FairWork Commission

7 October 2014

Mr Michael O'Connor
CFMEU FFPD National Secretary
Construction, Forestry, Mining and Energy Union - FFPD No. 1 National Branch - The Forestry, Furnishing, Building Products and Manufacturing Division
email: industrial@cfmeuffpd.org

cc: I.A. Hinds, BGL Partners Chartered Accountants, email: bgl@bglpartners.com.au

Dear Mr O'Connor,

Construction, Forestry, Mining and Energy Union - FFPD No. 1 National Branch - The Forestry, Furnishing, Building Products and Manufacturing Division
Financial Report for the year ended 31 December 2013 [FR2013/437]

I acknowledge receipt of the financial report of the Construction, Forestry, Mining and Energy Union - FFPD No. 1 National Branch - The Forestry, Furnishing, Building Products and Manufacturing Division. The documents were lodged with the Fair Work Commission on 1 July 2014.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, a reporting unit is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to Financial reporting process which explains the timeline requirements, and Summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Reports must be provided to members within five months of end of financial year where report is presented to a Committee of Management meeting

The Designated Officer's Certificate states that the financial report was provided to members on 17 June 2014 and presented to a Committee of Management meeting on 27 June 2014. Under s.265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting the report must be provided to members within five months of the end of the financial year.

If these dates are correct, the reporting unit should have applied for an extension of time for the provision of the financial report to members in accordance with s.265(5) of the RO Act.

Please note that in future financial years a written request for extension of time signed by a relevant officer, including any reason for the delay, must be made prior to required date of lodgement.

Statement of Comprehensive Income

Disclosure of employee expenses for office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 17(f)) and employee expenses to other employees (item 17(g)).

Note 8 discloses wages and salaries, superannuation, leave and other entitlements, separation and redundancies and other employee expenses separately for officer holders and employees. Please note that other expenses that may fall within the category of 'other employee expenses' such as Fringe Benefits Tax should be separately disclosed for office holders and other employees.

Changes to the Reporting Guidelines and model financial statements

A fourth edition of the General Manager's s.253 Reporting Guidelines was gazetted on 13 June 2014. These guidelines will apply to all financial reports that end on or after 30 June 2014. A model set of financial statements for the 2013-2014 financial year is also available on the Fair Work Commission website. The Fair Work Commission recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

The Reporting Guidelines and Model Financial Statements are available on the website here: https://www.fwc.gov.au/registered-organisations/compliance-governance/financial-reporting

If you have any queries regarding this letter, please contact me on (03) 8661 7942 or via email at rebecca.lee@fwc.gov.au.

Yours sincerely,

Rebecca Lee
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

CFMEU

FORESTRY & FURNISHING

Certificate of Secretary

I Michael O'Connor, being the Secretary of the Construction, Forestry, Mining and Energy Union, Forestry Furnishings , Building Products and Manufacturing Division Certify:

i. That the documents lodged here within are copies of the full report for the year ended 31 December 2013 referred to in section 268 of the *Fair Work (Registered Organisations) Act* 2009; and

ii. That the full report was submitted to a meeting of committee of management of the reporting unit on 10 June 2014, (the first meeting) in accordance with section 266 of *the Fair Work (Registered Organisations) Act 2009*; and

iii. That the full report was provided to members on 17 June 2014; and

iv. That the full report was presented to a meeting of the Committee of Management of the reporting unit on 27 June 2014 (the second meeting) in accordance with section 266 of the *Fair Work (Registered Organisations) Act* 2009.

Michael O'Connor
CFMEU FFPD National Secretary
Date: 27 June 2014

Construction, **Forestry**, Mining and Energy Union

Michael O'Connor
National Secretary

ABN 34 183 611 865

National Office
148-152 Miller Street
West Melbourne
Victoria 3003 Australia

T: (613) 9274 9200
F: (613) 9274 9284
Freecall: 1800 060 556
E: admin@cfmeuffpd.org
W: www.cfmeuffpd.org.au

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION ABN 34 183 611 895 AND CONTROLLED ENTITY

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

CFMEU

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

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This financial report covers both the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division as an individual entity and the controlled entity consisting of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and its subsidiary. The financial report is presented in the Australian currency.

The principal place of business is:
Construction, Forestry, Mining and Energy Union
Forestry, Furnishing, Building Products and Manufacturing Division
148-152 Miller Street
WEST MELBOURNE VIC 3003

The financial report was authorised for issue by the Divisional Executive on the 10th day of June 2014.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
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OPERATING REPORT

Your Committee present their report on the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and its controlled entity ("the union") for the financial year ended 31 December 2013.

Members of Divisional Executive:

The names of the Divisional Executive in office at any time during or since the end of the financial year are:

Name	*Position*
Jane Calvert	FFPD National President
Michael O'Connor	FFPD National Secretary
Leo Skourdoumbis	FFPD National Senior Assistant Secretary
Alex Millar	FFPD National Assistant Secretary
Frank Vari	FFPD National Assistant Secretary
Craig Smith	FFPD National Senior Vice President
David Kirner	FFPD National Vice President
Bradley Coates	FFPD National Vice President
Kenneth Fraser	FFPD National Executive Member
Damian Cooke	FFPD National Executive Member
Kim Mason	FFPD National Executive Member
Cliff Palmer	FFPD National Executive Member
Andrew Vendramini	FFPD National Executive Member
Denise Campbell-Burns	FFPD National Executive Member
Scott McLean	FFPD National Executive Member
Terry Bennier	FFPD National Executive Member
Phil Davies	FFPD National Executive Member

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

OPERATING REPORT (CONTINUED)

Review of Principal activities and results of operations

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

- Implementation of 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 for planning, resourcing and conducting campaigns.
- Industrial supporting 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.

A review of the operations of consolidated group indicate that it continued to engage in its principal activity of representing members in industrial and other matters. In pursuing these activities, the union has sought to protect members through representation of individuals in grievances and disputes. In pursuing such, the union has initiated and activated legal and industrial action when appropriate.

Significant changes in state of affairs

As part of the restructure the assets and liabilities of the CFMEU FFPD FFTS Victoria Branch transferred to CFMEU FFPD. No other significant changes in the state of financial affairs of the consolidated group occurred during the financial year.

Union details

The number of full time equivalents employees of at 31 December 2013 was 54 (2012: 43).

The number of financial members of the union at 31 December 2013 was 8,856 (2012: 6,363).

Resignation from membership

Pursuant to the Union Rules and s174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership by providing written notice addressed to and delivered to the Secretary of the Division or District of the Union.

A notice of resignation will take effect:

1) where the member ceases to be eligible to become a member of the Union:

   a) on the day on which the notice is received by the Union; or

   b) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to be a member;

   whichever is the later; or

2) in any other case:

   a) at the end of 2 weeks after the notice is received by the Union, or

   b) on the day specified in the notice;

   whichever is the later

OPERATING REPORT (CONTINUED)

Directorships of Superannuation Fund

To the best of our knowledge and belief, the following officers and employees of the union are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Officer / Employee	Position	Trustee Company	Name of Superfund	Other	Comments
Alex Millar	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	
Michael O'Connor	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	
David Kirner	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	
Frank Vari	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	
Kevin Millie	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	Resigned 12 Dec 2013
Denise Campbell-Burns	Associate Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union	Appointed 19 March 2013

Directorships of company or a member of a board

Officer	Position	Company Name	Principle Activities	Other	Union Related Appt
Michael O'Connor	Co-Chair	FIRST Super Pty Ltd	Superannuation Fund		Yes
	Director	Utilities of Australia Pty Ltd	Investing in Infrastructure Assets Globally		Yes
	Director	Frontier Advisors Pty Ltd	Advising Australian Institution Investors	Resigned 26 September 2013	Yes
	Director	Secure Employees Entitlements Trust	Trust fund to protect workers entitlements		Yes
	Director	Super Benefits Administration Pty Ltd	Administration and consulting services for superannuation and trust industry		Yes
	Director	ACN 117 909 127 Pty Ltd	To hold property on behalf of Union		Yes
Denise Campbell-Burns	Associate Director	FIRST Super Pty Ltd	Superannuation Fund	Appointed 19 March 2013	Yes

OPERATING REPORT (CONTINUED)

Directorships of company or a member of a board (Continued)

Officer	Position	Company Name	Principle Activities	Other	Union Related Appt
Jane Calvert	Deputy Chair	ForestWorks Ltd	Advice to industry on learning and skills development in the forest, wood, paper and timber industry		Yes
	Deputy Chair	ForestWorks ISC	Advice to Government on learning and skills for forest, wood, paper and timber products industry		Yes
	Trustee	James L Calvert Testamentary Trust	Testamentary Trust		No
	Director	ACN 117 909 127 Pty Ltd	To hold property on behalf of Union		Yes
Bradley Coates	Board Member	Group Training Employment	Provide employment and training of Apprentices and Trainees	Resigned January 2014	Yes
Dave Kirner	Director	FIRST Super Pty Ltd	Superannuation Fund		Yes
	Director	Building Industry Redundancy Scheme Trust	Trust fund to protect member entitlements		Yes
	Committee Member	SA Skills Advisory Board	Education and training for Forest & Furniture		Yes
	Committee Member	Port Adelaide District Hockey Club	Hockey Club		No
Scott McLean	President	Rocherlea Football Club	Football Club		No
	Committee member	Northern Labour Day Association Inc.	To hold property on behalf of Union		No
	Delegate	Northern Tasmania Football Association Inc.	Controlling Body for amateur football in Northern Tasmania		No
	Executive Member	Forest Safety Standards Committee	Policy in relation to Forest Safety		Yes

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
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OPERATING REPORT (CONTINUED)

Directorships of company or a member of a board (Continued)

Officer	Position	Company Name	Principle Activities	Other	Union Related Appt
Alex Millar	Director	FIRST Super Pty Ltd	Superannuation Fund		Yes
	Director	ForestWorks Ltd	Advice to industry on learning and skills development in the forest, wood, paper and timber industry		Yes
	Director	ACN 117 909 127 Pty Ltd	To hold property on behalf of Union		Yes
	Director	Wake Up Australian Retailers Pty Ltd	Management Consulting Services		Yes
Craig Smith	Director	ForestWorks Ltd	Advice to industry on learning and skills development in the forest, wood, paper and timber industry		Yes
	Committee Member	ForestWorks NSW Skills & Training Advisory Committee (STAC), NSW Furniture Design and Manufacturing industry	Provides advice to NSW Government on Vocational Education & Training in the sector in NSW		Yes
	Committee Member & Chair	ForestWorks NSW Skills & Training Advisory Committee (STAC), NSW Forestry Industry	Provides advice to NSW Government on Vocational Education & Training in the sector in NSW		Yes
	Director	ForestWorks ISC	Advice to Government on learning and skills for forest, wood, paper and timber products industry		Yes
	Director	Australian Forestry Standards Ltd	Accredited National Standards organisation that has developed and maintains two rigorous Australian Standards (AS4707 & AS4708) which form the core of THE Australian Forest Certification Scheme		Yes
Leo Skourdoumbis	Director	Secure Employees Entitlements Trust	Trust fund to protect workers entitlements		Yes

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Employee	Position	Company Name	Principle Activities	Other	Union Related Appt
Leon Arnold	Committee Member	CFMEU C & G ACT Branch	Trade Union		No
Barry Disken	Treasurer	New Hope Foundation Inc	Assisting migrants and refugees to realise their hope of a new life in a new home		No
Frank Vari	Director	FIRST Super Pty Ltd	Superannuation Fund		Yes
	Director	Secure Employees Entitlements Trust	Trust fund to protect workers entitlements		Yes
Francesco Panozzo	Committee Member	205 Station St Fairfield Vic Body Corporate	Managers and administers a block of Units at this address		No
Robert Ross	Executive Treasurer	East Field Cricket Club	Sporting Organisation		No
Zac Smith	Committee Member	Unions ACT	Peak Council for Trade Unions in ACT		Yes
Peter Stafford	Director	Aerial Consultancy Pty Ltd	Consultation in matters to do with training package implementation, editing of units of competency, editing assistance with policies/strategic papers, and work within sustainability matters		No
Thomas Stocky	Director	Jitney Technology Pty Ltd	Logistics		No

Apart from the above, to the best of our knowledge and belief, no officer or employee of the Union is director of companies or member of a board.

Signed in accordance with a resolution of the Divisional Executive:

Signature of designated officer:
Name of designated officer: Michael O'Conner
Title of designated officer: CFMEU FFPD Secretary

Signature of designated officer: Jane Calvert
Name of designated officer: Jane Calvert
Title of designated officer: CFMEU FFPD President

Dated: 10th of June 2014

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
Revenue from continuing operations	4	8,691,542	7,205,431	8,702,326	7,213,114
Administrative expenses		(399,135)	(385,679)	(398,314)	(383,383)
Affiliation fee	6	(306,547)	(289,340)	(306,547)	(289,340)
Depreciation		(253,496)	(262,746)	(242,841)	(187,288)
Campaign expenses		(516,457)	(656,945)	(516,457)	(656,945)
Communication - members		(156,776)	(87,817)	(156,776)	(87,817)
Conference and meetings		(146,385)	(191,812)	(146,385)	(191,812)
Legal and professional fees	7	(174,565)	(212,803)	(170,465)	(210,903)
Motor vehicle expenses		(349,702)	(345,378)	(349,702)	(345,378)
Occupancy expenses		(303,308)	(285,007)	(303,308)	(267,143)
Telephone expenses		(88,943)	(128,193)	(88,943)	(128,193)
Salaries and related expenses	8	(5,781,254)	(4,034,043)	(5,781,254)	(4,034,043)
Travel and accommodation expenses		(561,343)	(549,665)	(561,343)	(549,665)
Loss on disposal of fixed assets		(80,346)	(30,841)	(78,599)	(30,841)
Impairment loss		(209,286)	-	(228,431)	(105,201)
		(9,327,543)	(7,460,269)	(9,329,365)	(7,467,952)
(Deficit) before income tax		(636,001)	(254,838)	(627,039)	(254,838)
Income tax expense	5(b)	-	-	-	-
(Deficit) attributable to members		(636,001)	(254,838)	(627,039)	(254,838)
Other comprehensive income					
Changes in other funds	17	(126,840)	(179,345)	(126,840)	(179,345)
Total comprehensive (loss) for the year		(762,841)	(434,183)	(753,879)	(434,183)

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
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BALANCE SHEETS
AS AT 31 DECEMBER 2013

	Notes	Consolidated Group			Parent Entity		
		2013 $	2012 $	1 Jan 2012* $	2013 $	2012 $	1 Jan 2012* $
ASSETS							
Current assets							
Cash and cash equivalents	9	**7,069,197**	3,660,051	3,608,726	**7,061,958**	3,650,881	3,605,807
Trade and other receivables	10	**828,289**	653,405	557,611	**838,514**	653,406	556,386
Total current assets		**7,897,486**	4,313,456	4,166,337	**7,900,472**	4,304,287	4,162,193
Non-current assets							
Trade and other receivables	11	**-**	-	-	**2,547,787**	2,776,218	2,878,820
Financial assets	12	**1,338,885**	135,915	133,911	**1,333,191**	127,776	126,900
Property, plant and equipment	13	**3,759,745**	3,753,008	3,729,561	**1,210,167**	983,488	896,143
Total non-current assets		**5,098,630**	3,888,923	3,863,472	**5,091,145**	3,887,482	3,901,863
Total assets		**12,996,116**	8,202,379	8,029,809	**12,991,617**	8,191,769	8,064,056
LIABILITIES							
Current liabilities							
Trade and other payables	14	**1,061,491**	1,143,394	945,982	**1,056,991**	1,141,745	989,190
Provisions	15	**1,801,508**	1,258,585	1,114,877	**1,801,508**	1,258,585	1,114,877
Total current liabilities		**2,862,999**	2,401,979	2,060,859	**2,858,499**	2,400,330	2,104,067
Non-current liabilities							
Provisions	15	**81,889**	273,345	187,057	**81,889**	273,345	187,057
Total non-current liabilities		**81,889**	273,345	187,057	**81,889**	273,345	187,057
Total liabilities		**2,944,888**	2,675,324	2,247,916	**2,940,388**	2,673,675	2,291,124
Net assets		**10,051,228**	5,527,055	5,781,893	**10,051,229**	5,518,094	5,772,932
MEMBERS' FUND							
Other funds	16	**3,403,260**	3,276,420	3,097,075	**3,403,260**	3,276,420	3,097,075
Retained profits	17	**6,647,968**	2,250,635	2,684,818	**6,647,969**	2,241,674	2,675,857
Total members' fund		**10,051,228**	5,527,055	5,781,893	**10,051,229**	5,518,094	5,772,932

* - see note 1(q) for details regarding the change in accounting policy.

The above balance sheets should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
ABN 34 183 611 895
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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Other Funds $	Retained profits $	Total $
Consolidated Group			
Balance at 1 January 2012	3,097,075	2,684,818	5,781,893
(Deficit) for the year	-	(254,838)	(254,838)
Transfer to other funds	179,345	(179,345)	-
Balance at 31 December 2012	3,276,420	2,250,635	5,527,055
Balance at 1 January 2013	3,276,420	2,250,635	5,527,055
(Deficit) for the year	-	(636,001)	(636,001)
Amount transferred from CFMEU FFTS Victoria Branch (17(b))	-	5,160,174	5,160,174
Transfer to other funds	126,840	(126,840)	-
Balance at 31 December 2013	3,403,260	6,647,968	10,051,228
Parent Entity			
Balance at 1 January 2012	3,097,075	2,675,857	5,772,932
(Deficit) for the year	-	(254,838)	(254,838)
Transfer to reserve	179,345	(179,345)	-
Balance at 31 December 2012	3,276,420	2,241,674	5,518,094
Balance at 1 January 2013	3,276,420	2,241,674	5,518,094
(Deficit) for the year	-	(627,039)	(627,039)
Amount transferred from CFMEU FFTS Victoria Branch (17(b))	-	5,160,174	5,160,174
Transfer to other funds	126,840	(126,840)	-
Balance at 31 December 2013	3,403,260	6,647,969	10,051,229

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
Cash flows from operating activities					
Receipts from other reporting units					
- Receipts from branches	24(a)	**9,836**	293,634	**9,836**	293,634
- Receipts from CFMEU National Office		**36,169**	-	**36,169**	-
Membership fees received		**5,140,886**	4,021,546	**5,140,886**	4,021,546
Receipts from controlled entities		**-**	-	**-**	-
Co-ordinator fee received		**1,840,692**	1,609,977	**1,840,692**	1,609,977
Consultancy fee received		**786,140**	396,544	**786,140**	396,544
Other income		**1,271,188**	1,353,203	**1,271,188**	1,353,034
Payments to suppliers and employees		**(8,801,428)**	(7,134,472)	**(8,799,358)**	(7,150,532)
Payments to CFMEU National Office		**(779,248)**	(320,156)	**(779,248)**	(320,156)
Payments to controlled entities		**-**	-	**-**	-
Dividends/Distribution received		**10,701**	-	**10,524**	-
Interest received		**339,238**	149,210	**339,236**	149,100
Net cash inflow (outflow) from operating activities	24(b)	**(145,826)**	369,486	**(143,935)**	353,147
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**114,978**	56,500	**114,978**	56,500
Payment for property, plant and equipment		**(452,197)**	(373,533)	**(452,197)**	(361,973)
Payment for investments		**(1,195,048)**	(1,128)	**(1,195,008)**	-
Net cash (outflow) from investing activities		**(1,532,267)**	(318,161)	**(1,532,227)**	(305,473)
Cash flows from financing activities					
Loan to related party		**18,938**	-	**18,938**	(2,600)
Net cash inflow from financing activities		**18,938**	-	**18,938**	(2,600)
Net (decrease) increase in cash and cash equivalents		**(1,659,155)**	51,325	**(1,657,224)**	45,074
Cash transferred from CFMEU FFTS Victoria Branch		**5,068,301**	-	**5,068,301**	-
Cash and cash equivalents at beginning of financial year		**3,660,051**	3,608,726	**3,650,881**	3,605,807
Cash and cash equivalents at end of financial year	9(a)	**7,069,197**	3,660,051	**7,061,958**	3,650,881

The above statements of cash flows should be read in conjunction with the accompanying notes.

1: Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes separate financial statements the for Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division as an individual entity and the consolidated group consisting of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and its subsidiary ("The Group").

(a) Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards have been applied in the preparation of this report as required under Reporting Guideline 8. Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division is a not-for-profit entity for the purpose of preparing the financial statements.

Statement of Compliance

The financial report complies with Australian Accounting Standards. The Group's principal objective is not the generation of profit. Consequently, where appropriate, the Group has elected to apply options and exemptions within accounting standards that are applicable to not-for-profit entities. As a result this financial report does not comply with International Financial Reporting Standards (IFRS).

Early adoption of standards

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

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2013:

AASB 13 *Fair Value Measurement*
AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair valued.

The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The group has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*. The Group has applied AASB 13 for the first time in the current year.

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation (Continued)

New and amended standards adopted by the Group

Amendments to AASB 119 Employee Benefits
The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

These amendments have had no significant impact on the entity.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division ("parent entity") as at 31 December 2013 and the results of all subsidiaries for the year then ended. The Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and its subsidiaries together are referred to in this financial report as the Group or the Consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

1: Summary of significant accounting policies (Continued)

(b) Principles of Consolidation (Continued)

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division.

(c) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Service Revenue

Membership subscriptions

Membership subscriptions are recognised is accounted for on an accrual basis and is recorded as revenue in the year to which it relates

Sustentation fees and levies

Sustentation fees and levies are recognised when the right to receive the fees has been established.

Other Revenue

Co-ordinator fee income

Co-ordinator fee income is recognised when the right to receive the income has been established.

Other revenue-generating activities

Revenue is recognised when the right to receive the commission has been established.

1: Summary of significant accounting policies (Continued)

(c) Revenue Recognition (Continued)

Interest income
Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue
Other revenue is recognised when the right to receive the revenue has been established.

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

(d) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(e) Income tax

The CFMEU is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however it still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

The Groups income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Where assets are revalued, no provision for potential capital gains tax has been made because of the long-term nature of the assets and the existence of accumulated tax losses.

1: Summary of significant accounting policies (Continued)

(f) Impairment of assets

All assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets

Classification
The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Group does not hold any investments in the following categories: held-to-maturity investments and financial assets at fair value through profit or loss.

(i) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition
Regular purchases and sales of investments are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are carried at fair value through profit and loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Class of fixed asset	Depreciation rate	Depreciation basis
Buildings	2.0%	Diminishing Value
Motor Vehicles	22.5%	Diminishing Value
Office equipment	10.0% – 33.33%	Diminishing Value
Furniture, fittings & equipment	5.0% – 47.90%	Diminishing Value
Computer equipment	37.5 – 66.66%	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement .When revalued assets are sold; it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

1: Summary of significant accounting policies (Continued)

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value

(o) Comparative figures

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

1: Summary of significant accounting policies (Continued)

(p) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 *Financial Instruments,* AASB 2009- 11 *Amendments to Australian Accounting Standards arising from AASB 9,* AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2015) and AASB 2012-6 *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures.*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the Group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. This change will not impact the Group as current accounting for gains and losses on available–for–sale financial assets is consistent with proposed changes.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from AASB139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Group has not yet decided when to adopt AASB 9.

(ii) AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in Other Entities, revised* AASB 127 *Separate Financial Statements and* AASB 128 *Investments in Associates and Joint Ventures and* AASB 2012-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013).

In August 2012, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

Proposed changes will not have any impact on the Group as the Group does not have a material interest in other entities and is not a part of any joint arrangements.

(iii) AASB 13 *Fair Value Measurement* and AASB 2012-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)
AASB 13 was released in September 2012. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 31 December 2014.

1: Summary of significant accounting policies (Continued)

(p) New accounting standards and interpretations (Continued)

(iv) Revised AASB 119 *Employee Benefits,* AASB 2012-10 *Amendments to Australian Accounting Standards arising from* AASB 119 *(September 2012)* and AASB 2012-11 *Amendments to AASB 119(September 2012) arising from Reduced Disclosure Requirements* (effective 1 January 2013)
In September 2012, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. This standard is not expected to impact the Group.

There are no other standards that are not yet effective and that are expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions.

(q) Change in accounting policy

The financial report has been prepared on the basis of a retrospective application of changes in accounting policy:

(i) Membership subscriptions

The new accounting policy for membership subscriptions is to account for them on an accruals basis. As such amounts due for membership subscriptions are recorded in the accounts as income in the period to which it relates with the amount due at the end of the period being include in debtors the balance sheet.

Previously member subscriptions were recorded on cash received basis. This change in accounting policy has been applied retrospectively based on available information relating to previous years.

(ii) Special funds

The new accounting policy requires that all special funds required to be set aside in terms of the rules of the CFMEU be recorded separately as part of "Other Funds" in the financial statements

Previously these "special funds" (with the exception of the "John Curtin Fund") were recorded as part of the retained earnings. The John Curtin Fund was regarded as a separate entity and was therefore recorded as part of creditors in the balance sheet.
This change in accounting policy has been applied retrospectively based on available information relating to previous years.

(iii) Leave provisions

The new accounting policy requires that superannuation on-cost are included in the leave provision.

Previously these on-costs were not included in the leave provisions. This change in accounting policy has been applied retrospectively based on available information relating to previous years.

1: Summary of significant accounting policies (Continued)

(q) Change in accounting policy (Continued)

As a result of these changes and as required by accounting standards, prior year financial statements have been restated. The impacts of the changes are shown below. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The amounts disclosed for the 2012 reporting period and in the balance sheets as at 1 January 2012 and 31 December 2012 are after correction of error referred in the note 25.

Consolidated Group Balance Sheet (extract)	1 Jan 2012 (Previously stated) $	Subscriptions $	Super on-costs $	Special Funds $	1 Jan 2012 (Restated) $
Trade and other receivables - current	381,295	176,316	-	-	557,611
Total assets	7,853,493	176,316	-	-	8,029,809
Trade and other payables - current	1,193,127	-	-	(247,145)	945,982
Provisions - current	1,031,479	-	83,398	-	1,114,877
Trade and other payables – non-current	695,000	-	-	(695,000)	-
Total liabilities	3,106,663	-	83,398	(942,145)	2,247,916
Net assets	4,746,830	176,316	(83,398)	942,145	5,781,893
MEMBERS' FUND					
Other funds	2,095,094	-	-	1,001,981	3,097,075
Retained profits	2,651,736	176,316	(83,398)	(59,836)	2,684,818
Total members' fund	4,746,830	176,316	(83,398)	942,145	5,781,893

Consolidated Group Statement of Comprehensive Income (Extract)	2012* (Previously stated) $	Profit Increase (Decrease) $	2012 (Restated) $
Revenue from continuing operations	7,191,126	14,307	7,205,431
Administrative expenses	(377,303)	(8,376)	(385,679)
Finance costs	(21,462)	21,462	-
Salaries and related expenses	(4,020,448)	(13,595)	(4,034,043)
(Loss) before income tax	(268,636)	13,798	(254,838)
(Loss) attributable to members	(268,636)	13,798	(254,838)

1: Summary of significant accounting policies (Continued)

q) Change in accounting policy (Continued)

Parent entity Balance Sheet (extract)	1 Jan 2012 (Previously stated) $	Subscriptions $	Super on-costs $	Special Funds $	1 Jan 2012 (Restated) $
Trade and other receivables - current	380,070	176,316	-	-	556,386
Trade and other receivables – non-current	2,633,820	-	-	245,000	2,878,820
Total assets	7,642,740	176,316	-	245,000	8,064,056
Trade and other payables - current	1,227,374	-	-	(238,184)	989,190
Provisions	1,031,479	-	83,398	-	1,114,877
Trade and other payables – non-current	450,000	-	-	(450,000)	-
Total liabilities	2,895,910	-	83,398	(688,184)	2,291,124
Net assets	4,746,830	176,316	(83,398)	933,184	5,772,932
MEMBERS' FUND					
Other funds	2,095,094	-	-	1,001,981	3,097,075
Retained profits	2,651,736	176,316	(83,398)	(68,797)	2,675,857
Total members' fund	4,746,830	176,316	(83,398)	933,184	5,772,932

Parent entity Statement of Comprehensive Income (Extract)	2012* (Previously stated) $	Profit Increase (Decrease) $	2012 (Restated) $
Revenue from continuing operations	7,190,847	22,267	7,213,114
Administrative expenses	(375,009)	(8,374)	(383,383)
Finance costs	(13,500)	13,500	-
Salaries and related expenses	(4,020,448)	(13,595)	(4,034,043)
(Loss) before income tax	(268,636)	13,798	(254,838)
(Loss) attributable to members	(268,636)	13,798	(254,838)

* - the 2012 amounts are after correction of error referred to in note 25

2: Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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

(b) Critical judgments in applying the entity's accounting policies

Employee entitlements
Management judgements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

3: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager of Fair Work Commission:

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) the application must be in writing and must specify the period within which, and the manner 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).

4: Revenue

	Notes	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
From continuing operations		$	$	$	$
Service revenue					
- sustentation fees	(a)	8,942	293,634	8,942	293,634
- membership subscriptions		4,587,042	3,054,784	4,587,042	3,054,784
- capitation fees – other reporting units		-	-	-	-
- support fund levy: Pulp and Paper Workers' Branch		139,381	139,591	139,381	139,591
		4,735,365	3,488,009	4,735,365	3,488,009
Other revenue					
- interest		324,232	175,981	334,456	183,833
- CFMEU National Office Campaign		-	400,000	-	400,000
- OHS contributions		278,301	352,504	278,301	352,504
- training income		29,946	68,533	29,946	68,533
- consultancy fee		543,927	556,695	543,927	556,695
- co-ordinator fee		1,648,573	1,463,615	1,648,573	1,463,615
- sponsorship		46,773	10,500	46,773	10,500
- director fees		336,850	321,350	336,850	321,350
- unrealised gain on investments		7,119	876	7,856	876
- dividends		10,701	256	10,524	87
- distribution		2,550	-	2,550	-
- rent		125,260	112,122	125,260	112,122
- donations		-	-	-	-
- grant income		136,765	-	136,765	-
- representation fees		115,345	107,597	115,345	107,597
- transfer of employee entitlements		165,032	32,259	165,032	32,259
- financial support from another reporting unit		-	-	-	-
- other revenue		184,803	115,134	184,803	115,134
		3,956,177	3,717,422	3,966,961	3,725,105
Total revenue		8,691,542	7,205,431	8,702,326	7,213,114

(a) Sustentation fees	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
Branches:	$	$	$	$
CFMEU FFTS Victoria Branch	-	282,742	-	282,742
CFMEU FFTS Qld Branch	8,942	10,892	8,942	10,892
	8,942	293,634	8,942	293,634

5: Expenses

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
(a) The loss before income tax expenses includes the following specific expenses:				
Depreciation				
- Land and buildings	9,742	72,411	2,069	2,069
- office equipment	32,311	31,296	30,045	27,586
- motor vehicles	203,743	151,552	203,743	151,552
- furniture and fixtures	7,700	7,487	6,984	6,081
	253,496	262,746	242,841	187,288
Defined contribution superannuation expense	**595,438**	410,841	**595,438**	410,841
Rental expenses relating to operating leases				
Minimum lease payments	**105,524**	104,512	**105,524**	104,512
Consideration to employers for payroll deduction	**6,960**	8,373	**6,960**	8,373
Conference and meeting allowances	**32,490**	30,050	**32,490**	30,050
Donations	**7,840**	13,768	**7,840**	13,768
Grants paid	-	-	-	-
Penalties – via RO Act or RO Regulations	-	-	-	-
Net loss on disposal of investments	**1,747**	-	-	-
Unrealised loss (gain) on investments	**(7,119)**	(876)	**(7,856)**	(876)
Provision for impairment	-	-	**228,431**	105,201
Revaluation of land and building	**209,286**	-	-	-
Net loss on disposal of property, plant and equipment	**78,599**	30,841	**78,599**	30,841

5: Expenses (Continued)

b) Income tax expenses

	Consolidated		Parent Entity	
	2013	2012	2013	2013
	$	$	$	$
(a) Income tax expense:				
Current tax	-	-	-	-
Deferred tax	-	-	-	-
	-	-	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Loss from continuing operations before income tax expense	**(636,001)**	(254,838)	**(627,039)**	(254,838)
Prima facie income tax payable on loss before income tax at 30.0% (2013 - 30.0%)	**(190,800)**	(76,451)	**(188,112)**	(76,451)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Net amount exempt under S50.1 of ITAA	**188,112**	76,451	**188,112**	76,451
Transfer to tax loss	**2,688**	-	-	-
Income tax expense attributable to loss	-	-	-	-

At balance date, accumulated tax losses, related to the subsidiary, of approximately $183,166 (2012: $183,172) existed, giving rise to a potential future tax benefit. The potential deferred tax asset attributable to these revenue tax losses are not recognised, as their realisation is not probable.

The deferred tax asset for revenue tax losses, which will offset future non-exempt income, will only be utilised if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised
- the condition for deductibility imposed by tax legislation continue to be complied with, and
- no change in tax legislation adversely affect the group in realising the benefit.

6: Affiliation fees, compulsory levies and sustentation fees

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Affiliation fees				
- Australian Labour Party – SA	**8,588**	8,316	**8,588**	8,316
- Australian Labour Party – TAS	**2,186**	1,938	**2,186**	1,938
- Australian Labour Party – VIC	**35,828**	45,888	**35,828**	45,888
- Australian Labour Party – NSW	**8,215**	7,909	**8,215**	7,909
- Ballarat Trades Hall Council	**1,895**	1,216	**1,895**	1,216
- Geelong Trades Hall Council	**1,700**	336	**1,700**	336
- NSW Labour Council	**7,557**	9,227	**7,557**	9,227
- S A Unions	**11,361**	14,694	**11,361**	14,694
- Unions WA	**1,230**	1,055	**1,230**	1,055
- Unions ACT	**504**	-	**504**	-
- Unions Tasmania	**2,538**	-	**2,538**	-
- South West T&LC	**376**	187	**376**	187
- Victorian Trades Hall Council	**32,273**	13,460	**32,273**	13,460
- International Federation of Chemical, Energy, Mine & General Workers' Union	**5,759**	5,568	**5,759**	5,568
- other	**451**	682	**451**	682
Compulsory levies				
- Victorian Trades Hall Council				
- Campaign levy	**3,331**	1,387	**3,331**	1,387
- women levy	**1,859**	766	**1,859**	766
- Young unionists levy	**1,859**	766	**1,859**	766
- Australian Council of Trade Unions	**28,622**	28,706	**28,622**	28,706
- NSW Unions	**-**	2,261	**-**	2,261
Sustentation fees				
- CFMEU National Office	**150,415**	144,978	**150,415**	144,978
	306,547	289,340	**306,547**	289,340

7: Legal and professional fees

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Legal fees				
- litigation	-	-	-	-
- other legal matters	87,164	70,286	87,164	70,286
Consulting fee	58,260	111,282	58,260	111,282
Audit fees				
- audit of financial report (current auditor)	20,000	-	20,000	-
- ALP membership audit (current auditor)	750	-	750	-
- audit of financial report (previous auditor)	2,120	22,850	2,120	22,850
- audit of subsidiary financial report (previous auditor)	4,100	1,900	-	-
- grant audit (previous auditor)	935	-	935	-
Accounting fees	1,236	6,485	1,236	6,485
	174,565	212,803	170,465	210,903

8: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
(i) Employees other than holders of office				
- wages and salaries	3,460,342	2,565,971	3,460,342	2,565,971
- superannuation	477,464	321,898	477,464	321,898
- leave and other entitlements	(110,398)	195,025	(110,398)	195,025
- separation and redundancies	453,605	4,789	453,605	4,789
- other employee expenses	-	-	-	-
(ii) Holders of office				
- wages and salaries	833,930	506,047	833,930	506,047
- superannuation	117,974	88,943	117,974	88,943
- leave and other entitlements	22,615	34,971	22,615	34,971
- separation and redundancies	-	-	-	-
- other employee expenses	-	-	-	-
(iii) Other related expenses				
Employee training	31,033	14,064	31,033	14,064
Fringe Benefits Tax	64,264	45,343	64,264	45,343
Income protection insurance	61,314	45,834	61,314	45,834
Payroll Tax	252,680	175,682	252,680	175,682
Recruitment expenses	39,044	215	39,044	215
Redundancy fund	30,108	1,194	30,108	1,194
Workcover	47,279	34,067	47,279	34,067
	5,781,254	4,034,043	5,781,254	4,034,043

9: Current assets – Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Cash at banks	1,145,409	1,499,450	1,138,171	1,490,281
Term deposits	5,921,407	2,158,320	5,921,407	2,158,320
Cash on hand	2,381	2,281	2,380	2,280
	7,069,197	3,660,051	7,061,958	3,650,881

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:

Balances as above	7,069,197	3,660,051	7,061,958	3,650,881
Bank overdrafts	-	-	-	-
Balances per statement of cash flows	7,069,197	3,660,051	7,061,958	3,650,881

10: Current assets - Trade and other receivables

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Trade receivables	78,424	23,990	78,424	23,990
	78,424	23,990	78,424	23,990
Less provision for impairment of receivables	-	-	-	-
	78,424	23,990	78,424	23,990
Other				
Receivable from other reporting units				
- CFMEU National Office	27,207	8,005	27,207	8,005
Prepayments	100,220	106,145	100,220	106,145
Accrued income	7,089	22,094	7,089	22,094
Member subscription receivable	219,598	166,707	219,598	166,707
Deposit held in SEET	274,218	-	274,218	-
Other receivables	121,533	326,465	131,758	326,465
	749,865	629,416	760,090	629,416
	828,289	653,406	838,514	653,406

10: Current assets - Trade and other receivables (Continued)

(a) Movements in the provision for impairment of receivables is as follows:

	2013 $	2012 $
At 1 January	-	-
Provision for impairment recognised during the year	-	-
Unused amounts reversed	-	-
At 31 December	-	-

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

11: Non-current assets – Trade and other receivables

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
Non-interest bearing					
- Loan to A.C.N. 117 909 127 Pty Ltd		-	-	**3,071,707**	3,071,707
- Provision for impairment	a	-	-	**(768,920)**	(540,489)
Interest bearing					
- Loan to A.C.N. 117 909 127 Pty Ltd		-	-	**245,000**	245,000
		-	-	**2,547,787**	2,776,218

(a) Provision for impairment	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
At 1 January	-	-	**540,489**	435,288
Provision for impairment recognised during the year	-	-	**228,431**	105,201
	-	-	**768,920**	540,489

12: Non-current assets – financial assets

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
Available-for-sale financial assets	a	**1,338,885**	135,915	**1,333,190**	127,775
Other investments	b	-	-	**1**	1
		1,338,885	135,915	**1,333,191**	127,776

12: Non-current assets – financial assets (Continued)

(a) Available-for-sale financial assets comprises:

		Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
Listed investment, at fair value					
- shares in listed trusts and shares	c	8,698	10,569	3,003	2,429
Unlisted investment, at cost					
- shares in other corporations		127,905	125,346	127,905	125,346
Managed investment at fair value		1,202,282	-	1,202,282	-
	d	1,330,187	125,346	1,330,187	125,346
		1,338,885	135,915	1,333,190	127,775

(b) Other investments:

	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
Shares in subsidiary	-	-	1	1
	-	-	1	1

(c) Movements in fair value of listed investment during the financial year:

	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
Opening balance	10,569	8,565	2,429	1,553
Additions (Disposals)	(1,709)	1,128	-	-
Fair value adjustment	(162)	876	574	876
Closing balance	8,698	10,569	3,003	2,429

(d) Movements in fair value of unlisted investment during the financial year:

	Consolidated Group 2013	Consolidated Group 2012	Parent Entity 2013	Parent Entity 2012
Opening balance	125,346	125,346	125,346	125,346
Additions (net)	1,197,559	-	1,197,559	-
Fair value adjustment	7,282	-	7,282	-
Closing balance	1,330,187	125,346	1,330,187	125,346

13: Non-current assets - Property, plant and equipment

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
LAND				
At cost	**1,979,584**	1,119,584	**14,000**	14,000
BUILDINGS				
At cost	**685,429**	1,053,815	**103,453**	103,453
Less accumulated depreciation	**(60,178)**	(147,036)	**(31,380)**	(29,311)
	625,251	906,779	**72,073**	74,142
BUILDING IMPROVEMENTS				
At cost	**6,003**	927,845	-	-
Less accumulated depreciation	**(517)**	(124,858)	-	-
	5,486	802,987	-	-
Total property	**2,610,321**	2,829,350	**86,073**	88,142
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**1,368,194**	1,193,648	**1,368,194**	1,193,648
Less accumulated depreciation	**(405,706)**	(423,880)	**(405,706)**	(423,880)
	962,488	769,768	**962,488**	769,768
Office equipment				
At cost	**313,589**	315,506	**274,066**	275,983
Less accumulated depreciation	**(201,410)**	(204,810)	**(182,915)**	(188,581)
	112,179	110,696	**91,151**	87,402
Furniture, fixtures and fittings				
At cost	**127,323**	130,287	**113,294**	116,258
Less accumulated depreciation	**(52,566)**	(87,093)	**(42,839)**	(78,082)
	74,757	43,194	**70,455**	38,176
Total plant and equipment	**1,149,424**	923,658	**1,124,094**	895,346
Total property plant and equipment	**3,759,745**	3,753,008	**1,210,167**	983,488

13: Non-current assets - Property, plant and equipment (Continued)

(a) Movements in Carrying Amounts

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

2012 - Group	Land	Building	Building improvements	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$	$
Opening net book amount	1,119,584	944,486	826,132	684,094	114,849	40,416	3,729,561
Additions	-	-	11,559	322,815	27,861	11,298	373,533
Disposals	-	-	-	(85,589)	(719)	(1,032)	(87,340)
Depreciation	-	(37,707)	(34,704)	(151,552)	(31,295)	(7,488)	(262,746)
Closing net book amount	1,119,584	906,779	802,987	769,768	110,696	43,194	3,753,008

2013 - Group	Land	Building	Building improvements	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$	$
Opening net book amount	1,119,584	906,779	802,987	769,768	110,696	43,194	3,753,008
Additions	-	-	-	370,630	26,573	54,994	452,197
NBV transferred from CFMEU FFTS Victoria Branch	-	-	-	202,400	8,501	-	210,901
Disposals	-	-	-	(176,567)	(1,280)	(15,731)	(193,578)
Depreciation	-	(2,069)	(7,673)	(203,743)	(32,311)	(7,700)	(253,496)
Revaluation	860,000	(279,459)	(789,828)	-	-	-	(209,287)
Closing net book amount	1,979,584	625,251	5,486	962,488	112,179	74,757	3,759,745

2012 - Parent	Land	Building	Building improvements	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$	$
Opening net book amount	14,000	76,211	-	684,094	87,846	33,992	896,143
Additions	-	-	-	322,815	27,861	11,297	361,973
Disposals	-	-	-	(85,589)	(719)	(1,032)	(87,340)
Depreciation	-	(2,069)	-	(151,552)	(27,586)	(6,081)	(187,288)
Closing net book amount	14,000	74,142	-	769,768	87,402	38,176	983,488

2013 - Parent	Land	Building	Building improvements	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$	$
Opening net book amount	14,000	74,142	-	769,768	87,402	38,176	983,488
Additions	-	-	-	370,630	26,573	54,994	452,197
NBV transferred from CFMEU FFTS Victoria Branch	-	-	-	202,400	8,501	-	210,901
Disposals	-	-	-	(176,567)	(1,280)	(15,731)	(193,578)
Depreciation	-	(2,069)	-	(203,743)	(30,045)	(6,984)	(242,841)
Closing net book amount	14,000	72,073	-	962,488	91,151	70,455	1,210,167

13: Non-current assets - Property, plant and equipment (Continued)

(b) Non-current assets pledged as security

None of the non-current assets pledged as security by the parent entity and its controlled entity.

14: Current liabilities - Trade and other payables

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Unsecured				
Trade payables	**336,027**	350,676	**336,027**	350,676
Legal cost payables	**11,987**	5,852	**11,987**	5,852
Amount payables to other reporting units	**-**	-	**-**	-
Sundry creditors	**134,587**	97,150	**130,087**	97,145
Income received in advance	**417,133**	557,382	**417,133**	557,382
Consideration to employers for payroll deductions	**-**	-	**-**	-
Relief funds held in trust	**12,891**	12,891	**12,891**	12,891
SA District Trust Account	**319**	317	**319**	317
GST liability	**148,547**	119,126	**148,547**	117,482
	1,061,491	1,143,394	**1,056,991**	1,141,745

15: Provisions

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Holder of Office				
Annual leave	**166,159**	117,466	**166,159**	117,466
Long service leave	**279,538**	131,611	**279,538**	131,611
Personal leave	**68,566**	50,477	**68,566**	50,477
RDO	**38,613**	31,515	**38,613**	31,515
Separations and redundancies	**27,074**	26,362	**27,074**	26,362
	579,950	357,431	**579,950**	357,431
Employees other than office holders:				
Annual leave	**443,585**	432,795	**443,585**	432,795
Long service leave	**573,440**	468,690	**573,440**	468,690
Personal leave	**230,548**	206,102	**230,548**	206,102
RDO	**55,874**	66,912	**55,874**	66,912
Separations and redundancies	**-**	-	**-**	-
	1,303,447	1,174,499	**1,303,447**	1,174,499
Total employee provisions	**1,883,397**	1,531,930	**1,883,397**	1,531,930

15: Provisions (Continued)

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Current	**1,801,508**	1,258,585	**1,801,508**	1,258,585
Non-current	**81,889**	273,345	**81,889**	273,345
	1,883,397	1,531,930	**1,883,397**	1,531,930

(a) Employee benefits - long service leave

A provision has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

(b) Amounts not expected to be settled within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire obligation is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Long service leave obligation expected to be settled after 12 months	**81,889**	273,345	**81,889**	273,345

16: Other funds

	Note	Consolidated Group		Parent Entity	
		2013	2012	2013	2012
		$	$	$	$
John Curtin Fund	a	**1,043,916**	972,253	**1,043,916**	972,253
SA Workers Welfare Fund	b	**72,864**	70,218	**72,864**	70,218
Pulp and Paper Workers' Support Fund	c	**2,164,587**	2,156,341	**2,164,587**	2,156,341
NSW Support Fund	d	**121,893**	77,608	**121,893**	77,608
		3,403,260	3,276,420	**3,403,260**	3,276,420

16: Other funds (Continued)

Presented below is a reconciliation of the movements in each of the other funds as well as the assets and liabilities of the funds recorded as if the fund was a separate entity.

16a: John Curtin Fund	2013	2012
	$	$
Balance at 1 January	972,253	878,131
Income		
Contributions	37,900	39,949
Interest received	33,763	54,228
Expenditure		
Bank charges	-	(55)
Net movement	71,663	94,122
Balance at 31 December	1,043,916	972,253

Represented by:	2013	2012
	$	$
Cash at bank	320,730	271,411
Receivables	28,186	5,842
Loan to related entity	245,000	245,000
Loan to parent entity	450,000	450,000
Balance at 31 December	1,043,916	972,253

16b: SA Workers Welfare Fund	2013	2012
	$	$
Balance at 1 January	70,218	70,598
Income		
Contributions	345	364
Interest received	2,374	2,956
Expenditure		
Bank charges	(73)	(20)
Campaign expenses	-	(3,680)
Net movement	2,646	(380)
Balance at 31 December	72,864	70,218

16b: SA Workers Welfare Fund (Continued)

Represented by:	2013	2012
	$	$
Cash at bank	72,756	70,218
Receivables	108	-
Balance at 31 December	72,864	70,218

The SA Workers Support Fund is for the members of the South Australian District.

16c: Pulp and Paper Workers' Support Fund	2013	2012
	$	$
Balance at 1 January	2,156,341	2,095,094
Income		
Levies	139,381	147,722
Interest received	87,995	129,351
Expenditure		
Campaign expenses	(200,000)	(200,000)
Donations	(5,000)	(10,000)
Legal expenses	(14,130)	(4,791)
Meeting expenses	-	(1,035)
Net movement	8,246	61,247
Balance at 31 December	2,164,587	2,156,341

Represented by:	2013	2012
	$	$
Cash at bank	2,017,580	2,116,684
Receivables	147,007	39,657
	2,164,587	2,156,341

The PPW Support Fund is for the members of the PPW District.

16d: NSW Support Fund	2013	2012
	$	$
Balance at 1 January	77,608	53,252
Income		
Contributions	42,201	47,672
Interest received	2,084	2,730
Expenditure		
Legal expenses	-	(26,046)
Net movement	44,285	24,356
Balance at 31 December	121,893	77,608

Represented by:	2013	2012
	$	$
Cash at bank	2,324	74,054
Investment	116,244	-
Receivables	3,325	3,553
Balance at 31 December	121,893	77,607

The NSW Support Fund is for the members of the NSW District.

17: Retained profits

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 January	2,250,635	2,684,818	2,241,674	2,675,857
Amount transferred from CFMEU FFTS Victoria Branch (Note 17b)	5,160,174	-	5,160,174	-
Transfer (to) other funds	(126,840)	(179,345)	(126,840)	(179,345)
Net (loss) for the year	(636,001)	(254,838)	(627,039)	(254,838)
Balance 31 December	6,647,968	2,250,635	6,647,969	2,241,674

(a) No specific funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

17: Retained profits (Continued)

(b) Re-structure	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Assets acquired:				
Cash on hand and at bank	5,068,301	-	5,068,301	-
Receivables & prepayments	286,405	-	286,405	-
Office equipment taken over at book value	8,501	-	8,501	-
Motor vehicles taken over at book value	202,400	-	202,400	-
	5,565,607	-	5,599,424	-
Less: Liabilities assumed				
Employee entitlements	(439,250)	-	(439,250)	-
Net assets acquired as per signed financial report	5,126,357	-	5,126,357	-
Add: membership reported on accrual basis	33,817	-	33,817	-
Total net assets acquired	5,160,174	-	5,160,174	-

In 2012, the union underwent a restructure including Rule changes which were certified by the General Manager of Fair Work Commission on 15 August 2012. The amendments made to the Rules provided for a substantial restructure of Districts, and creation of new offices and various other additions, amendments, rescissions and other alterations. As part of the restructure the assets and liabilities of the CFMEU FFTS Victoria Branch were transferred to the CFMEU FFPD.

18: Events occurring after reporting date

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

19: Commitments

	Consolidated Group 2013 $	Consolidated Group 2012 $	Parent Entity 2013 $	Parent Entity 2012 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	1,084	36,194	1,084	36,194
Later than one year but not later than five years	-	-	-	-
	1,084	36,194	1,084	36,194

The group leases office and equipments under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated

20: Contingencies

There are no other known contingent assets or liabilities and commitments at 31 December 2013.

21: Other information

(i) Going Concern
The entity's ability to continue as a going concern is not reliant on financial support from another reporting unit.

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii)Acquisition of assets and liability as part of a business combination

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

22: Wage recovery activities

All wage recovery activity has resulted in payments being made directly to members by employers. The reporting entity has not derived any revenue in respect of these activities.

23: Related party transactions

(a) Parent entity
The parent entity within the Group is Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division.

(b) Subsidiaries
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(b):

Name of entity	Country of incorporation	Class of shares	Equity holding 2013	Equity holding 2012
A.C.N. 117 909 127 Pty Ltd	Australia	Ordinary	100%	100%

(c) Transactions with related parties

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
Sales of goods and services				
Sustentation fees from CFMEU FFTS Branches	**8,942**	293,634	**8,942**	293,634
Rental income from CFMEU National Office	**25,000**	25,000	**25,000**	25,000
Campaign contribution from CFMEU FFTS Victoria Branch	**-**	200,000	**-**	200,000
Purchase of goods and services				
Campaign contribution to CFMEU National Office	**505,000**	400,000	**505,000**	400,000

(d) Outstanding balances arising from sales/purchases of goods and services
These balances are included in the notes on receivables and payables.

23: Related party transactions (Continued)

(e) The names of the Divisional Executive in office at any time during or since the end of the financial year are:

Members of Divisional Executive:

The names of the Divisional Executive in office at any time during or since the end of the financial year are:

Name	*Position*
Jane Calvert	FFPD National President
Michael O'Connor	FFPD National Secretary
Leo Skourdourmbis	FFPD National Senior Assistant Secretary
Alex Millar	FFPD National Assistant Secretary
Frank Vari	FFPD National Assistant Secretary
Craig Smith	FFPD National Senior Vice President
David Kirner	FFPD National Vice President
Bradley Coates	FFPD National Vice President
Kenneth Fraser	FFPD National Executive Member
Damian Cooke	FFPD National Executive Member
Kim Mason	FFPD National Executive Member
Cliff Palmer	FFPD National Executive Member
Andrew Vendramini	FFPD National Executive Member
Denise Campbell-Burns	FFPD National Executive Member
Scott McLean	FFPD National Executive Member
Terry Bennier	FFPD National Executive Member
Phil Davies	FFPD National Executive Member

(f) Other transactions

- As part of directorship arrangement for director fees, any officers or employees who are directors of a company or trustee of a superannuation scheme due to their positions of the entity are paid to the CFMEU directly. A superannuation is fee paid are paid directly to the officer's or employees' superannuation fund.
- There were no other transactions between the officers of the branch other than those relating to reimbursement by the branch 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 is reasonable to expect would have been adopted by parties at arm's length.

(g) Loans to key management personnel

There are no loans between key management personnel and the entity.

23: Related party transactions (Continued)

(i) Key management personnel compensation	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
The aggregate compensation made to key management personnel of the Group is as follows:				
Short-term employee benefits				
Salary (including annual leave taken)	**833,930**	506,047	**833,930**	506,047
Leaves accrued	**2,395**	18,791	**2,395**	18,791
Total short-term employee benefits	**836,325**	524,838	**836,325**	524,838
Post-employment benefits:				
Superannuation	**117,974**	88,493	**117,974**	88,493
Total post-employment benefits	**117,974**	88,493	**117,974**	88,493
Other long-term benefits:				
Long-service leave	**19,507**	15,851	**19,507**	15,851
Total other long-term benefits	**19,507**	15,851	**19,507**	15,851
Termination benefits	**713**	779	**713**	779
Total	**974,519**	629,961	**974,519**	629,961

24: Cash flow information

(a) Receipts from branches	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
Branches	$	$	$	$
CFMEU FFTS Queensland Branch	9,836	10,892	9,836	10,892
CFMEU FFTS Victoria Branch	-	282,742	-	282,742
	9,836	293,634	9,836	293,634

	Consolidated Group		Parent Entity	
	2013	2012	2013	2012
	$	$	$	$
(b) Reconciliation of cash flow from operations with (loss) after income tax				
(Loss) after income tax	(636,001)	(254,838)	(627,039)	(254,838)
Non-cash flows in (loss)				
Depreciation	253,496	262,746	242,841	187,288
Net (gain) loss on disposal of investments	1,747	-	-	-
Unrealised loss (gain) on investments	(7,119)	(876)	(7,856)	(876)
Provision for impairment	-	-	228,431	105,201
Revaluation of land and building	209,286	-	-	-
Non-cash distribution	(2,550)	-	(2,550)	-
Net loss on disposal of property, plant and equipment	78,599	30,841	78,599	30,841
Changes in assets and liabilities				
(Increase) in receivables	126,403	(95,794)	116,177	(97,020)
Increase (Decrease) in payables	(81,904)	197,411	(84,755)	152,555
Increase (Decrease) in provisions	(87,783)	229,996	(87,783)	229,996
Net cash flows from operating activities	(145,826)	369,486	(143,935)	353,147

25: Correction of error

In 2012, due to a clerical error, consultancy fee income was understated by $196,200. The error has been corrected by restating each of the affected statement line items for the prior period as follows:

	Consolidated Group			Parent Entity		
	31 Dec 2012	Increase (Decrease)	31 Dec 2012 (Restated)	31 Dec 2012	Increase (Decrease)	31 Dec 2012 (Restated)
Balance Sheet (extract)	$	$	$	$	$	$
Trade and other receivables	**164,734**	215,820	380,554	**164,734**	215,820	380,554
Trade and other payables	**(1,407,922)**	(19,620)	(1,427,542)	**(1,397,312)**	(19,620)	(1,416,932)
Net assets	**4,281,994**	196,200	4,478194	**4,281,994**	196,200	4,478,194
Retained profits	**4,281,994**	196,200	4,478,194	4,281,994	196,200	4,478,194
Total members fund	**4,281,994**	196,200	4,478,194	**4,281,994**	196,200	4,478,194

	Consolidated Group			Parent Entity		
	31 Dec 2012	Increase (Decrease)	31 Dec 2012 (Restated)	31 Dec 2012	Increase (Decrease)	31 Dec 2012 (Restated)
Income statement (extract)	$	$	$	$	$	$
Revenue	6,994,926	196,200	7,191,126	6,994,647	196,200	7,190,847
Loss before income tax	(464,836)	196,200	(268,636)	(464,836)	196,200	(268,636)
Net loss attributable to members	(464,836)	196,200	(268,636)	(464,836)	196,200	(268,636)
Total comprehensive income	(464,836)	196,200	(268,636)	(464,836)	196,200	(268,636)

26: Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Divisional Executive. The management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk
(i) Foreign exchange risk
The Group is not exposed to foreign exchange risk.

(ii) Price risk
The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet either as available-for-sale or at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the group only maintains a small portfolio.

The Group is not exposed to commodity price risk.

The Group's equity investments are publicly traded and are listed on the ASX.

The table below summarises the impact of increases/decreases of the indexes on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/(decreased) by 10% (2012 - 10%) with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index.

	Consolidated Group		Parent Entity	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Effect on equity:				
Increase of equity index by 10%	**133,888**	13,591	133,319	12,777
Decrease of equity index by 10%	**(133,888)**	(13,591)	(133,319)	(12,777)

Equity would further increase/decrease as a result of gains/ (losses) on equity securities classified as available-for-sale.

The price risk for the unlisted securities is immaterial in terms of the possible impact on profit or loss or total equity. It has therefore not been included in the sensitivity analysis.

(iii) Cash flow and fair value interest rate risk
The group has no borrowings and is therefore not exposed to interest rate risk on liabilities. The group has investments in a variety of interest-bearing assets which have fixed interest rates and therefore are not subject to interest rate volatility.

26: Financial risk management (Continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The group has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	Consolidated Group		Parent Entity	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Cash at bank:				
AA Rating	**7,066,816**	3,657,769	**7,059,578**	3,648,601

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions

(d) Sensitivity analysis

As at 31 December the effect on the (deficit)/surplus as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	Consolidated Group		Parent Entity	
	2013	**2012**	**2013**	**2012**
	$	**$**	**$**	**$**
Effect on results:				
Increase of interest rates by 2%	**141,336**	73,201	**141,191**	73,018
Decrease of interest rates by 2%	**(141,336)**	(73,201)	**(141,191)**	(73,018)

26: Financial risk management (Continued)

(e) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below

Group
2013

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	2	1,145,409	5,921,407	-	-	2,381	7,069,197
Trade and other receivables		-	-	-	-	728,069	728,069
Investments		-	-	-	-	1,338,885	1,338,885
		1,145,409	5,921,407	-	-	2,069,335	9,136,151
Financial Liabilities							
Trade and other payables		-	-	-	-	1,061,491	1,061,491
		-	-	-	-	1,061,491	1,061,491
Net Financial Assets		1,145,409	5,921,407	-	-	1,007,844	8,074,660

Group
2012

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	3	1,499,450	2,158,320	-	-	2,281	3,660,051
Trade and other receivables		-	-	-	-	547,261	547,261
Investments		-	-	-	-	135,915	135,915
		1,499,450	2,158,320	-	-	685,457	4,343,227
Financial Liabilities							
Trade & other payables		-	-	-	-	1,143,394	1,143,394
		-	-	-	-	1,143,394	1,143,394
Net Financial Assets (Liabilities)		1,499,450	2,158,320	-	-	(457,937)	3,199,833

26: Financial risk management (Continued)

(e) Maturity profile of financial instruments (Continued)

Parent
2013

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	2	1,138,171	5,921,407	-	-	2,380	7,061,958
Other receivables		-	-	-	-	738,294	738,294
Loans to related parties	3	-	-	245,000	-	2,302,787	2,547,787
Investments		-	-	-	-	1,331,191	1,331,191
		1,138,171	5,921,407	245,000	-	4,374,652	11,679,230
Financial Liabilities							
Trade & other payables		-	-	-	-	1,056,991	1,056,991
		-	-	-	-	1,056,991	1,056,991
Net Financial Assets		1,138,171	5,921,407	245,000	-	3,317,661	10,622,239

Parent
2012

	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Non Interest bearing	Total
	%	$	$	$	$	$	$
Financial Assets							
Cash at bank	3	1,490,281	2,158,320	-	-	2,280	3,650,881
Other receivables		-	-	-	-	547,261	547,261
Loans to related parties		-	-	245,000	-	2,531,218	2,776,218
Investments		-	-	-	-	127,776	127,776
		1,490,281	2,158,320	245,000	-	3,208,535	7,102,136
Financial Liabilities							
Trade & other payables		-	-	-	-	1,141,745	1,141,745
		-	-	-	-	1,141,745	1,141,745
Net Financial Assets		1,490,281	2,158,320	245,000	-	2,066,790	5,960,391

27: Fair value measurement (Continued)

(b) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) 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.

(ii) Non-recurring fair value measurements

The entity does not have assets in this category.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 December 2013 and 2012 for recurring fair value measurements:

	2013 $	2012 $
Opening balance	**125,345**	125,345
Transfer from other levels	**-**	-
Gains/(losses) recognised in other comprehensive income	**2,558**	-
Closing balance	**127,903**	125,345
Unrealised gains or (losses) recognised in profit or loss attributable to assets held at the end of the reporting period (included in gains/(losses) recognised in other income)	**-**	-

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
ABN 34 183 611 895
AND CONTROLLED ENTITY

STATEMENT BY DIVISIONAL EXECUTIVE

On 10 June 2014, the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. 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;
4. there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
   a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
   b. 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
   c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
   d. 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
   e. the information sought in any request of a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been furnished to the members or the General Manager;
   f. no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.
6. All wage recovery activity has resulted in payments being made directly to members by employers. The reporting unit has not derived any revenue in respect of these activities.

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

Signature of designated officer: ______________________
Name of designated officer: Michael O'Conner - CFMEU FFPD Secretary

Signature of designated officer: ______________________
Name of designated officer: Jane Calvert - CFMEU FFPD President

Dated: 10th of June 2014

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

All correspondence to
PO Box 6094
St Kilda Road Central
MELBOURNE VIC 8008

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION

Report on the financial report

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and consolidated group, which comprises the balance sheet as at 31 December 2013, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division. The consolidated group comprising the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and the entity it controlled at the year's end or from time to time during the financial year.

Divisional Executive's responsibility for the financial report

The Divisional Executive is responsible for the preparation and fair presentation of the financial report 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 determines as necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 Divisional Executive, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Divisional Executive.

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

BGL PARTNERS
CHARTERED ACCOUNTANTS

Suite 1, Ground Floor
598 St Kilda Rd
MELBOURNE VIC 3004

All correspondence to
PO Box 6094
St Kilda Road Central
MELBOURNE VIC 8008

E bgl@bglpartners.com.au
T (03) 9525 2511
F (03) 9525 2829
W bglpartners.com.au

ABN 96 006 935 459

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION (Continued)

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion:

- the general purpose financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division and consolidated group presents fairly, in all material respects, the financial position of Construction, Forestry, Mining and Energy Union - Forestry, Furnishing, Building Products and Manufacturing Division and consolidated group as at 31 December 2013 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:

  a) the Australian Accounting Standards; and

  b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009.*

- the Divisional Executive's use of the going concern basis of accounting in the preparation of the Division's financial statements is appropriate.

Bgl Partners

BGL Partners
Chartered Accountants

JHinds.

I. A. Hinds - C.A. – Partner
Approved Auditor
(Member of The Institute of Chartered Accountants in Australia and holder of current Public Practice Certificate)

Melbourne
10 June 2014

Chartered Accountants