	-	(16,669)
Depreciation expense	(25,828)	(22,722)	(25,062)	(130,067)	(7,313)	(210,992)
Balance at end of year	2,064,070	826,132	114,849	684,094	40,416	3,729,561
Parent Entity						
Balance at start of year	92,280	-	50,536	634,975	35,585	813,376
Additions	-	-	59,225	188,027	4,021	251,273
Disposals	-	-	-	(10,478)	-	(10,478)
Depreciation expense	(2,069)	-	(21,915)	(128,430)	(5,614)	(158,028)
Balance at end of year	90,211	-	87,846	684,094	33,992	896,143

NOTE 10: FINANCIAL ASSETS

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
	$	$	$	$
NON-CURRENT				
Shares in listed public companies (at market value)	8,564	7,457	1,553	2,097
Shares in unlisted companies (at cost)	2	2	2	2
Equity Partner - NLDA	125,345	121,238	125,345	121,238
	133,911	128,697	126,900	123,337

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group 2011	Consolidated Group 2010	Parent Entity 2011	Parent Entity 2010
Trade creditors & accruals	420,596	206,987	476,203	206,987
Sundry creditors	529,237	490,091	515,008	488,638
John Curtin Fund	183,131	264,262	183,131	264,262
Relief funds held in trust	12,891	12,891	12,891	12,891
Levy Balances Payable to Members	5,374	153,541	5,374	153,541
SA District Trust Account	42,591	317	42,591	317
GST liability	(693)	92,337	(7,824)	88,477
	1,193,127	1,220,426	1,227,374	1,215,113

NOTE 12: PROVISIONS

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
CURRENT				
Employee benefits:				
Annual leave				
- elected officials	101,931	125,137	101,931	125,137
- employees	313,986	276,283	313,986	276,283
Long service leave				
- elected officials	113,198	150,736	113,198	150,736
- employees	197,718	253,512	197,718	253,512
Severance leave				
- elected officials	25,583	24,848	25,583	24,848
- employees	-	-	-	-
Personal leave				
- elected officials	38,392	74,971	38,392	74,971
- employees	161,428	147,883	161,428	147,883
RDO Leave				
- elected officials	21,388	41,669	21,388	41,669
- employees	57,855	46,794	57,855	46,794
Total Current Provisions	1,031,479	1,141,833	1,031,479	1,141,833
NON CURRENT				
Long Service Leave				
- elected officials	2,562	202	2,562	202
- employees	184,495	76,425	184,495	76,425
Total Non-current Provisions	187,057	76,627	187,057	76,627
Total Provisions	1,218,536	1,218,460	1,218,536	1,218,460
Number of Employees at year end	41	43	41	43

	Annual Leave	Long Service Leave	Personal Leave	Rostered Days-Off
Opening balance at 1 January 2011	401,420	480,875	222,854	88,463
Additional provision raised during the year	235,245	35,581	63,917	102,851
Amounts used	(220,748)	(18,483)	(86,951)	(112,071)
Balance at 31 December 2011	415,917	497,973	199,820	79,243

	Severance Leave	Total
Opening balance at 1 January 2011	24,848	1,218,460
Additional provision raised during the year	735	438,329
Amounts used	-	(438,253)
Balance at 31 December 2011	25,583	1,218,536

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 13: BORROWINGS				
NON CURRENT				
John Curtin Fund - Unsecured	695,000	695,000	450,000	450,000

NOTE 14: PULP AND PAPER WORKERS' SUPPORT FUND				
Balance at 1 January 2011	1,846,925	1,594,607	1,846,925	1,594,607
Income				
Contributions	154,427	171,772	154,427	171,772
Interest received	104,414	83,219	104,414	83,219
Expenditure				
Campaign Expenses	-	(2,473)	-	(2,473)
Bad Debts	-	(35,105)	-	(35,105)
Legal expenses	(10,790)	-	(10,790)	-
Reversal of Provision for Doubtful Debts	118	34,905	118	34,905
Balance at 31 December 2011	2,095,094	1,846,925	2,095,094	1,846,925

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS

The names of each person who have been a member of the Divisional executive of the consolidated group at any time during the reporting period, and the period for which he or she held such a position were;

Jane Calvert	FFPD National President
Alex Millar	FFPD National Senior Vice President
Craig Smith	FFPD National Vice President
Frank Vari	FFPD National Vice President
Michael O'Connor	FFPD National Secretary
Leo Skourdourmbis	FFPD National Assistant Secretary
Kenneth Fraser	FFPD National Trustee
David Kirner	FFPD National Trustee
Kenneth Miller	FFPD National Trustee (Resigned 20 December 2011)
Scott McLean	FFPD National Trustee (Terminated 22 December 2011)
Bradley Coates	FFPD National Executive Member
Damian Cooke	FFPD National Executive Member
Kim Mason	FFPD National Executive Member
Cliff Palmer	FFPD National Executive Member

(a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries (including termination costs) was $832,566 (2010: $712,536). The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was $97,075 (2010: $110,203).

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS continued

(b) There was no remuneration paid to other persons on the committee of management.

(c) There were no other transactions between the officers of the consolidated group other than those relating to their membership of the consolidated group and reimbursement by the consolidated group in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

(d) Loans to controlled entity
The parent entity has an unsecured loan receivable from it's 100% owned company, ACN 117 909 127 Pty Ltd, totalling $3,069,108. This loan has been impaired by $435,288 in the current year's financial statements. This loan will only be called upon if the land and buildings at 148-152 Miller Street, West Melbourne are sold. This loan is eliminated upon consolidation.
The controlled company is incorporated in Australia.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

No significant events or conditions to the date of the signing of this report have occurred which impact these financial statements.

NOTE 17: ECONOMIC DEPENDENCE

The principle source of income for the consolidated group is from membership fees. The consolidated group is economically dependent upon the membership levels and fees.

NOTE 18: SEGMENT REPORTING

The consolidated group operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector.

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 19: CASH FLOW INFORMATION				
a. **Reconciliation of Cash**				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash at bank	3,606,446	3,903,665	3,603,527	3,883,794
Cash on hand	2,280	2,280	2,280	2,280
	3,608,726	3,905,945	3,605,807	3,886,074
b. **Reconciliation of Net Cash provided by Operating Activities to Net Profit/(Loss)**				
Net profit/(Loss)	(4,739)	111,131	(4,739)	111,131
Non Cash Items				
Depreciation	210,992	192,143	158,028	140,508
Loss on disposal of fixed assets	6,850	939	659	939
Provision for impairment	-	-	(92,190)	98,745
Changes in Assets and Liabilities				
(Increase)/decrease in current receivables	(235,433)	184,514	(228,497)	184,513
(Increase)/decrease in prepayments	2,672	17,114	(7,405)	16,070
Increase/(decrease) in provision for employee entitlements	76	(1,270)	76	(1,270)
Increase/(Decrease) in payables	(27,299)	(239,486)	12,261	(302,477)
Cash flows provided by / (used in) operations	(46,881)	265,085	(161,807)	248,159

c. **Credit Stand-by Arrangement and Loan Facilities**
There are no credit or loan facilities.

d. There were no non-cash financing or investing activities during the period.

NOTE 20: FINANCIAL RISK MANAGEMENT

The consolidated group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

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

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 20: FINANCIAL RISK MANAGEMENT continued				
Financial assets				
Cash and cash equivalents	3,608,726	3,905,945	3,605,807	3,886,074
Loans and receivables	320,983	85,550	2,953,578	2,759,448
Available for sale financial assets:				
- Equity investments	133,911	128,697	126,900	123,337
Total financial assets	4,063,620	4,120,192	6,686,285	6,768,859
Financial liabilities				
Financial liabilities at amortised cost:				
- Trade and other payables	1,193,127	1,220,426	1,227,374	1,215,113
- Borrowings	695,000	695,000	450,000	450,000
Total financial liabilities	1,888,127	1,915,426	1,677,374	1,665,113

Financial Risk Management Policies
The consolidated group's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the consolidated group. The treasurer monitors the consolidated group's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the Divisional Executive.

The treasurer's overall risk management strategy seeks to ensure that the consolidated group meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management
The main risks the consolidated group is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the consolidated group.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise cleared as being financially sound.

Credit risk exposures
The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the consolidated group securing trade and other receivables.

NOTE 20: FINANCIAL RISK MANAGEMENT continued

a. **Credit risk continued**

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

The consolidated group has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 7.

b. **Liquidity risk**

Liquidity risk arises from the possibility that the consolidated group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid subscriptions.

No financial assets have been pledged as security for any financial liability.

c. **Market risk**

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.
The consolidated group is exposed to securities price risk on available-for-sale investments. Such risk is managed through diversification of investments across industries and geographic locations.
The consolidated group's investments are held in diversified management fund portfolios.

Sensitivity analysis

The following table illustrates sensitivities to the consolidated group's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

NOTE 20: FINANCIAL RISK MANAGEMENT continued

c. **Market risk continued**

	Profit $	Equity $
Consolidated Group:		
Year ended 31 December 2011		
+/- 1% in interest rates basis points	36,087	36,087
Year ended 31 December 2010		
+/- 1% in interest rates basis points	39,059	39,059
Parent Entity:		
Year ended 31 December 2011		
+/- 1% in interest rates basis points	36,058	36,058
Year ended 31 December 2010		
+/- 1% in interest rates basis points	38,861	38,861

	Consolidated Group		Parent Entity	
	2011	2010	2011	2010
	$	$	$	$
NOTE 21: OPERATING LEASE COMMITMENTS				
The consolidated group has the following non-cancellable operating leases:				
- George Street, Parramatta				
- Melbourne Street, Adelaide				
Due not later than 12 months	88,162	37,229	88,162	37,229
Due later than 12 months but not later than 5 years	35,140	27,922	35,140	27,922

NOTE 22: CONTINGENT LIABILITIES AND ASSETS

The consolidated group does not have any contingent liabilities or contingent assets at balance date.

NOTE 23: ENTITY DETAILS

The registered office is:
148-152 Miller Street
West Melbourne
Victoria 3003

DIVISIONAL EXECUTIVE CERTIFICATE

On 18 May 2012 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and controlled entity ("Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2011:

The Divisional Executive 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 the reporting guidelines of Fair Work Australia;

(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 Divisional Executive 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and

  (iv) where the organisation consists of 2 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) the information sought in any request of a member of the reporting unit or Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and

  (vi) there has been compliance with any order for inspection of financial reports made by the Tribunal under section 273 of the Fair Work (Registered Organisations) Act 2009.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
AND CONTROLLED ENTITY

DIVISIONAL EXECUTIVE CERTIFICATE
continued

(f) in relation to recovery of wages activity:

(i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of Fair Work Australia; and

(ii) the divisional executive caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

(iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv) that prior to engaging in any recovery of wages activity, the reporting unit has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Signed in accordance with a resolution of the Divisional Executive::

Jane Calvert – FFPD National President

Michael O'Connor – FFPD National Secretary

Melbourne: 18 May 2012

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION AND CONTROLLED ENTITY

Report on the Financial Report

We have audited the accompanying financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and controlled entity (the reporting unit), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the divisional executive's declaration of the reporting unit during the financial year.

Divisional Executive's responsibility for the financial report

The consolidated group's divisional executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the divisional executive determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1 the the divisional executive also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

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INDEPENDENT AUDITOR'S REPORT continued

TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION AND CONTROLLED ENTITY

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's opinion

In our opinion the financial report of the reporting unit:

(a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
  (i) presenting fairly the reporting unit's financial position as at 31 December 2011 and of its performance for the year ended on that date; and
  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.

(b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, including;
  (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  (ii) any donations or other contributions deducted from recovered money.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L.S. WONG
Partner,
Member of the Institute of Chartered Accountants in Australia and
holder of a current public practice certificate

Melbourne 18 May 2012