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 2015

CFMEU

CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION
ABN 34 183 611 895
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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 31 May 2016.

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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 2015.

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'Conner	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

During the year, the Division contributed $1,000,000 towards the CFMEU National Office Campaign and incurred expenses for Royal Commission of $226,440. 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 2015 was 46 (2014: 52).

The number of members of the union at 31 December 2015 was 10,588 (2014: 10,646).

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

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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
Alex Millar	Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union
Michael O'Conner	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
Denise Campbell-Burns	Associate Director	FIRST Superannuation Pty Ltd	FIRST Super	Officer of the union

Apart from the above, to the best of our knowledge and belief, no officer or employee of the Union superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee.

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 National Secretary

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

Dated: 31 May 2016

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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
Revenue from continuing operations	4	**4,615,816**	4,642,537	**4,615,816**	4,642,537
Other revenue	4	**3,245,475**	3,747,916	**3,248,987**	3,754,872
Administrative expenses		**(466,529)**	(445,004)	**(466,438)**	(444,913)
Affiliation fee	7	**(322,017)**	(345,612)	**(322,017)**	(345,612)
Depreciation		**(223,503)**	(252,500)	**(206,866)**	(235,223)
Campaign expenses		**(1,004,823)**	(1,007,677)	**(1,004,823)**	(1,007,677)
Communication - members		**(122,098)**	(160,246)	**(122,098)**	(160,246)
Conference and meetings		**(142,751)**	(133,649)	**(142,751)**	(133,649)
Legal and professional fees	8	**(509,085)**	(444,459)	**(501,477)**	(441,923)
Motor vehicle expenses		**(286,693)**	(317,114)	**(286,693)**	(317,114)
Occupancy expenses		**(244,872)**	(242,473)	**(244,872)**	(242,473)
Telephone expenses		**(75,326)**	(87,766)	**(75,326)**	(87,766)
Salaries and related expenses	9	**(5,894,305)**	(5,782,315)	**(5,894,305)**	(5,782,315)
Travel and accommodation expenses		**(482,815)**	(489,529)	**(482,815)**	(489,529)
Loss on disposal of assets		**(9,153)**	(41,376)	**(8,377)**	(41,197)
Impairment loss		**-**	(11,516)	**(27,399)**	(38,524)
		(9,783,970)	(9,761,236)	**(9,786,257)**	(9,768,161)
(Deficit) before income tax		**(1,922,679)**	(1,370,783)	**(1,921,454)**	(1,370,752)
Income tax expense	6	**-**	-	**-**	-
(Deficit) attributable to members		**(1,922,679)**	(1,370,783)	**(1,921,454)**	(1,370,752)
Other comprehensive income					
Changes in other funds	18	**464,440**	93,671	**464,440**	93,671
Total comprehensive (loss) for the year		**(1,458,239)**	(1,277,112)	**(1,457,014)**	(1,277,081)

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

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BALANCE SHEETS
AS AT 31 DECEMBER 2015

	Notes	Consolidated Group		Parent Entity	
		2015 $	2014 $	2015 $	2014 $
ASSETS					
Current assets					
Cash and cash equivalents	10	**3,903,359**	5,695,091	**3,902,180**	5,692,912
Trade and other receivables	11	**1,183,730**	1,166,907	**1,210,205**	1,186,582
Total current assets		**5,087,089**	6,861,998	**5,112,385**	6,879,494
Non-current assets					
Trade and other receivables	12	**-**	-	**2,507,491**	2,534,890
Financial assets	13	**1,830,302**	1,814,607	**1,822,844**	1,807,564
Property, plant and equipment	14	**3,291,180**	3,497,883	**762,507**	952,572
Total non-current assets		**5,121,482**	5,312,490	**5,092,842**	5,295,026
Total assets		**10,208,571**	12,174,488	**10,205,227**	12,174,520
LIABILITIES					
Current liabilities					
Trade and other payables	15	**1,350,711**	1,503,065	**1,346,110**	1,503,065
Employee benefit obligations	16	**2,072,370**	1,927,556	**2,072,370**	1,927,556
Total current liabilities		**3,423,081**	3,430,621	**3,418,480**	3,430,621
Non-current liabilities					
Employee benefit obligations	16	**27,724**	63,422	**27,724**	63,422
Total non-current liabilities		**27,724**	63,422	**27,724**	63,422
Total liabilities		**3,450,805**	3,494,043	**3,446,204**	3,494,043
Net assets		**6,757,766**	8,680,445	**6,759,023**	8,680,477
MEMBERS' FUND					
Other funds	17	**2,845,149**	3,309,589	**2,845,149**	3,309,589
Retained profits	18	**3,912,617**	5,370,856	**3,913,874**	5,370,888
Total members' fund		**6,757,766**	8,680,445	**6,759,023**	8,680,477

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

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STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Other Funds $	Retained profits $	Total $
Consolidated Group			
Balance at 1 January 2014	3,403,260	6,647,968	10,051,228
(Deficit) for the year	-	(1,370,783)	(1,370,783)
Transfer to other funds	(93,671)	93,671	-
Balance at 31 December 2014	3,309,589	5,370,856	8,680,445
Balance at 1 January 2015	3,309,589	5,370,856	8,680,445
(Deficit) for the year	-	(1,922,679)	(1,922,679)
Transfer to other funds	(464,440)	464,440	-
Balance at 31 December 2015	2,845,149	3,912,617	6,757,766

	Other Funds $	Retained profits $	Total $
Parent Entity			
Balance at 1 January 2014	3,403,260	6,647,969	10,051,229
(Deficit) for the year	-	(1,370,752)	(1,370,752)
Transfer to reserve	(93,671)	93,671	-
Balance at 31 December 2014	3,309,589	5,370,888	8,680,477
Balance at 1 January 2015	3,309,589	5,370,888	8,680,477
(Deficit) for the year	-	(1,921,454)	(1,921,454)
Transfer to other funds	(464,440)	464,440	-
Balance at 31 December 2015	2,845,149	3,913,874	6,759,023

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

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STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
Cash flows from operating activities					
Receipts from other reporting units	25(a)	**111,718**	131,970	**111,718**	131,970
Membership fees received		**5,062,318**	5,120,171	**5,062,318**	5,120,171
Receipts from controlled entities		-	-	-	-
Service contract fees received		**1,858,598**	1,802,805	**1,858,598**	1,802,805
Consultancy fees received		**463,492**	445,365	**463,492**	445,365
Other income		**1,177,820**	918,280	**1,174,699**	915,970
Payments to suppliers and employees		**(8,620,021)**	(8,574,198)	**(8,615,701)**	(8,566,859)
Payments to other reporting units	25(b)	**(2,040,330)**	(1,179,385)	**(2,040,330)**	(1,179,385)
Payments to controlled entities		-	-	-	-
Dividends/Distribution received		**112,279**	177,957	**111,959**	177,563
Interest received		**151,549**	189,568	**151,549**	189,567
Net cash (outflow) from operating activities	25(c)	**(1,722,577)**	(967,467)	**(1,721,698)**	(962,833)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**44,778**	246,992	**44,778**	246,993
Payment for property, plant and equipment		**(69,956)**	(158,355)	**(69,956)**	(158,355)
Payment for investments (net)		**(121)**	(500,425)	-	(500,000)
Net cash (outflow) from investing activities		**(25,299)**	(411,788)	**(25,178)**	(411,362)
Cash flows from financing activities					
Loan to related party		**(43,856)**	5,149	**(43,856)**	5,149
Net cash inflow from financing activities		**(43,856)**	5,149	**(43,856)**	5,149
Net (decrease) in cash and cash equivalents		**(1,791,732)**	(1,374,106)	**(1,790,732)**	(1,369,046)
Cash and cash equivalents at beginning of financial year		**5,695,091**	7,069,197	**5,692,912**	7,061,958
Cash and cash equivalents at end of financial year	10(a)	**3,903,359**	5,695,091	**3,902,180**	5,692,912

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 2015:

• AASB 2014-1 Amendments to Australian Accounting Standards (including Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles and Part B: Defined Benefit Plans: Employee Contributions – Amendments to AASB 119)
The adoption of the improvements made in the 2012-2012 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

1: Summary of significant accounting policies (Continued)

(a) Basis of Preparation (Continued)

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 2015 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.

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.

1: Summary of significant accounting policies (Continued)

(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:

Membership subscriptions

Membership subscriptions are recognised on an accrual basis and are recorded as revenue in the year to which they relate.

Sustentation fees and levies

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

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.

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)

1: Summary of significant accounting policies (Continued)

(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 as the parent entity, 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.

(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.

1: Summary of significant accounting policies (Continued)

(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.

Reclassification
The entity may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the entity may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the entity has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

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.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

Measurement

At initial recognition, the entity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for 'financial assets at fair value through profit or loss' – in profit or loss within other income or other expenses
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the enity's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the net gains/(losses). Interest on available-for-sale securities, held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the statement of profit or loss as part of revenue from continuing operations

Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

1: Summary of significant accounting policies (Continued)

(j) Investment and other financial assets (Continued)

Impairment (Continued)

Assets classified as available-for-sale
If there is objective evidence of impairment 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 or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(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.

1: Summary of significant accounting policies (Continued)

(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.

(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) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

1: Summary of significant accounting policies (Continued)

(n) Employee benefits (Continued)

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period 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.

(p) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

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.

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.

1: Summary of significant accounting policies (Continued)

(q) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods. The group's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 9 *Financial Instruments* (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2014, it also sets out new rules for hedge accounting. When adopted, the standard will affect the entity'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. There will be no impact on the entity'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 entity does not have any such liabilities.

(ii) AASB 15 *Revenue from Contracts with customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the entity's financial report.

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

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	
		2015	2014	2015	2014
		$	$	$	$
From continuing operations					
- sustentation fees - CFMEU C & G Qld/NT Divisional Branch		**6,540**	11,388	**6,540**	11,388
- membership subscriptions		**4,609,276**	4,631,149	**4,609,276**	4,631,149
- capitation fees – other reporting units		**-**	-	**-**	-
- levies – other reporting units		**-**	-	**-**	-
		4,615,816	4,642,537	**4,615,816**	4,642,537
Other revenue					
- interest		**139,706**	206,687	**144,606**	214,036
- OHS contributions		**182,071**	207,018	**182,071**	207,018
- training income		**7,545**	15,082	**7,545**	15,082
- consultancy fees		**271,852**	528,927	**271,852**	528,927
- service contract		**1,689,767**	1,633,473	**1,689,767**	1,633,473
- sponsorship		**25,000**	30,775	**25,000**	30,775
- director fees		**236,220**	243,470	**236,220**	243,470
- gain on disposal of assets		**-**	107,462	**-**	107,462
- unrealised gain on investments		**16,348**	-	**15,280**	-
- dividends		**131,215**	177,957	**130,895**	177,564
- rent		**83,450**	95,167	**83,450**	95,167
- donations		**-**	-	**-**	-
- grant income		**191,743**	149,782	**191,743**	149,782
- representation fees		**117,992**	115,701	**117,992**	115,701
- financial support from another reporting unit		**-**	-	**-**	-
- other revenue		**152,566**	236,415	**152,566**	236,415
		3,245,475	3,747,916	**3,248,987**	3,754,872

5: Other disclosable items

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
(a) The loss before income tax expenses includes the following specific items:				
Depreciation				
- land and buildings	14,125	15,347	-	635
- office equipment	27,255	32,478	25,460	30,630
- motor vehicles	162,346	190,529	162,346	190,529
- furniture and fixtures	19,777	14,146	19,060	13,429
	223,503	252,500	206,866	235,223
Defined contribution superannuation expense	626,963	621,476	626,963	621,476
Rental expenses relating to operating leases				
Minimum lease payments	46,426	47,763	46,425	47,763
Consideration to employers for payroll deduction	6,043	7,059	6,043	7,059
Conference and meeting allowances	30,635	28,550	30,635	28,550
Donations				
Total paid that were $1,000 or less	982	-	982	-
Total paid that exceeded $1,000	8,340	15,430	8,340	15,430
Grants paid	-	-	-	-
Penalties – via RO Act or RO Regulations	-	-	-	-
Net loss on disposal of investments	776	178	-	-
Unrealised loss (gain) on investments	(16,348)	-	(15,280)	25,627
Provision for impairment	-	11,516	27,399	12,897
Revaluation of land and building	-	(13,010)	-	-
Loss on disposal of property, plant and equipment	8,377	41,197	8,377	41,197
(Gain) on disposal of property	-	(107,462)	-	(107,462)

6: Income tax expenses

	Consolidated		Parent Entity	
	2015	2014	2015	2015
	$	$	$	$
(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	**(1,922,679)**	(1,370,783)	**(1,921,454)**	(1,370,752)
Prima facie income tax payable on loss before income tax at 30.0% (2015 - 30.0%)	**(576,804)**	(411,235)	**(576,436)**	(411,226)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Net amount exempt under S50.1 of ITAA	**576,436**	411,226	**576,436**	411,226
Other items	**368**	9	-	-
Income tax expense attributable to loss	-	-	-	-

At balance date, there were accumulated tax losses, related to the subsidiary, of approximately $183,104 (2014: $183,125), giving rise to a potential future tax benefit. The potential deferred tax asset attributable to these revenue tax losses have not been recognised, as their realisation is uncertain.

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 continues to be complied with, and
- there is no change in tax legislation which would adversely affect the group in realising the benefit.

7: Affiliation fees, compulsory levies and sustentation fees

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Affiliation fees				
- Australian Labour Party – NSW	**4,395**	4,468	**4,395**	4,468
- Australian Labour Party – SA	**6,929**	7,930	**6,929**	7,930
- Australian Labour Party – TAS	**2,027**	1,472	**2,027**	1,472
- Australian Labour Party – VIC	**26,982**	31,498	**26,982**	31,498
- Ballarat Trades Hall Council	**1,870**	1,137	**1,870**	1,137
- Geelong Trades Hall Council	**1,358**	2,198	**1,358**	2,198
- NSW Labour Council	**11,876**	3,831	**11,876**	3,831
- S A Unions	**8,501**	9,917	**8,501**	9,917
- Unions WA	**749**	1,279	**749**	1,279
- Unions ACT	**-**	1,540	**-**	1,540
- Unions Tasmania	**2,074**	2,627	**2,074**	2,627
- South West T&LC	**113**	113	**113**	113
- Victorian Trades Hall Council	**34,209**	33,280	**34,209**	33,280
- International Federation of Chemical, Energy, Mine & General Workers' Union	**7,565**	6,674	**7,565**	6,674
- other	**199**	600	**199**	600
Compulsory levies				
- Unions NSW	**297**	-	**297**	-
- Unions WA	**133**	-	**133**	-
- Victorian Trades Hall Council				
- Campaign levy	**3,511**	3,408	**3,511**	3,408
- Women levy	**1,962**	1,911	**1,962**	1,911
- Young unionists levy	**1,962**	1,911	**1,962**	1,911
- Australian Council of Trade Unions (via CFMEU National Office)	**25,990**	29,044	**25,990**	29,044
- SA Unions	**-**	1,802	**-**	1,802
Sustentation fees				
- CFMEU National Office	**179,315**	198,972	**179,315**	198,972
	322,017	345,612	**322,017**	345,612

8: Legal and professional fees

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Legal fees				
- litigation	389,047	-	389,047	-
- other legal matters	17,729	341,843	17,729	341,843
Consulting fee	69,915	72,173	69,915	72,173
Audit fees				
- audit of financial report	27,200	26,450	21,300	25,050
- ALP membership audit	1,100	-	1,100	-
- grant audit	1,000	-	1,000	-
Accounting fees	3,094	3,993	1,386	2,857
	509,085	444,459	501,477	441,923

9: Salaries and related expenses

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
(i) Employees other than holders of office				
- wages and salaries	3,388,708	3,513,027	3,388,708	3,513,027
- superannuation	497,451	504,413	497,451	504,413
- leave and other entitlements	(18,787)	99,773	(18,787)	99,773
- separation and redundancies	343,998	169,109	343,998	169,109
- other employee expenses	-	-	-	-
(ii) Holders of office				
- wages and salaries	879,979	808,417	879,979	808,417
- superannuation	129,512	117,063	129,512	117,063
- leave and other entitlements	127,903	7,808	127,903	7,808
- separation and redundancies	-	-	-	-
- other employee expenses	-	-	-	-
(iii) Other related expenses				
- employee training	22,816	20,858	22,816	20,858
- fringe Benefits Tax	96,881	110,271	96,881	110,271
- income protection insurance	60,531	62,574	60,531	62,574
- payroll Tax	268,218	257,893	268,218	257,893
- recruitment expenses	19,155	30,497	19,155	30,497
- redundancy fund	29,277	29,682	29,277	29,682
- workcover	48,663	50,930	48,663	50,930
	5,894,305	5,782,315	5,894,305	5,782,315

10: Current assets – Cash and cash equivalents

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Cash at banks	**613,265**	528,108	**612,087**	525,930
Term deposits	**3,288,783**	5,165,282	**3,288,783**	5,165,282
Cash on hand	**1,311**	1,701	**1,310**	1,700
	3,903,359	5,695,091	**3,902,180**	5,692,912

(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	**3,903,359**	5,695,091	**3,902,180**	5,692,912
Bank overdrafts	**-**	-	**-**	-
Balances per statement of cash flows	**3,903,359**	5,695,091	**3,902,180**	5,692,912

11: Current assets - Trade and other receivables

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Trade receivables	121,774	262,967	121,774	262,967
	121,774	262,967	121,774	262,967
Less provision for impairment of receivables	-	-	-	-
	121,774	262,967	121,774	262,967
Other				
Receivable from other reporting units				
- CFMEU National Office	**14,000**	5,421	**14,000**	5,421
- CFMEU C & G Qld/NT Divisional Branch	**-**	808	**-**	808
- CFMEU C & G ACT Divisional Branch	**-**	22,111	**-**	22,111
Prepayments	**339,543**	78,624	**339,543**	78,624
Accrued income	**12,365**	24,207	**12,365**	24,207
Member subscription receivable	**203,214**	196,046	**203,214**	196,046
Entitlements held in SEET	**312,551**	349,852	**312,551**	349,852
Net GST	**31,697**	-	**31,697**	-
Other receivables	**148,586**	226,871	**175,061**	246,546
	1,061,956	903,940	**1,088,431**	923,615
	1,183,730	1,166,907	**1,210,205**	1,186,582

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

(i) Classification as trade and other receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as noncurrent assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) Other receivables
These amounts generally arise from transactions during the usual operating activities of the entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payable within three years from the end of the reporting period.

(iii) Fair values of trade and other receivables
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value

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

	2015 $	2014 $
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.

The carrying amount of receivables whose terms have been renegotiated, that would otherwise be past due or impaired is $Nil (2014: $Nil).

12: Non-current assets – Trade and other receivables

		Consolidated Group		Parent Entity	
		2015 $	2014 $	2015 $	2014 $
Loan to subsidiary					
Non-interest bearing		-	-	**3,071,707**	3,071,707
- Provision for impairment	a	-	-	**(809,216)**	(781,817)
Interest bearing		-	-	**245,000**	245,000
		-	-	**2,507,491**	2,534,890

12: Non-current assets – Trade and other receivables (Continued)

(a) Provision for impairment	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
At 1 January	-	-	781,817	768,920
Provision for impairment recognised during the year	-	-	27,399	12,897
	-	-	809,216	781,817

13: Non-current assets – financial assets

		Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
Available-for-sale financial assets	a	1,830,302	1,814,607	1,822,843	1,807,563
Other investments	b	-	-	1	1
		1,830,302	1,814,607	1,822,844	1,807,564

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

		Consolidated Group		Parent Entity	
		2015	2014	2015	2014
		$	$	$	$
Listed investment, at fair value					
- shares in listed trusts and shares	c	10,324	10,266	2,865	3,222
Unlisted investment, at cost					
- shares in other corporations		127,905	127,905	127,905	127,905
Managed investment at fair value		1,692,073	1,676,436	1,692,073	1,676,436
	d	1,819,978	1,804,341	1,819,978	1,804,341
		1,830,302	1,814,607	1,822,843	1,807,563

(b) Other investments:				
Shares in subsidiary	-	-	1	1
	-	-	1	1

(c) Movements in fair value of listed investment during the financial year:				
Opening balance	10,266	8,698	3,222	3,003
Additions (Disposals)	(653)	248	-	-
Fair value adjustment	711	1,320	(357)	219
Closing balance	10,324	10,266	2,865	3,222

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

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
(d) Movements in fair value of unlisted investment during the financial year:				
Opening balance	**1,804,341**	1,330,187	**1,804,341**	1,330,187
Additions (net)	-	500,000	-	500,000
Fair value adjustment	**15,637**	(25,846)	**15,637**	(25,846)
Closing balance	**1,819,978**	1,804,341	**1,819,978**	1,804,341

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

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
LAND				
At cost	-	1,900,000	-	-
At fair value	**1,980,000**	80,000	-	-
	1,980,000	1,980,000	-	-
BUILDINGS				
At cost	-	400,000	-	-
At fair value	**565,000**	165,000	-	-
Less accumulated depreciation	**(36,579)**	(22,454)	-	-
	528,421	542,546	-	-
Total property	**2,508,421**	2,522,546	-	-

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

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
PLANT AND EQUIPMENT				
Motor vehicles				
At cost	**1,184,171**	1,282,109	**1,184,171**	1,282,109
Less accumulated depreciation	**(589,958)**	(498,621)	**(589,958)**	(498,621)
	594,213	783,488	**594,213**	783,488
Office equipment				
At cost	**333,343**	323,560	**293,820**	284,037
Less accumulated depreciation	**(249,763)**	(225,178)	**(227,624)**	(204,835)
	83,580	98,382	**66,196**	79,202
Furniture, fixtures and fittings				
At cost	**187,947**	156,671	**173,918**	142,642
Less accumulated depreciation	**(82,981)**	(63,204)	**(71,820)**	(52,760)
	104,966	93,467	**102,098**	89,882
Total plant and equipment	**782,759**	975,337	**762,507**	952,572
Total property plant and equipment	**3,291,180**	3,497,883	**762,507**	952,572

(a) Non-current assets pledged as security

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

(b) 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:

2014 - Group	Land	Building	Building improvements	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$	$
Opening net book amount	1,979,584	625,251	5,486	962,488	112,179	74,757	3,759,745
Additions	-	-	-	106,294	18,963	33,098	158,355
Disposals	(14,000)	(71,438)	-	(94,765)	(282)	(242)	(180,727)
Depreciation	-	(15,204)	(143)	(190,529)	(32,478)	(14,146)	(252,500)
Revaluation	14,416	3,937	(5,343)	-	-	-	13,010
Closing net book amount	1,980,000	542,546	-	783,488	98,382	93,467	3,497,883

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

(b) Movements in Carrying Amounts (Continued)

2015 - Group	Land	Building	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$
Opening net book amount	1,980,000	542,546	783,488	98,382	93,467	3,497,883
Additions	-	-	25,035	13,645	31,276	69,956
Disposals	-	-	(51,964)	(1,192)	-	(53,156)
Depreciation	-	(14,125)	(162,346)	(27,255)	(19,777)	(223,503)
Closing net book amount	1,980,000	528,421	594,213	83,580	104,966	3,291,180

2014 - Parent	Land	Building	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$
Opening net book amount	14,000	72,073	962,488	91,151	70,455	1,210,167
Additions	-	-	106,294	18,963	33,098	158,355
Disposals	(14,000)	(71,438)	(94,765)	(282)	(242)	(180,727)
Depreciation	-	(635)	(190,529)	(30,630)	(13,429)	(235,223)
Closing net book amount	-	-	783,488	79,202	89,882	952,572

2015 - Parent	Land	Building	Vehicles	Office equipment	Furniture, fittings & equipment	Total
	$	$	$	$	$	$
Opening net book amount	-	-	783,488	79,202	89,882	952,572
Additions	-	-	25,035	13,645	31,276	69,956
Disposals	-	-	(51,964)	(1,191)	-	(53,155)
Depreciation	-	-	(162,346)	(25,460)	(19,060)	(206,866)
Closing net book amount	-	-	594,213	66,196	102,098	762,507

15: Current liabilities - Trade and other payables

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Unsecured				
Trade payables	**496,967**	303,560	**496,967**	303,558
Legal cost payables – other matters	**4,197**	-	**4,197**	-
Legal cost payables - litigations	**22,562**	-	**22,562**	-
Amount payables to other reporting units				
- CFMEU National Office	**322,372**	497,815	**322,372**	497,815
- CFMEU C & G ACT Divisional Branch	**-**	4,155	**-**	4,155
- CFMEU C & G NSW Divisional Branch	**-**	265	**-**	265
Sundry creditors	**19,276**	116,027	**14,675**	116,027
Income received in advance	**461,723**	426,945	**461,723**	426,945
Consideration to employers for payroll deductions	**-**	-	**-**	-
Relief funds held in trust	**12,891**	12,891	**12,891**	12,891
SA District Trust Account	**10,723**	7,290	**10,723**	7,290
GST liability	**-**	134,117	**-**	134,119
	1,350,711	1,503,065	**1,346,110**	1,503,065

All above liabilities are short-term. The carrying values are considered to be a reasonable approximation of fair value.

16: Employee benefit obligations

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Holder of Office				
Annual leave	**195,831**	177,704	**195,831**	177,704
Long service leave	**345,101**	306,076	**345,101**	306,076
Personal leave	**93,254**	33,071	**93,254**	33,071
RDO	**50,119**	43,049	**50,119**	43,049
Separations and redundancies	**31,358**	27,860	**31,358**	27,860
	715,663	587,760	**715,663**	587,760
Employees other than office holders:				
Annual leave	**462,878**	455,871	**462,878**	455,871
Long service leave	**617,385**	620,769	**617,385**	620,769
Personal leave	**238,692**	252,569	**238,692**	252,569
RDO	**65,476**	74,009	**65,476**	74,009
Separations and redundancies	**-**	-	**-**	-
	1,384,431	1,403,218	**1,384,431**	1,403,218
Total employee provisions	**2,100,094**	1,990,978	**2,100,094**	1,990,978
Disclosed as:				
Current	**2,072,730**	1,927,556	**2,072,730**	1,927,556
Non-current	**27,724**	63,422	**27,724**	63,422
	2,100,094	1,990,978	**2,100,094**	1,990,978

(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:

16: Employee benefit obligations (Continued)

	Consolidated Group 2015 $	Consolidated Group 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
Long service leave obligation expected to be settled after 12 months	**27,724**	63,422	**27,724**	63,422

17: Other funds

	Note	Consolidated Group 2015 $	Consolidated Group 2014 $	Parent Entity 2015 $	Parent Entity 2014 $
John Curtin Fund	a	**1,151,409**	1,101,108	**1,151,409**	1,101,108
SA Workers Welfare Fund	b	**72,330**	73,072	**72,330**	73,072
Pulp and Paper Workers' Support Fund	c	**1,528,885**	2,017,219	**1,528,885**	2,017,219
NSW Support Fund	d	**92,525**	118,190	**92,525**	118,190
		2,845,149	3,309,589	**2,845,149**	3,309,589

Presented below is a reconciliation of the movements in each of the other funds, pursuant to CFMEU FFPD Rule 14D and E, as well as the assets and liabilities of the funds included in these financial statements but allocated as if the fund was a separate entity.

17(a): John Curtin Fund

	2015 $	2014 $
Balance at 1 January	**1,101,108**	1,043,916
Income		
Contributions	**34,985**	34,588
Interest received	**15,316**	22,604
Expenditure	**-**	-
Net movement	**50,301**	57,192
Balance at 31 December	**1,151,409**	1,101,108
Represented by:		
Cash at bank	**92,903**	29,141
Receivables	**363,506**	376,967
Loan to related entity	**245,000**	245,000
Loan to parent entity	**450,000**	450,000
Balance at 31 December	**1,151,409**	1,101,108

The John Curtin Fund – is for contributing members of the fund within Victoria. In terms of the CFMEU FFPD Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

17: Other funds (Continued)

17(b): SA Workers Welfare Fund	**2015**	**2014**
	$	**$**
Balance at 1 January	**73,072**	72,864
Income		
Contributions	**208**	208
Expenditure	**(950)**	-
Net movement	**(742)**	208
Balance at 31 December	**72,330**	73,072
Represented by:		
Cash at bank	**472**	316
Investment	**72,756**	72,756
Receivable	**52**	-
Payable	**(950)**	-
Balance at 31 December	**72,330**	73,072

The SA Workers Support Fund - is for contributing members of the fund within the South Australian District. In terms of the CFMEU FFPD Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

17(c): Pulp and Paper Workers' Support Fund	**2015**	**2014**
	$	**$**
Balance at 1 January	**2,017,219**	2,164,587
Income		
Levies	**121,419**	123,034
Interest received	**50,247**	64,598
Expenditure		
Campaign expenses	**(660,000)**	(330,000)
Donations	-	(5,000)
Net movement	**(488,334)**	(147,368)
Balance at 31 December	**1,528,885**	2,017,219

17: Other funds (Continued)

17(c): Pulp and Paper Workers' Support Fund (Continued)

Represented by:	2015	2014
	$	$
Cash at bank	1,362,042	1,779,539
Receivables	166,843	237,680
	1,528,885	2,017,219

The PPW Support Fund is for the members of the PPW District. In terms of the CFMEU FFPD Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

17(d): NSW Support Fund	2015	2014
	$	$
Balance at 1 January	118,190	121,893
Income		
Contributions	35,719	40,340
Interest received	1,691	639
Expenditure		
Legal expenses	(63,075)	(44,682)
Net movement	(25,665)	(3,703)
Balance at 31 December	92,525	118,190
Represented by:		
Cash at bank	33,035	38,383
Investment	56,887	56,887
Receivables	2,603	22,920
Balance at 31 December	92,525	118,190

The NSW Support Fund is for the members of the NSW District. In terms of the CFMEU FFPD Rule 14D: "Those fund will be expended to members of those groups of members in a manner consistent with the purposes for which the funds were established and that manner shall not be changed without consultation and agreement with the relevant District Committee of Management."

18: Retained profits

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Movements in retained profits were as follows:				
Balance 1 January	**5,370,856**	6,647,968	**5,370,888**	6,647,969
Transfer (to) other funds	**464,440**	93,671	**464,440**	93,671
Net (loss) for the year	**(1,922,679)**	(1,370,783)	**(1,921,454)**	(1,370,752)
Balance 31 December	**3,912,617**	5,370,856	**3,913,874**	5,370,888

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

19: 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.

20: Commitments

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Lease commitments				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**9,895**	9,895	**9,895**	9,895
Later than one year but not later than five years	**6,559**	18,814	**6,559**	18,814
	16,454	28,709	**16,454**	28,709

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

Other commitments				
Campaign funding to the National Office				
Within one year	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Later than one year but not later than five years	**-**	1,000,000	**-**	1,000,000
	1,000,000	2,000,000	**1,000,000**	2,000,000

21: Contingencies

There are no other known contingent assets or liabilities and commitments at 31 December 2015.

22: 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

The CFMEU National Office has a net deficiency of assets as such the CFMEU FFPD has pledged to financially support the CFMEU National Office to pay its debts as and when they fall due and to ensure that it continues as a going concern.

No financial support has been provided to any other 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.

23: 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.

24: Related party transactions

The Group's related parties include its key management personnel and related entities as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

(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 2015	Equity holding 2014
A.C.N. 117 909 127 Pty Ltd	Australia	Ordinary	100%	100%

(c) Transactions with related parties

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Sales of goods and services				
Sustentation fees from CFMEU C & G Qld/NT Divisional Branch	**6,540**	11,388	**6,540**	11,388
Rental income from CFMEU National Office	**25,000**	25,000	**25,000**	25,000
Secondment reimbursement from CFMEU C & G ACT Divisional Branch	**3,623**	51,708	**3,623**	51,707
Purchase of goods and services				
Campaign contribution to CFMEU National Office	**1,000,000**	1,000,000	**1,000,000**	1,000,000
Sustentation fee to CFMEU National Office	**179,315**	198,972	**179,315**	198,972
Reimbursement to CFMEU National Office in relation to the following costs:				
- Royal Commission	**226,546**	244,615	**226,546**	244,615
- ACTU levy	**25,990**	29,044	**25,990**	29,044
- subscription	**-**	10,000	**-**	10,000
- accommodation & travel & other	**7,367**	18,698	**7,367**	18,698

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

24: 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'Conner	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 arrangements, director fees paid for 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.
- There were no other transactions between the officers of the Division other than those relating to reimbursement by the Division 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.

24: Related party transactions (Continued)

(h) Key management personnel compensation	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
The aggregate compensation made to key management personnel of the Group is as follows:				
Short-term employee benefits				
Salary (including annual leave taken)	1,083,905	976,353	1,083,905	976,353
Leaves accrued	92,202	(22,633)	92,202	(22,633)
Total short-term employee benefits	1,176,107	953,720	1,176,107	953,720
Post-employment benefits:				
Superannuation	161,050	138,280	161,050	138,280
Total post-employment benefits	161,050	138,280	161,050	138,280
Other long-term benefits:				
Long-service leave	51,699	40,321	51,699	40,321
Total other long-term benefits	51,699	40,321	51,699	40,321
Termination benefits	3,500	784	3,500	784
	3,500	784	3,500	784
Total	1,392,356	1,133,105	1,392,356	1,133,105

(i) Loans to /from related parties	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
Loan to subsidiary				
Beginning of the year	-	-	2,552,466	2,558,013
Provision for impairment	-	-	(27,399)	(12,897)
Interest charged	-	-	4,900	7,350
End of year	-	-	2,529,967	2,552,466

25: Cash flow information

(a) Receipts from other reporting units	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
Branches	$	$	$	$
CFMEU C & G Qld/NT Divisional Branch	**8,093**	11,638	**8,093**	11,638
CFMEU C & G ACT Divisional Branch	**27,084**	29,741	**27,084**	29,741
CFMEU C & G Division	**10,160**	-	**10,160**	-
CFMEU Mining and Energy Division Victorian Branch	**522**	-	**522**	-
CFMEU National Office	**65,859**	90,591	**65,859**	90,591
	111,718	131,970	**111,718**	131,970

(b) Payments to other reporting units	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
Branches	$	$	$	$
CFMEU C & G Vic/Tas Education & Training Unit	-	590	-	590
CFMEU C & G - National Office	**2,262**	1,812	**2,262**	1,812
CFMEU C & G ACT Divisional Branch	**4,570**	43	**4,570**	43
CFMEU C &G Vic/Tas Divisional Branch	**598**	350	**598**	350
CFMEU C & G Qld/NT Divisional Branch	-	125	-	125
CFMEU C & G NSW Divisional Branch	**524**	10,311	**524**	10,311
CFMEU C & G SA Divisional Branch	-	1,375	-	1,375
CFMEU C & G WA Divisional Branch	**1,000**	-	**1,000**	-
CFMEU Mining and Energy National Office	**727**	1,246	**727**	1,246
CFMEU National Office	**2,030,649**	1,163,533	**2,030,649**	1,163,533
	2,040,330	1,179,385	**2,040,330**	1,179,385

25: Cash flow information (Continued)

	Consolidated Group		Parent Entity	
	2015	2014	2015	2014
	$	$	$	$
(c) Reconciliation of cash flow from operations with (loss) after income tax				
(Loss) after income tax	**(1,922,679)**	(1,370,783)	**(1,921,454)**	(1,370,752)
Non-cash flows in (loss)				
Depreciation	**223,503**	252,500	**206,866**	235,223
Net (gain) loss on disposal of investments	**776**	178	**-**	-
Unrealised loss (gain) on investments	**(16,348)**	24,526	**(15,280)**	25,627
Provision for impairment	**-**	-	**27,399**	12,897
Revaluation of land and building	**-**	(13,010)	**-**	-
Net (gain) loss on disposal of property, plant and equipment	**8,377**	(66,265)	**8,377**	(66,265)
Changes in assets and liabilities				
Decrease (Increase) in receivables	**27,033**	(343,766)	**20,234**	(353,216)
(Decrease) Increase in payables	**(152,355)**	441,572	**(156,956)**	446,072
Increase in provisions	**109,116**	107,581	**109,116**	107,581
Net cash flows from operating activities	**(1,722,577)**	(967,467)	**(1,721,698)**	(962,833)

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 include listed investment, managed fund and unlisted investment.

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% (2014 - 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	
	2015	2014	2015	2014
	$	$	$	$
Effect on equity:				
Increase of equity index by 10%	**183,030**	181,460	**182,284**	180,756
Decrease of equity index by 10%	**(183,030)**	(181,460)	**(182,284)**	(180,756)

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	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Cash at bank:				
AA- Rating	**3,902,048**	5,693,390	**3,900,870**	5,691,212

(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	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Effect on results:				
Increase of interest rates by 2%	**78,041**	113,868	**78,017**	113,824
Decrease of interest rates by 2%	**(78,041)**	(113,868)	**(78,017)**	(113,824)

26: Financial risk management (Continued)

(e) Maturity profile of financial instruments

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

Group
2015

	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	4.2	613,265	3,288,783	-	-	1,311	3,903,359
Trade and other receivables		-	-	-	-	844,187	844,187
Investments		-	-	-	-	1,830,302	1,830,302
		613,265	3,288,783	-	-	2,675,800	6,577,848
Financial Liabilities							
Trade and other payables		-	-	-	-	1,350,711	1,350,711
		-	-	-	-	1,350,711	1,350,711
Net Financial Assets		613,265	3,288,783	-	-	1,325,089	5,227,137

Group
2014

	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	5	528,108	5,165,282	-	-	1,701	5,695,091
Trade and other receivables		-	-	-	-	1,088,283	1,088,283
Investments		-	-	-	-	1,814,607	1,814,607
		528,108	5,165,282	-	-	2,904,591	8,597,981
Financial Liabilities							
Trade & other payables		-	-	-	-	1,503,065	1,503,065
		-	-	-	-	1,503,065	1,503,065
Net Financial Assets		528,108	5,165,282	-	-	1,401,526	7,094,916

26: Financial risk management (Continued)

(e) Maturity profile of financial instruments (Continued)

Parent
2015

	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	4.2	612,087	3,288,783	-	-	1,310	3,902,180
Other receivables		-	-	-	-	870,662	870,662
Loans to related parties	2	-	-	245,000	-	2,262,491	2,507,491
Investments		-	-	-	-	1,822,844	1,822,844
		612,087	3,288,783	245,000	-	4,957,307	9,103,177
Financial Liabilities							
Trade & other payables		-	-	-	-	1,346,110	1,346,110
		-	-	-	-	1,346,110	1,346,110
Net Financial Assets		612,087	3,288,783	245,000	-	3,611,197	7,757,067

Parent
2014

	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	5	525,930	5,165,282	-	-	1,700	5,692,912
Other receivables		-	-	-	-	1,107,958	1,107,958
Loans to related parties	3	-	-	245,000	-	2,289,890	2,534,890
Investments		-	-	-	-	1,807,564	1,807,564
		525,930	5,165,282	245,000	-	5,207,112	11,143,324
Financial Liabilities							
Trade & other payables		-	-	-	-	1,503,065	1,503,065
		-	-	-	-	1,503,065	1,503,065
Net Financial Assets		525,930	5,165,282	245,000	-	3,704,047	9,640,259

27: Fair value measurement

(a) Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 December 2015 and 31 December 2014:

Group	Level 1		Level 2		Level 3		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Assets								
Listed investments	10,324	10,266	-	-	-	-	10,324	10,266
Unlisted investments	-	-	-	-	127,905	127,905	127,905	127,905
Managed Investments	-	-	1,692,073	1,676,436	-	-	1,692,073	1,676,436
Total assets	10,324	10,266	1,692,073	1,676,436	127,905	127,905	1,830,302	1,814,607

There were no transfers between Level 1, Level 2 and Level 3 in 2015 or 2014.

Listed investment – fair values have been determined by reference to their quoted bid prices at the reporting date.

The entity also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

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 2015 and 2014 for recurring fair value measurements:

	2015 $	2014 $
Opening balance	**127,905**	127,905
Transfer from other levels	-	-
Gains/(losses) recognised in other comprehensive income	-	-
Closing balance	**127,905**	127,905
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)	-	-

27: Fair value measurement (Continued)

(d) Fair value measurement of non-financial instruments

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 31 December 2015 and 31 December 2014:

Group	Level 1		Level 2		Level 3		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Property, plant & equipment								
Land	-	-	-	-	**1,980,000**	1,980,000	**1,980,000**	1,980,000
Building	-	-	-	-	**528,421**	542,546	**528,421**	542,546
Total assets	-	-	-	-	**2,508,421**	2,522,546	**2,508,421**	2,522,546

Fair value of the group's property assets is estimated based on appraisals performed by independent, professionally-qualified property valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Committee of Management at each reporting date.

The significant unobservable input is the adjustment for factors specific to the land and building in question. The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as the starting point for valuation. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

Group	Land	Building	Total
	$	$	$
Opening net book amount	1,980,000	542,546	2,522,546
Disposals	-	-	-
Depreciation	-	(14,125)	(14,125)
Closing net book amount	1,980,000	528,421	2,508,421

28: Capital management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Committee ensure that the overall risk management strategy is in line with this objective.

The capital structure of the group consists of cash and cash equivalents and members' funds, comprising reserves and retained earnings.

The Committee effectively manages the group's capital by assessing the group's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Committee to control capital of the entity since the previous year. No operations of the group are subject to external imposed capital requirements.

29: Disclosure requirements under the rules

In terms of the Rules of the CFMEU, the Union is required to provide additional disclosures.

a) *CFMEU Rule 24C and CFMEU FFPD Rule 14G - Officers' Material Personal Interests*

None of the Officers have disclosed any material personal interests in a matter that the officer has or acquires; or a relative of the officer has or acquires; that relates to the affairs of the Division.

b) *CFMEU Rule 24D and CFMEU FFPD Rule 14H - Payments to related parties and declared person or body of the Union*

Payments to related parties are disclosed under Note 24.

No payments were made by the Division to a declared person or body of the Division.

c) *CFMEU Rule 24B and CFMEU FFPD Rule 14F - Remuneration paid to the five highest paid officers of the Division and the two highest paid officers of the Districts.*

Name of officer	District/Office	*Wages*	*Superannuation*	*Other*	*Total*	*Note*	*Form of Non Cash Benefits*
Leo Skourdoumbis	Division	117,111	17,220	1,300	135,631		*Vehicle*
Frank Vari	Division	108,924	16,412	2,584	127,920	*Note1*	*Vehicle*
Alex Millar	Division	100,506	15,333	4,312	120,151	*Note1*	*Vehicle*
Jane Calvert	Division	100,677	16,049	2,625	119,351	*Note1*	*Vehicle*
Denise Campbell Burns	Division	98,918	15,037	3,725	117,680	*Note1*	*Vehicle*
Bradley Coates	Greater Green Triangle District	91,963	13,536	650	106,149		*Vehicle*
Craig Smith	New South Wales District	92,255	13,872	4,012	110,139	*Note1*	*Vehicle*
Phil Davies	New South Wales District	86,023	12,690	650	99,363		*Vehicle*
Denise Campbell Burns	PPW District	98,918	15,037	3,725	117,680	*Note1*	*Vehicle*

29: Disclosure requirements under the rules (Continued)

c) *CFMEU Rule 24B and CFMEU FFPD Rule 14F - Remuneration paid to the five highest paid officers of the Division and the two highest paid officers of the Districts. (Continued)*

Name of officer	District/Office	*Wages*	*Superannuation*	*Other*	*Total*	*Note*	*Form of Non Cash Benefits*
Alex Millar	PPW District	100,506	15,333	4,312	120,151	*Note1*	*Vehicle*
David Kirner	South Australian District	91,894	14,098	4,012	110,004	*Note1*	*Vehicle*
Mark Nicholls	South Australian District	74,995	11,212	650	86,857		*Vehicle*
Frank Vari	Victorian District	108,924	16,412	2,584	127,920	*Note1*	*Vehicle*
Andrew Vendramini	Victorian District	94,456	13,928	1,300	109,684		*Vehicle*
Scott Mclean	Tasmanian District	1,327	172	-	1,499		*Nil*

In terms of the rules:

"Remuneration"
- (i) Includes pay, wages, salary, fees, allowances, leave, benefits or other entitlements; but
- (ii) Does not include a non-cash benefit; and
- (iii) Does not include the reimbursement or payment of reasonable expenses incurred in the course of the office carrying out his or her duties

Note 1:
These officers were entitled to receive director's fees during the period of disclosure but elected not to receive those fees which were instead directed to and paid to the Union.
Note 2:
Where there is only one officer disclosed for a District, there is only one officer in this District.
Note 3:
In some cases officers are both officers of Division and a District. In this case the officer's total remuneration is disclosed under both areas.

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 31 May 2016, 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 2015:

The Committee of Management declares that in its opinion:

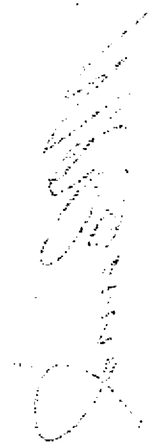
1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash 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 National Secretary

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

Dated: 31 May 2016



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

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 2015, 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION (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 2015 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
31 May 2016

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