



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
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Mr Tim Woods
Branch Secretary
CFMEU FFPD
Pulp & Paper Workers' Branch
PO Box 415
CARLTON SOUTH VIC 3053

Dear Mr Woods,

Ref: FR2005/580 – Pulp & Paper Workers' Branch - Financial Return for the year ending 31 December, 2005

Our records show the 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: FR2005/580.

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
2 February 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:

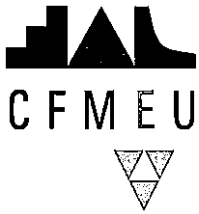
¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(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*



15th June 2006

Deputy Industrial Registrar
Australian Industrial Registry
80 William Street
EAST SYDNEY NSW 2010

CONSTRUCTION

FORESTRY

MINING

ENERGY

UNION

Dear Registrar

2005 AUDITED FINANCIAL REPORTS
Pulp & Paper Workers' Branch
Forestry & Furnishing Products Division
Construction, Forestry, Mining & Energy Union

I am writing to lodge the financial reports of the Pulp & Paper Workers' Branch of the CFMEU for the year ended 31st December 2005.

Enclosed are the Full Financial Report and the Concise Financial Report. The following documents are attached:

- General Purpose Financial Report
- Operating Report
- Committee of Management Statement
- Auditor's Report
- Secretary's Certificate

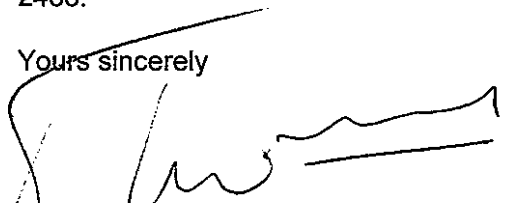
The financial reports were presented to the Branch Committee of Management on 22nd February 2006, at which time it was resolved that the Operating Report be signed, the Committee of Management statement be signed and that the Financial Report be distributed to members.

The Financial Report was distributed to all members of the Branch by post in March 2006.

A complete report was provided to the Branch Committee of Management on 1st June 2006 and was adopted by the meeting. The Secretary's Certificate was subsequently completed.

If further information or discussion is required, please contact me on 03 9349 2488.

Yours sincerely


Tim Woods
SECRETARY



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

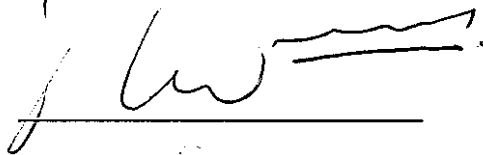
Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B *Workplace Relations Act 1996*

I, Tim Woods, being the Secretary of the Pulp & Paper Workers' Branch of the Forestry & Furnishing Products Division of the Construction, Forestry, Mining & Energy Union 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 15th March 2006 and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 1st June 2006 in accordance with section 266 of the RAO Schedule.

Signature:

A handwritten signature in black ink, appearing to be 'T Woods', written over a horizontal line.

Date:

15th June 2006

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

A.B.N. 29 412 204 603

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP AND PAPER WORKERS' BRANCH

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

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OPERATING REPORT

This Operating Report covers the activities of the Pulp & Paper Workers' (No. 7) Branch ('The 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. Principal Activities of the Pulp & Paper Workers' Branch

The principal activities of the Pulp & Paper Workers' Branch, conducted through the Federal Office over the year were:

- Implementation of the decisions of the Branch COM and 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.
- Assisting the Sub-Branches of the Branch to comply with the Workplace Relations Act, 1996 and the RAO schedule.
- Management of information and technology to drive more effective outcomes for union members.
- Supervision of and 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 and media campaigns on matters of importance to the union and members.
- Lobbying of industry and government at all levels regarding new and proposed investments in the Australian pulp and paper industry.

2. Results

The surplus for the year was \$790,402.

3. The Pulp & Paper Workers' 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 the Union Rules (and Section 174 of the Workplace Relations Act) by providing written notice addressed and delivered to the Secretary of the relevant Sub-Branch, including via email.

5. Superannuation Trustees

Tim Woods is an official of the Branch and is Chairperson of the Board of Directors and a member of the Pulp & Paper Workers' Superannuation Fund.

Alex Millar, Ian Moule, Geoff Gasperotti and Kevin Millie are members of the Branch Committee of Management and are members of the Board of Directors and members of the Pulp & Paper Workers' Superannuation Fund.

OPERATING REPORT (cont'd)

6. Membership of the Union

At 31st December 2005, the membership of the union was 2434.

7. Employees of the Pulp & Paper Workers' Branch

At 31st December 2005, the Branch employed 6 full time employees and 1 part time employee for a total of 6.6 employees on a full time equivalent basis.

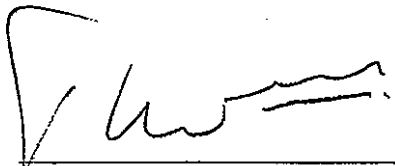
8. Committee of Management and Executive

The following persons were members of the Branch Committee of Management, during the year ended 31st December 2005:

<u>Name</u>	<u>Period of Appointment</u>
Tim Woods	1.1.05 – 31.12.05
Alex Millar	1.1.05 – 31.12.05
Andrew Ball	1.1.05 – 31.12.05
William Davey	1.1.05 – 31.12.05
Ken Fraser	1.1.05 – 31.12.05
Geoff Gasperotti	1.1.05 – 31.12.05
David Hastie	1.1.05 – 31.12.05
David Jessup	1.1.05 – 31.12.05
Ian Moule	1.1.05 – 31.12.05
Trevor Sinclair	1.1.05 – 31.12.05
David Schutz	1.1.05 – 31.12.05
Greg Stewart	1.1.05 – 31.12.05
Garry Walker	1.1.05 – 31.12.05
Craig Jones	1.1.05 – 31.12.05
Michael Obradovich	1.1.05 – 31.12.05
David Doyle	1.1.05 – 31.12.05
Tim Allan	1.1.05 – 31.12.05
Kevin Millie	1.1.05 – 31.12.05
Craig Walters	1.1.05 – 31.12.05
Andrew Schaeffer	18.4.05 – 31.12.05

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

<u>Name</u>	<u>Period of Appointment</u>
Tim Woods	1.1.05 – 31.12.05
Alex Millar	1.1.05 – 31.12.05
Ken Fraser	1.1.05 – 31.12.05
Kevin Millie	23.2.05 – 31.12.05



Tim Woods
SECRETARY

22nd February 2006

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2005

<u>2004</u>		<u>NOTE</u>	<u>2005</u>
<u>CURRENT ASSETS</u>			
780,119	Cash and Cash Equivalents	4	1,278,744
16,096	Trade and Other Receivables	5	304,644
1,524	Inventories	6	4,257
<u>797,739</u>	TOTAL CURRENT ASSETS		<u>1,587,645</u>
<u>NON-CURRENT ASSETS</u>			
380,761	Financial Assets	7	380,168
909,047	Property, Plant and Equipment	8	1,179,222
<u>1,289,808</u>	TOTAL NON-CURRENT ASSETS		<u>1,559,390</u>
<u>2,087,547</u>	TOTAL ASSETS	9	<u>3,147,035</u>
<u>CURRENT LIABILITIES</u>			
216,977	Trade and Other Payables	10	224,407
42,913	Short Term Provisions	11	34,382
<u>259,890</u>	TOTAL CURRENT LIABILITIES		<u>258,789</u>
<u>NON-CURRENT LIABILITIES</u>			
<u>67,577</u>	Long Term Provisions	12	<u>47,848</u>
<u>67,577</u>	TOTAL NON-CURRENT LIABILITIES		<u>47,848</u>
<u>327,467</u>	TOTAL LIABILITIES		<u>306,637</u>
<u>\$1,760,080</u>	NET ASSETS		<u>\$ 2,840,398</u>
<u>EQUITY</u>			
427,634	Reserves		717,550
1,332,446	Accumulated Funds		2,122,848
<u>\$1,760,080</u>	TOTAL EQUITY		<u>\$ 2,840,398</u>

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

NOTE

	Accumulated Funds	Asset Revaluation Reserve	Total
Balance at 1st January 2004	1,341,174	427,634	1,768,808
Surplus/(deficit) for the year	(8,729)	-	(8,729)
Revaluation of property, plant & equipment	-	-	-
Balance at 31st December 2004	1,332,445	427,634	1,760,079
Surplus/(deficit) for the year	790,403	-	790,403
Revaluation of property, plant & equipment	-	289,916	16 289,916
Balance at 31st December 2005	\$ 2,122,848	\$ 717,550	\$ 2,840,398

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

<u>2004</u>	<u>NOTE</u>	<u>2005</u>
<u>REVENUE</u>		
-	Administration Fees	159
-	Conference Registrations	30,250
69	Dividends Public Companies	64
586,527	Capitation Fees - Sub Branches - General Fund	571,278
168,136	Contributions - OHS & E	172,773
122,490	Contributions - Industry Skills Development	111,522
	Contributions - Amcor Demerger	
67,906	Litigation Trust Fund	-
	Contributions - Pulp & Paper	
-	Workers' Support Fund'	1,048,226
48,394	Interest Received	33,883
5,065	Other Income	25,199
	Unrealised Gain/(Loss) on	
(65)	Value of Shares	(220)
<hr/>		<hr/>
998,522	TOTAL REVENUE	1,993,134
<u>EXPENSES</u>		
51,121	Accommodation & Travel	63,715
14,020	Affiliations	7,178
4,581	Annual Leave Provided	-
34,667	Auditors Remuneration - Fees	34,850
2,517	Bank Charges	3,800
2,608	Branch Secretary Expenses	3,608
534	Christmas Expenses	1,427
	Committee of Management	
12,213	Expenses	11,325
11,181	Computer Expenses	8,273
	Contributions to P.P.W.	
54,116	Superannuation Fund Expenses	-
	Contributions - Pulp & Paper	
-	Workers' Support Fund'	220,000
49,202	Depreciation	48,287
-	Donations - Bereavement	1,016
6,780	Fringe Benefits Tax	6,076
11,061	IFBWW Expenses	12,942
196	Interest	-
158	Industrial Officer Expenses	241
14,578	Insurance	14,347
6,051	Journals & Publications	4,971
71,001	Legal Costs	5,454
10,737	Light, Heat & Power	13,967
-	Loss on Fixed Assets Written Off	6,816
-	Loss on Sale of Fixed Assets	357
(2,409)	Long Service Leave Provided	1,286
4,500	Mortuary Benefits	7,500
-	Maternity Leave Paid	15,726
4,835	Member Education	2,223
17,727	Member Information	16,967
25,848	Motor Vehicle Expenses	30,601
22,441	Payroll Tax	22,630

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

<u>2004</u>		<u>NOTE</u>	<u>2005</u>
2,420	Postage		6,108
17,042	Printing & Stationery		24,105
5,446	Project Expenses		3,000
13,245	Rates & Taxes		30,766
79	Registrations & Subscriptions		500
17,002	Repairs & Maintenance		29,275
63,027	Salaries - Union Officials		59,352
304,386	Salaries - Other Staff		280,976
238	Security		1,788
2,980	Shirts & Vests		3,512
(3,704)	Sick Leave Provided		5,653
2,911	Staff Amenities		2,874
1,952	Staff Training		1,020
249	Sundries		399
1,921	Staff Recruitment		-
5,365	Superannuation-Union Officials		6,950
30,967	Superannuation-Other Staff		33,859
	Sustentation Fees & Levies		
47,766	FFPD Divisional National Office		79,078
23,629	Telephone		25,514
19,674	Unit Expenses		32,902
11,740	Visy Tumut Campaign		310
200	Website Expenses		219
8,452	Workcover		8,989
<u>1,007,251</u>	TOTAL EXPENSES		<u>1,202,732</u>
(8,729)	TOTAL SURPLUS/ (DEFICIT)		790,402
<u>1,341,175</u>	Accumulated Funds at the Beginning of the Year		<u>1,332,446</u>
<u>\$1,332,446</u>	ACCUMULATED FUNDS AT THE END OF THE YEAR		<u>\$ 2,122,848</u>

PULP AND PAPER WORKERS' BRANCH

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

<u>2004</u>		<u>NOTE</u>	<u>2005</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
646,781	Capitation Fees		487,853
394,386	Contributions		1,205,195
-	Conference Registrations		33,275
48,021	Interest Received		34,257
69	Dividends Received		64
(1,044,929)	Payments to Suppliers & Employees		(1,090,269)
3,971	Sale of Polo Shirts		2,086
(66,535)	Goods & Services (Remitted)		(28,316)
-	Other Income - Training		25,807
\$ (18,236)	Net Cash Provided by/(Used In) Operating Activities	15(b)	\$ 669,952
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(8,711)	Payments for Property, Plant & Equipment		(45,719)
-	Proceeds from Property, Plant & Equipment		10,000
350,000	Sale of Investments		-
-	Loans to Other Divisions		(135,608)
\$ 341,289	Net Cash Provided by/(Used In) Investing Activities		\$ (171,327)
323,053	Net Increase in Cash Held		498,625
457,065	Cash Held at Beginning of the Year		780,118
\$ 780,118	Cash Held at End of the Year	15(a)	\$ 1,278,743

The accompanying notes form part
of these financial statements

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 accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, 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 property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the union to have an independent valuation every three years, with annual appraisals being made by the union.

Increases in the net carrying amount arising on revaluation of a class of asset are credited to a revaluation reserve in Equity.

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

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.

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
Buildings	3.33%
Plant and equipment	10.00 - 50.00%

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) **Inventories**

All inventories are valued at the lower of cost and net realisable value. Costs are assigned on the first in first out basis and are based on direct costs of purchase.

(d) **Financial Instruments**

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at nominal value.

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

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

Fair Value

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

Impairment

At each reporting date the Union assess whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

(e) **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.

(f) **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

(g) **Leases**

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

(h) **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.

(i) **Revenue**

Revenue from capitation fees and contributions is recognised as an accrual basis. Interest received and other sundry income is recognised on a cash receipts basis.

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

(j) **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.

(k) **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.

(l) **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.

(m) **Change in Accounting Policy**

The Union has changed its accounting policy relating to the recognition of revenue. For the year ending 31st December, 2005 the capitation fees and contributions have has been recognised on an accrual basis. Previously these have been disclosed on a cash receipts basis. The effect on the prior year is Nil.

**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	<u>NOTE</u>	Previous GAAP at 1st January 2004 \$	Adjustment \$	Australian Equivalents to IFRS at 1st January 2004 \$
Current Assets				
Cash and cash equivalents		457,066	0	457,066
Trade and other receivables		25,195	0	25,195
Inventories		4,504	0	4,504
Other current assets		1,245	0	1,245
Total Current Assets		<u>488,010</u>	<u>0</u>	<u>488,010</u>
Non-Current Assets				
Financial assets		729,954	0	729,954
Property, plant & equipment		949,537	0	949,537
Total Non-Current Assets		<u>1,679,491</u>	<u>0</u>	<u>1,679,491</u>
TOTAL ASSETS		<u>2,167,501</u>	<u>0</u>	<u>2,167,501</u>
Current Liabilities				
Trade and other payables		149,597	0	149,597
Interest bearing loans and borrowings		-	0	-
Employee benefits provisions		249,096	(57,521)	191,575
Total Current Liabilities		<u>398,693</u>	<u>(57,521)</u>	<u>341,172</u>
Non-Current Liabilities				
Employee Benefits Provision	2(a)	-	57,521	57,521
Total Non-Current Liabilities		<u>-</u>	<u>57,521</u>	<u>57,521</u>
TOTAL LIABILITIES		<u>398,693</u>	<u>0</u>	<u>398,693</u>
NET ASSETS		<u>1,768,808</u>	<u>0</u>	<u>1,768,808</u>
EQUITY				
Reserves	2(b)	427,634	0	427,634
Accumulated funds		1,341,174	0	1,341,174
TOTAL EQUITY		<u>1,768,808</u>	<u>0</u>	<u>1,768,808</u>

**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		780,119	0	780,119
Trade and other receivables		16,096	0	16,096
Inventories		1,524	0	1,524
Total Current Assets		<u>797,739</u>	<u>0</u>	<u>797,739</u>
Non-Current Assets				
Financial assets		380,761	0	380,761
Property, plant & equipment		909,047	0	909,047
Total Non-Current Assets		<u>1,289,808</u>	<u>0</u>	<u>1,289,808</u>
TOTAL ASSETS		<u>2,087,547</u>	<u>0</u>	<u>2,087,547</u>
Current Liabilities				
Trade and other payables		216,977	0	216,977
Employee benefits provisions		110,490	(67,577)	42,913
Total Current Liabilities		<u>327,467</u>	<u>(67,577)</u>	<u>259,890</u>
Non-Current Liabilities				
Employee benefits provisions	2(a)	0	67,577	67,577
Total Non-Current Liabilities		<u>0</u>	<u>67,577</u>	<u>67,577</u>
TOTAL LIABILITIES		<u>327,467</u>	<u>0</u>	<u>327,467</u>
NET ASSETS		<u>1,760,080</u>	<u>0</u>	<u>1,760,080</u>
EQUITY				
Reserves	2(b)	427,635	0	427,635
Accumulated funds		1,332,445	0	1,332,445
TOTAL EQUITY		<u>1,760,080</u>	<u>0</u>	<u>1,760,080</u>

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 DEFICIT
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		998,521	0	998,521
Expenses	2(b)	1,007,250	0	1,007,250
Surplus/(Deficit)		<u>(8,729)</u>	<u>0</u>	<u>(8,729)</u>

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...)

- (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 \$57,521. This consisted of \$24,642 Annual Leave, \$11,936 Long Service Leave and \$20,943 Sick Leave. For the 31st December 2004 a total of \$67,577 was reclassified consisting of \$31,465 Annual Leave, \$13,178 Long Service Leave and \$22,934 Sick Leave.
- (b) Reclassifications have not been made to the revaluations of listed securities to the asset revaluation reserve due to the immateriality of the amount. In future years the new standard will be complied with.

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 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

2005

NOTE 4 - Cash and Cash Equivalents

460,215	Cash at Bank		1,163,013
60	Cash in Hand		-
319,844	Deposits at Call		115,731
<u>\$ 780,119</u>			<u>\$ 1,278,744</u>

NOTE 5 - Trade and Other Receivables

16,096	Other Debtors		169,036
-	Loans To Other Divisions	13	135,608
<u>\$ 16,096</u>			<u>\$ 304,644</u>

NOTE 6 - Inventories

<u>\$ 1,524</u>	Stock on Hand-at Lower of Cost & Net Realisable Value		<u>\$ 4,257</u>
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NOTE 7 - Financial Assets

379,576	Government, Public & Other Securities - at Cost or Value		379,203
	Shares - P.P.W. Superannuation Pty. Ltd. - at Cost		5
5	Shares Listed on Prescribed Stock Exchange-At Market Value		960
<u>1,180</u>			<u>960</u>
<u>\$ 380,761</u>			<u>\$ 380,168</u>

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

2004

2005

NOTE 8 - Property, Plant and Equipment

	Interest In Land & Buildings	
900,000	-At Independent Valuation	-
-	-At Committee of Management & Executive Valuation	1,113,636
<hr/>		<hr/>
900,000		1,113,636
(46,310)	Less Accumulated Depreciation	-
<hr/>		<hr/>
853,690		1,113,636

Ownership of the Land & Buildings at 500 Swanston Street, Carlton South is registered in the name of the CFMEU as a Federally Registered Union. The National Executive of the Federal body of the CFMEU resolved that the title to First Floor, (Lot 2), be held in trust on behalf of the CFMEU Forestry & Furnishing Products Division, No. 2 Victorian Branch and the CFMEU Forestry & Furnishing Products Division No. 7 Pulp & Paper Workers' Branch equally and that the occupancy, control and care belong exclusively to those bodies.

See also Note 16 - Events subsequent to Reporting Date

	Motor Vehicles - at Cost	
58,396		61,496
31,215	Less Accumulated Depreciation	21,250
<hr/>		<hr/>
27,181		40,246
	Office Furniture, Fittings & Equipment - at Cost	
175,987		105,642
147,811	Less Accumulated Depreciation	80,302
<hr/>		<hr/>
28,176		25,340
<hr/>		<hr/>
55,357		65,586
<hr/>		<hr/>
\$ 909,047		\$ 1,179,222

NOTE 9 Total Assets

At 31st December 2005, \$1,048,225 of Total Assets are committed by decision of the Branch Committee of Management to the specific purpose known as the 'Pulp & Paper Workers' Support Fund' which was established during 2005.

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

2004

2005

NOTE 10 - Trade and Other Payables

\$ <u>216,976</u>	Accrued Expenses	\$ <u>224,407</u>
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NOTE 11 - Short Term Provisions

33,864	Provision for Annual Leave	23,901
<u>9,048</u>	Provision for Sick Leave	<u>10,481</u>
\$ <u>42,912</u>		\$ <u>34,382</u>

NOTE 12 - Long Term Provisions

13,178	Prov'n for Long Service Leave	14,465
22,936	Provision for Sick Leave	27,154
<u>31,465</u>	Provision for Annual Leave	<u>6,229</u>
\$ <u>67,579</u>		\$ <u>47,848</u>

NOTE 13 - Loans To Other Divisions

\$ -	FFPD Divisional National Office	\$ <u>135,608</u>
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NOTE 14 - Leasing Commitments

Operating Lease Commitments

Non-Cancellable Operating Leases Contracted for but not Capitalised in the Financial Statements		
10,656	Not Later than 1 Year	10,656
12,432	Later Than 1 Year but not Later Than 5 Years	1,776
-	Later Than 5 Years	-
<u>\$ 23,088</u>		<u>\$ 12,432</u>

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

2004

2005

NOTE 15(a) - Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	460,214	Cash at Bank	1,163,012
	60	Cash on Hand	-
	319,844	Deposits on Call	115,731
	<hr/>		<hr/>
\$	780,118		\$1,278,743
	<hr/>		<hr/>

NOTE 15(b) - Reconciliation of Net Cash Provided By/(Used In) Operating Activities to Surplus/(Deficit) for Year

	(8,729)	Surplus/(Deficit) for Year	790,403
	49,202	Depreciation	48,287
	(33,186)	(Decrease) in Provision for Annual Leave	(35,199)
	(33,555)	Increase/(Decrease) in Provision for Long Service Leave	1,286
	(71,864)	Increase/(Decrease) in Provision for Sick Leave	5,652
	(27,858)	(Increase) in Other Debtors	(152,940)
	93,526	Increase in Accrued Expenses	7,429
	10,810	Decrease in Prepayments	-
	438	Decrease in Investments	593
	2,980	(Increase)/Decrease in Stock on Hand	(2,733)
	-	Loss from Sale & Write Off of Fixed Assets	7,174
	<hr/>		<hr/>
\$	(18,236)	Net Cash Flow Provided by/(Used In) Operating Activities	\$ 669,952
	<hr/>		<hr/>

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

NOTE 16 - Events Subsequent to Reporting Date

- (1) Following the conclusion of the financial reporting period and prior to the conclusion of this financial report, the property known as 1st Floor, (Lot 2), 500 Swanston Street, Carlton South was sold to CFMEU Construction and General Division, Victorian Divisional Branch.
- (2) On 31st January 2006, under authority of a resolution of the National Executive of the CFMEU Forestry & Furnishing Products Division, A.C.N. 117 909 127 Pty Ltd which is now the registered owner, concluded the purchase of the property known as 152-156 Miller Street, West Melbourne. The National Executive of the CFMEU Forestry & Furnishing Products Division resolved that the occupancy, control and care of the property as beneficial owners belong exclusively to the CFMEU Forestry & Furnishing Products Division, No. 2 Victorian Branch and the CFMEU Forestry & Furnishing Products Division, No. 7 Pulp & Paper Workers' Branch equally.

NOTE 17 - Economic Dependence

The principal source of income for the Federal Office of the CFMEU Forestry & Furnishing Products Division, No. 7 Pulp & Paper Workers' Branch is capitation fees arising from membership fees. The Federal Office is economically dependant upon the membership levels and fees.

NOTE 18 - Segment Reporting

The Federal Office of the CFMEU Forestry & Furnishing Products Division, No. 7 Pulp & Paper Workers' Branch operates in predominantly one business and geographical segment, being involved in the organising and representing of those members of the CFMEU that form the membership of the Branch.

NOTE 19 - Union Details

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

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

NOTE 20 - Related Party Transactions

(a) Office-Holders

The following persons held office in the Federal 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:

Tim Woods, Alex Millar, Andrew Ball, William Davey, Ken Fraser, Geoff Gasperotti, David Hastie, David Jessup, Ian Moule, Trevor Sinclair, David Schutz, Greg Stewart, Garry Walker, Craig Jones, Michael Obradovich, David Doyle, Tim Allan, Kevin Millie, Craig Walters, Andrew Schaeffer 18.4.05 - 31.12.05.

(b) Office-Holders Transactions

The aggregate amount of remuneration paid by the Federal 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 statement of financial performance.

NOTE 21 - Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Nil.

CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP & PAPER WORKERS' BRANCH

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

NOTE 22- 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			
					Within Year		1-5 Years	
	2005	2004	2005	2004	2005	2004	2005	2004
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash	1.00	1.00	1,163,013	460,215	-	-	-	-
Deposits at Call	5.43	5.00	115,731	319,844	-	-	-	-
Investments	6.50	6.50	-	-	379,203	-	-	379,576
Total Financial Assets			\$1,278,744	\$ 780,059	\$ 379,203	\$ -	\$ -	\$ 379,576

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

NOTE 22 - 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 statement of financial position 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 which have fixed maturities are intended to be held to maturity by the Union. These are stated at a current value based on either amortising or revaluing the investment on a straight line basis to its face value at maturity. Any adjustment is debited or credited to interest.

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

PULP AND PAPER WORKERS' BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 22nd February 2006 the Committee of Management of the Pulp & Paper Workers' 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:



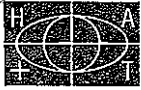
TIM WOODS
SECRETARY



ALEX MILLAR
SUB BRANCH SECRETARY

Dated 22nd February 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

Level 18,
390 St. Kilda Road,
Melbourne, Victoria,
Australia, 3004.
Telephone: (03) 9867 3200
Fax: (03) 9867 3810
Email: Admin@hat.com.au

Our Ref.:

Your Ref.:

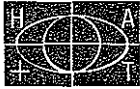
AUDITORS' REPORT TO THE MEMBERS OF THE
CONSTRUCTION FORESTRY MINING ENERGY UNION
PULP & PAPER WORKERS BRANCH

SCOPE

We have audited the financial report of the Construction Forestry Mining Energy Union - Pulp and Paper Workers' Branch, for the year ended 31st December, 2005 as set out on pages 3 to 25. 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

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

AUDIT OPINION

In our opinion the general purpose financial report of Construction Forestry Mining Energy Union - Pulp and Paper Workers' 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 as at 31st December, 2005 and the results of its operations and cashflows for the year then ended.

Dated 12th, April 2006
Melbourne

Hack, Anderson & Thomas.

HACK, ANDERSON & THOMAS
Chartered Accountants

M. ANDERSON, PARTNER
Registered Company Auditor

PENNA, Belinda

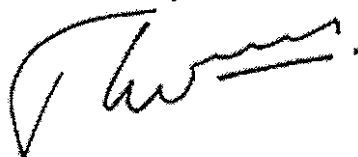
From: Tim Woods [t.woods@cfmeuppw.org]
Sent: Tuesday, 20 June 2006 2:31 PM
To: belinda.penna@air.gov.au
Subject: CFMEU - Pulp & Paper Workers' Branch - 2005 Financial Report

Belinda

Further to discussions, I am writing to advise that the financial reports of the Pulp & Paper Workers' Branch were distributed in full to members in April, from on or about the 15th April 2006, not in March from on or about 15th March 2006 as previously advised.

I trust that this clarifies the matter and the financial reports. Should further information be required, please contact me.

Yours sincerely



Tim Woods
Secretary
Pulp & Paper Workers' Branch
CFMEU
Ph: + 61 3 9349 2488
Fax: + 61 3 9349 2580
Email: t.woods@cfmeuppw.org



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 Tim Woods
Branch Secretary
CFMEU FFPD
Pulp & Paper Workers' Branch
PO Box 415
CARLTON SOUTH VIC 3053

Dear Mr Woods

Lodgement of Financial Statements and Accounts for the CFMEU FFPD, Pulp & Paper Workers' Branch for the year ending 31 December 2005 (FR2005/580)

Receipt is acknowledged of the abovementioned financial statements and accounts, which were lodged in the Registry on 20 June 2006.

Thank you for your email confirming that the full financial documents were supplied to the members on or about the 15th April 2006. The documents have been filed and may be viewed on the internet at www.e-airc.gov.au/105nppw/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

20 June 2006