



Australian Government
Australian Industrial Registry

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Ref: FR2005/575

Mr Alex Millar
Secretary/Treasurer
CFMEU FFPD
Pulp & Paper Workers' Melbourne Sub-Branch
1st Floor, 500 Swanston Street
CARLTON SOUTH VIC 3053

Dear Mr Millar

Financial Return - year ending 31 December, 2005

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

Legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation is divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the **second** meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2005/575**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



For Deputy Industrial Registrar
25 January 2006

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



CONSTRUCTION
FORESTRY
MINING
ENERGY
UNION



FORESTRY &
FURNISHING
PRODUCTS DIVISION

Pulp & Paper
Workers' Branch
PO Box 415
CARLTON SOUTH
VICTORIA 3053

PH: (03) 9349 2488
FAX: (03) 9349 2580
Email: info@cfmeuppw.org

www.cfmeuppw.org

14/06/2006

Industrial Registrar
Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
EAST SYDNEY NSW 2011

Dear Sir,

Please find enclosed a copy of the General purpose financial report for the year ending 31st December 2005, for the Melbourne sub Branch and the Secretary's certificate as required by the ROA schedule

Yours Truly

Alex Millar
Melbourne Sub Branch secretary
CFMEU- Pulp & Paper Workers' Branch



Certificate of Secretary or other Authorised Officer
S268 of Schedule 1B *Workplace Relations Act 1996*

I Alex Millar being the Secretary of the Melbourne Sub-Branch of the Construction, Forestry, Mining & Energy Union, Pulp & Paper workers' Branch certify:

that the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

that the full report, was provided to members on 26th April 2006; and

that the full report was presented to a general meeting of members and a meeting of the committee of management of the reporting unit on 13th June 2006; in accordance with section 266 of the RAO Schedule.

Signature: Alex Millar

Date: 14/6/2006.



**CONSTRUCTION FORESTRY MINING
ENERGY UNION
PULP & PAPER WORKERS' BRANCH
MELBOURNE SUB-BRANCH
GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2005**

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP AND PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2005

CONTENTS

	<u>PAGE NO'S</u>
Operating Report	1 & 2
Statement of Financial Position at 31st December 2005	3
Statement of Changes in Equity	4
Statement of Financial Performance for the year ended 31st December 2005	5
Statement of Cash Flows	6
Notes to and Forming Part of the Financial Statements	7 - 19
Committee of Management's Certificate	20
Auditor's Report	21 & 22

OPERATING REPORT

This Operating Report covers the activities of the Melbourne Sub Branch of the Pulp & Paper workers' (No.7) Branch of the Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy union for the year ended 31st December 2005, the results of those activities and the significant changes in the nature of those activities during the year.

1. The principle activities of the Melbourne Sub Branch

The principal activities of the Pulp & Paper Workers' Branch -Melbourne Sub Branch over the year were:

- Implementation of the decisions of the Sub Branch COM and the Sub Branch Executive
- Participation in dispute resolution processes, including the conduct of matters before tribunals including the Australian Industrial Relations Commission
- Participation in negotiations for agreements pertaining to member's terms and conditions of employment.
- Attending and conducting meetings of members at work sites
- Representing member's interests on company consultative committees and working groups.
- Management of information and technology to drive more effective outcomes for members
- Participation in Occupational Health, Safety & Environment and Training & Skills development programs of benefit to the industry and union members
- Development and distribution of publications of interest to union members

2. Results

The deficit for the year was \$242,851.

3. The Pulp & Paper Melbourne Sub Branch Financial Affairs

The significant change to the Branch's financial affairs over the year was the authorisation by members for the increasing of union membership fees effective 1st November 2005.

4. Right of Members to Resign

All members of the union have the right to resign from the union in accordance with Rule 11 of the union rules (and section 174 of the Workplace Relations Act) by providing written notice addressed and delivered to the Secretary of the Melbourne Sub Branch, including via email.

5. Superannuation Trustees

Alex Millar is an official of the Melbourne Sub-Branch and a member of the Board of Directors of the Pulp & Paper Workers' Superannuation Fund and Geoff Gasperotti is a member of the Committee of Management of the Melbourne Sub-Branch and a member of the Board of Directors of the Pulp & Paper Workers' Superannuation Fund.

OPERATING REPORT (cont.)

6. Membership of the Melbourne Sub Branch

At 31st December 2005 the Melbourne Sub Branch membership was 700.

7. Employees of the Melbourne Sub Branch

At 31st December 2005, the Melbourne Sub Branch employed 1 full time employee.

8. Committee of Management and Executive

The following persons were members of the Sub Branch committee of management during the year ended 31st December 2005

<u>Name</u>	<u>Period of Appointment</u>
Alex Millar	1.1.05 - 31.12.05
Geoff Gasperotti	1.1.05 - 31.12.05
Grant Keys	1.1.05 - 31.12.05
Kevin Riordan	1.1.05 - 31.12.05
Toni Toohey	1.1.05 - 31.12.05
Michael Obradovic	1.1.05 - 31.12.05
Stan Mazur	1.1.05 - 13.09.05
Malcolm Jeavons	1.1.05 - 31.12.05
Phillip Edwards	1.1.05 - 31.12.05
Richard Mendola	1.1.05 - 31.12.05
Ann Weldon	1.1.05 - 31.12.05
John Byrne	1.1.05 - 01.08.05
Alex Mestou	1.1.05 - 31.12.05
Romeo Janevski	1.1.05 - 14.06.05

The following persons were members of the Sub Branch Executive, during the year ended 31st December 2005

<u>Name</u>	<u>Period of Appointment</u>
Alex Millar	1.1.05 - 31.12.05
Geoff Gasperotti	1.1.05 - 31.12.05
Michael Obradovic	1.1.05 - 31.12.05
Kevin Riordan	1.1.05 - 31.12.05



ALEX MILLAR
SUB BRANCH SECRETARY

Dated 15th March, 2006

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP & PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

PAGE 3

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2005

<u>2004</u>		<u>NOTE</u>	
	<u>CURRENT ASSETS</u>		
501,208	Cash and Cash Equivalents	4	302,760
5,058	Trade and Other Receivables	5	2,627
<u>506,266</u>	TOTAL CURRENT ASSETS		<u>305,387</u>
	<u>NON-CURRENT ASSETS</u>		
22,430	Property, Plant and Equipment	6	19,937
<u>22,430</u>	TOTAL NON-CURRENT ASSETS		<u>19,937</u>
<u>528,696</u>	TOTAL ASSETS		<u>325,324</u>
	<u>CURRENT LIABILITIES</u>		
11,767	Trade and Other Payables	7	35,658
10,907	Short Term Provisions	8	11,386
<u>22,674</u>	TOTAL CURRENT LIABILITIES		<u>47,044</u>
	<u>NON-CURRENT LIABILITIES</u>		
21,968	Long Term Provisions	9	37,077
<u>21,968</u>	TOTAL NON-CURRENT LIABILITIES		<u>37,077</u>
<u>44,642</u>	TOTAL LIABILITIES		<u>84,121</u>
<u>\$ 484,054</u>	NET ASSETS		<u>\$ 241,203</u>
	<u>EQUITY</u>		
484,054	Accumulated Funds		241,203
<u>\$ 484,054</u>	TOTAL EQUITY		<u>\$ 241,203</u>

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2005

	Accumulated Funds	Total
Balance at 1st January 2004	466,757	466,757
Surplus/(deficit) for the year	17,297	17,297
Revaluation of property, plant & equipment	-	-
Balance at 31st December 2004	484,054	484,054
Surplus/(deficit) for the year	(242,851)	(242,851)
Revaluation of property, plant & equipment	-	-
Balance at 31st December 2005	\$ 241,203	\$ 241,203

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2005**

<u>2004</u>		<u>NOTE</u>	
	<u>REVENUE</u>		
286,811	Contributions	10	263,370
10,771	Interest - Bank		24,346
12,122	Interest - Term Deposits		-
<hr/>			<hr/>
309,704	TOTAL REVENUE		287,716
	<u>EXPENSES</u>		
5,675	Allowances		4,890
3,595	Affiliations		3,576
1,743	Annual Leave Provided		3,638
7,160	Auditors Remuneration - Fees		8,680
574	Bank Charges		180
-	Campaign Materials		475
1,137	Computer Expenses		1,206
-	Contributions - Support Fund	11	220,000
5,593	Depreciation		4,780
270	Entertainment		5,175
1,849	Fringe Benefits Tax		1,849
196	Insurance		214
338	Internet Expenses		23
76	Legal Expenses		-
-	Loss on Fixed Assets Written Off		392
-	Long Service Leave Provided		8,070
808	Meeting Expenses		373
5,535	Motor Vehicle Expenses		5,793
4,583	Payroll Tax		3,869
1,008	Printing & Stationery		545
73,678	Salaries - Officials		73,678
654	Shirts & Vests		960
3,589	Sick Leave Provided		3,880
1,603	Staff Training		496
2,757	Sub-Branch Secretary Expenses		3,617
87	Sundry Expenses		219
6,414	Superannuation - Officials		6,444
3,207	Telephone		3,160
158,447	Sustentation Fees		162,417
1,832	Work Cover		1,968
<hr/>			<hr/>
292,408	TOTAL EXPENSES		530,567
17,296	TOTAL SURPLUS/ (DEFICIT)		(242,851)
466,758	Accumulated Funds at the Beginning of the Year		484,054
<hr/>			<hr/>
\$ 484,054	ACCUMULATED FUNDS AT THE END OF THE YEAR		\$ 241,203

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

<u>2004</u>		<u>NOTE</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
315,492	Capitation Fees	289,707
22,893	Interest Received	24,346
(317,839)	Payments to Suppliers & Employees	(502,697)
(10,080)	Goods & Services Tax Remitted	(7,124)
<hr/>		<hr/>
\$ 10,466	Net Cash Flow Provided By Operating Activities	12(b) \$ (195,768)
<hr/>		<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
(2,227)	Payment for Property, Plant & Equipment	(2,679)
<hr/>		<hr/>
(2,227)	Net Cash (Used In) Investing Activities	(2,679)
<hr/>		<hr/>
8,239	Net Increase/ (Decrease) in Cash Held	(198,447)
492,968	Cash Held at Beginning of the Year	501,207
<hr/>		<hr/>
\$ 501,207	Cash Held At End Of The Year	12(a) \$ 302,760
<hr/>		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 1 - Statement of Significant Accounting Policies

The financial report is a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

The financial report has been prepared on an a modified accrual basis, income is recognised on a cash receipts basis and expenses on an accrual basis. The financial report is based on financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies adapted are consistent with those of the previous year except where stated. Comparative information is reclassified where appropriate, to enhance comparability.

(a) **First time adoption of Australian equivalents to International Financial Reporting Standards.**

The union has prepared its financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 January 2005. In accordance with the requirements of AASB 1: First time adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the entity accounts resulting from the introduction have been applied retrospectively to 2004 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of the union to be prepared in accordance with AIFRS. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report. Due to the application of Australian specific provisions contained only within the AIFRS, this financial report is not necessarily compliant with International Accounting Standards.

(b) **Property, Plant & Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005

Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line or diminishing value basis over their estimated useful lives to the union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	15.00 - 37.50%

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

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the income statement in the year of disposal.

(c) **Employee Benefits**

- (a) Provision is made for the unions liability for employee benefits arising from services rendered by employees to balance date as follows:

Short-term employee benefits provisions

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Long-term employee benefits provisions

The Union's net obligation in respect of long-term service benefits are those expected to be settled after one year and have been measured at the nominal value plus related on-costs.

- (b) Contributions are made by the union to an employee superannuation fund and are charged as expenses when incurred. The fund is an accumulation fund.

(d) **Income Tax**

No provision for income tax is required as the union is exempt from income tax under Section 50-15 (3.2) of the Income Tax Assessment Act 1997.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2005**

(e) **Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts.

(f) **Revenue**

All revenue is recognised on a cash receipts basis. All revenue is stated net of goods and services tax (GST).

(g) **Goods and Services Tax (GST)**

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

(h) **Critical Accounting Estimates and Judgment**

The union estimates and judgments incorporated into the financial report are based on historical results and the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data from internal and external sources.

(i) **Impairment of Assets**

At each reporting date, the union review the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use (based on depreciated replacement cost), is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed in the income statement.

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP AND PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

PAGE 10

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 2 First Time Adoption Of Australian Equivalents To International Financial Reporting Standards

RECONCILIATION OF EQUITY AS AT 1ST JANUARY 2004	NOTE	Previous GAAP at 1st January 2004 \$	Adjustment \$	Australian Equivalents to IFRS at 1st January 2004 \$
Current Assets				
Cash and cash equivalents		50,527	0	50,527
Trade and other receivables		4,642	0	4,462
Other current assets		442,441	0	442,441
Total Current Assets		497,610	0	497,610
Non-Current Assets				
Property, plant & equipment		25,796	0	25,796
Total Non-Current Assets		25,796	0	25,796
TOTAL ASSETS		523,406	0	523,406
Current Liabilities				
Trade and other payables		29,105	0	29,105
Employee benefits provisions		27,544	(17,119)	10,425
Total Current Liabilities		56,649	(17,119)	39,530
Non-Current Liabilities				
Employee Benefits Provision	2(a)	-	17,119	17,119
Total Non-Current Liabilities		-	17,119	17,119
TOTAL LIABILITIES		56,649	0	56,649
NET ASSETS		466,757	0	466,757
EQUITY				
Accumulated funds		466,757	0	466,757
TOTAL EQUITY		466,757	0	466,757

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 2 First Time Adoption Of Australian Equivalents To International Financial Reporting Standards (cont...)

RECONCILIATION OF EQUITY AS AT 31ST DECEMBER 2004	NOTE	Previous GAAP at 31st December 2004 \$	Adjustment \$	Australian Equivalents to IFRS at 31st December 2004 \$
Current Assets				
Cash and cash equivalents		501,208	0	501,208
Trade and other receivables		5,058	0	5,058
		<hr/>	<hr/>	<hr/>
Total Current Assets		506,266	0	506,266
		<hr/>	<hr/>	<hr/>
Non-Current Assets				
Property, plant & equipment		22,430	0	22,430
		<hr/>	<hr/>	<hr/>
Total Non-Current Assets		22,430	0	22,430
		<hr/>	<hr/>	<hr/>
TOTAL ASSETS		528,696	0	528,696
		<hr/>	<hr/>	<hr/>
Current Liabilities				
Trade and other payables		11,767	0	11,767
Employee benefits provisions		32,875	(21,969)	10,906
		<hr/>	<hr/>	<hr/>
Total Current Liabilities		44,642	(21,969)	22,673
		<hr/>	<hr/>	<hr/>
Non-Current Liabilities				
Employee benefits provisions	2(a)	0	21,969	21,969
		<hr/>	<hr/>	<hr/>
Total Non-Current Liabilities		0	21,969	21,969
		<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES		44,642	0	44,642
		<hr/>	<hr/>	<hr/>
NET ASSETS		484,054	0	484,054
		<hr/>	<hr/>	<hr/>
EQUITY				
Accumulated funds		484,054	0	484,054
		<hr/>	<hr/>	<hr/>
TOTAL EQUITY		484,054	0	484,054
		<hr/>	<hr/>	<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 2 First Time Adoption Of Australian Equivalents To International Financial Reporting Standards (cont...)

**RECONCILIATION OF SURPLUS
FOR THE YEAR ENDED 31ST DECEMBER 2004**

	<u>NOTE</u>	Previous GAAP \$	Effect of Transition to Australian Equivalents to IFRS \$	Australian Equivalents to IFRS \$
Revenue		309,704	0	309,704
Expenses	2(b)	292,408	0	292,408
Surplus/(Deficit)		17,296	0	17,296

- (a) The carrying amounts of employee entitlements have been previously disclosed as current liabilities, considered payable within one year. Under Australian equivalents to IFRS, as a result of transition, part of the employee benefits from 1st January 2004 are now treated as non-current liabilities resulting in a reclassification as at 1st January 2004 of a total of \$17,119. This consisted of \$8,409 Annual Leave and \$8,710 Sick Leave. For the 31st December 2004 a total of \$21,969 was reclassified consisting of \$9,670 Annual Leave and \$12,298 Sick Leave.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 3 - Information to be Provided to Members or Registrar

The Financial Accounts of the Construction Forestry Mining Energy Union Pulp & Paper Workers' Branch - Melbourne Sub-Branch have been audited in accordance with the provisions of the Workplace Relations Act, 1996, and a summary is provided for Members in accordance with Section 265 of the Act.

A copy of the audited Accounts will be supplied free of charge to Members upon request, and your attention is drawn to your Union's responsibility in this regard, as set out below.

INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272, which read as follows :-

- (1) A member of a reporting unit, or a Registrar, may apply in writing to the reporting unit for specified 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

2004

NOTE 4 - Cash and Cash Equivalents

36,488	Cash at Bank	39,078
<u>464,720</u>	Deposits at Call	<u>263,682</u>
\$ <u>501,208</u>		\$ <u>302,760</u>

NOTE 5 - Trade and Other Receivables

\$ <u>5,058</u>	Other Debtors	\$ <u>2,627</u>
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NOTE 6 - Property, Plant and Equipment

4,681	Computer Equipment - At Cost	4,137
<u>2,673</u>	Less Accumulated Depreciation	<u>1,490</u>
2,008		2,647
29,600	Motor Vehicles - At Cost	29,600
<u>9,284</u>	Less Accumulated Depreciation	<u>13,101</u>
20,316		16,499
340	Office Equipment - At Cost	1,109
<u>234</u>	Less Accumulated Depreciation	<u>318</u>
106		791
\$ <u>22,430</u>		\$ <u>19,937</u>

NOTE 7 - Trade and Other Payables

\$ <u>11,767</u>	Accrued Expenses	\$ <u>35,659</u>
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NOTE 8 - Short Term Provisions

\$ <u>10,907</u>	Provision for Annual Leave	\$ <u>11,386</u>
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

2004

NOTE 9 - Long Term Provisions

12,298	Provision for Sick Leave	16,179
9,671	Provision for Annual Leave	12,828
-	Prov'n for Long Service Leave	8,070
<u>\$ 21,969</u>		<u>\$ 37,077</u>

NOTE 10 - Contributions

46,361	Australian Paper Manufacturers	27,153
131,153	Carter Holt Harvey	136,045
22,916	Johnson Controls	4,578
24,874	Van Leer	30,590
41,228	Sancella	22,369
11,693	Functional Coatings	27,153
4,114	Pulp & Paper Workers Branch	2,943
1,239	P.P.W. Superannuation Fund	1,360
2,202	Encore Tissue	3,643
414	IFBWW	311
617	Temporary Staff	1,146
-	National Paper Industries	5,937
-	Broadford Sub-Branch	142
<u>\$ 286,811</u>		<u>\$ 263,370</u>

NOTE 11 Contributions - Support Fund

This is a once off payment to finance a new support fund for members. The Construction Forestry Mining Energy Union - Pulp & Paper Worker's Branch Federal Branch will use the funds to support any future union campaigns and mortuary benefits.

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP AND PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

PAGE 16

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 12(a) - Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position as follows:

<u>2004</u>		
31,080	General Fund	39,078
5,407	Levy Account	-
464,720	Deposits at Call	263,682
<hr/>		<hr/>
\$ 501,207		\$ 302,760
<hr/>		<hr/>

NOTE 12(b) - Reconciliation of Net Cash Flow Provided by/ (Used in) Operating Activities to Surplus/(Deficit) for Year

17,296	Surplus/(Deficit) for Year	(242,851)
5,593	Depreciation	4,780
-	Loss on Fixed Assets Written Off	392
(17,338)	Increase/(Decrease) in Accrued Expenses	23,892
5,331	Increase in Provisions	15,587
(416)	(Increase) in Other Debtors	2,431
<hr/>		<hr/>
\$ 10,466	Net Cash Flow Provided by/ (Used in) Operating Activities	\$(195,768)
<hr/>		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 13 - Events Subsequent to Reporting Date

No event has arisen subsequent to balance date, the effect of which may be material in relation to the financial statements.

NOTE 14 - Economic Dependence

The Principal source of income for the union is member contributions. The union is economically dependent on the members to continue to service the needs of its members on industrial and workplace matters.

NOTE 15 - Segment Reporting

The union operates in predominantly one business and geographical segment, being to service the needs of members on industrial and workplace matters throughout Victoria.

NOTE 16 - Union Details

The registered office and the principal place of business of the union is Level 1, 500 Swanston Street Carlton, Victoria 3053.

NOTE 17 - Related Party Transactions

(a) Office-Holders

The following persons held office in the Sub-Branch Office for all or part of the financial year and, together with each branch of the organisation, are deemed to be a related party for financial reporting purposes:

Geoff Gasperotti, Michael Obradovic, John Byrne , Phillip Edwards, Kevin Riordan, Malcolm Jeavons, Grant Keys, Stan Mazur, Richard Mendola, Alex Mestou, Toni Toohey, Ann Weldon, Romeo Janevski, Alex Millar.

(b) Office-Holders Transactions

The aggregate amount of remuneration paid by the Sub-Branch Office during the year to elected officers entitled to be remunerated under the Rules of the organisation was the amount as set out in the Income Statement

NOTE 18 - Contingent Liabilities

The union is not aware of any contingent liabilities at balance date, the effect of which would be material in relation to these financial statements.

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP AND PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 19 - Financial Instruments

Interest Rate Risk

The union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2005 %	2004 %	2005 \$	2004 \$	Within Year		1-5 Years	
					2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets								
Cash	0.70	1.00	38,305	36,488	-	-	-	-
Deposits at Call	5.42	5.00	263,682	464,720	-	-	-	-
Total Financial Assets			<u>\$ 301,987</u>	<u>\$ 501,208</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

NOTE 19 - Financial Instruments (Cont.)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to and forming part of the financial statements.

The union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the union.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

COMMITTEE OF MANAGEMENT STATEMENT

On 15th March 2006 the Committee of Management of the Pulp & Paper Melbourne Sub-Branch of the Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy Union passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31st December 2005:

The Committee of Management declares in relation to the GPFR that in its opinion:

- the financial statements and notes comply with the Australian Accounting Standards;
- the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- the financial statements and notes give a true and fair view of the financial year to which they relate;
- there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- during the financial year to which the GPFR relates and since the end of that year:
 - i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management:


GEOFF GASPEROTTI


MICHAEL OBRADOVIC

Dated 15th March 2006
Melbourne



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Rodney C. G. Anderson, Mark Anderson, David C. Adams, Rowan A. Board
Matthew D. Amos

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Our Ref.:

Your Ref.:

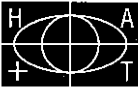
AUDITORS' REPORT TO THE MEMBERS OF THE
CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP & PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH

SCOPE

We have audited the financial report of the Construction Forestry Mining Energy Union Pulp and Paper Workers' Branch - Melbourne Sub-Branch, for the year ended 31st December, 2005 as set out on pages 3 to 20. The Committee of Management of the union is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards, other mandatory professional reporting requirements and the Workplace Relations Act 1996 so as to present a view of the organisation which is consistent with our understanding of their financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Rodney C.G. Anderson, Mark Anderson, David C. Adams, Rowan A. Board
Matthew D. Amos

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Our Ref.:

Your Ref.:

AUDITORS' REPORT TO THE MEMBERS OF THE
CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP & PAPER WORKERS' BRANCH - MELBOURNE SUB-BRANCH (continued)

AUDIT OPINION

In our opinion the general purpose financial report of the Construction Forestry Mining Energy Union Pulp and Paper Workers' Branch - Melbourne Sub-Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996 and any other mandatory reporting requirements in Australia the financial position of the Construction Forestry Mining Energy Union Pulp and Paper Workers' Branch - Melbourne Sub-Branch as at 31st December, 2005 and the results of its operations and cashflows for the year then ended.

Dated 26th April, 2006
Melbourne

Hack, Anderson & Thomas

HACK, ANDERSON & THOMAS
Chartered Accountants

M. ANDERSON, PARTNER
Registered Company Auditor



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr Alex Millar
Sub-Branch Secretary
CFMEU FFPD
Pulp & Paper Workers' Melbourne Sub-Branch
PO Box 415
CARLTON SOUTH VIC 3053

Dear Mr Millar

Lodgement of Financial Statements and Accounts for the CFMEU FFPD Pulp & Paper Workers' Melbourne Sub-Branch for the year ending 31 December 2005 (FR2005/575)

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 19 June 2006.

Thank you for your attention to this matter. The documents have been filed, and may be viewed on the internet at www.e-airc.gov.au/105nppme/financial.

I would like to take this opportunity to remind you that for financial years beginning after 1 November 2004 information about any recovery of wages activity undertaken by the branch is required to be disclosed in the financial statements, and various declarations to be made in the Committee of Management Statement.

Further information is contained in the Industrial Registrars' Reporting Guidelines, which can be found at www.airc.gov.au/organisations/rao/rao_253_a.pdf

Yours sincerely,

A handwritten signature in cursive script that reads "Belinda Penna".

Belinda Penna
For Deputy Industrial Registrar

19 June 2006