

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND  
MANUFACTURING DIVISION -  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**OPERATING REPORT**

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers' Branch ("Union / Reporting Unit"), presents the Operating Report of the Reporting Unit for the financial year ended 31 December 2008.

**Principal Activities**

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

- Implementation of the decisions of the Branch Committee of Management and Branch Executive.
- Participation in dispute resolution processes, including the conduct of matters before tribunals including Fair Work Australia.
- 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 Fair Work (Registered Organisations) Act 2009.
- Management of information and technology to drive more effective outcomes for union members.
- Supervision of and participation in Occupational Health, Safety and Environment and Training and 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.

**Operating Result**

The operating profit of the Union for the financial year was \$207,172 (2007: \$20,045). No provision for tax was necessary as the Union is exempt from income tax.

**Significant Changes**

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

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

Except for the above no matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

**Rights of Members**

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

**Superannuation Officeholders**

Mr Tim Woods was an official of the Union and was Chairperson of the Board of Directors and was a member of the Pulp and Paper Workers' Superannuation Fund until he resigned on 20 March 2008.

Mr Alex Millar, Mr Ian Moule (until he resigned on 16 December 2008), Mr Geoff Gasperotti and Mr Kevin Millie are members of the Branch Committee of Management and are members of the Board of Directors of the Pulp and Paper Workers' Superannuation Fund.

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**OPERATING REPORT  
Continued**

**Superannuation Officeholders continued**

As of 1 July 2008, the Timber Industry Superannuation Scheme and Pulp and Paper Workers Superannuation Fund merged with the FIRST Superannuation Fund to form a combined entity known as FIRST Superannuation Fund.

No other officer or member of the Union acts:

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

**Other Prescribed Information**

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

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Union under section 244 of the Fair Work (Registered Organisations) Act 2009 was 1,978.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 6.
- (c) the names of each person who have been a member of the Branch Committee of Management of the Union at any time during the reporting period, and the period for which he held such a position were;

<b>Name</b>	<b>Position</b>
Mr Tim Woods	Branch Secretary (Resigned 20 March 2008)
Mr Alex Millar	Branch Secretary (Appointed 21 March 2008)
	Secretary Melbourne Sub- Branch (Resigned 20 March 2008)
Mr William Davey	President Tasmania Sub-Branch
Mr Ken Fraser	Secretary Tasmania Sub-Branch
Mr Geoff Gasperotti	Melbourne Sub-Branch
Mr David Hastie	Sydney Sub-Branch (Resigned 31 December 2008)
Mr Ian Moule	Secretary Maryvale Sub-Branch (Resigned 16 December 2008)
Mr Trevor Sinclair	Millicent Sub-Branch
Mr Craig Jones	Tasmanian Sub-Branch
Mr Michael Obradovic	Melbourne Sub-Branch
Mr David Doyle	Millicent Sub-Branch
Mr Tim Allan	Maryvale Sub-Branch
Mr Kevin Millie	Secretary Millicent Sub-Branch
Mr Craig Walters	Secretary Sydney Sub-Branch (Resigned 20 December 2008)
Mr Mark Lennox	Secretary Petrie Sub-Branch

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

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**OPERATING REPORT  
Continued**

**Other Prescribed Information continued**

- d) The following persons were members of the Branch Executive, during the year ended 31 December 2008:

<b>Name</b>	<b>Position</b>
Tim Woods	Branch Secretary (Resigned 20 March 2008)
Alex Millar	Branch Secretary (Appointed 21 March 2008)
	Secretary Melbourne Sub- Branch (Resigned 20 March 2008)
Mr William Davey	President Tasmania Sub-Branch
Mr Ken Fraser	Secretary Tasmania Sub-Branch
Mr Ian Moule	Secretary Maryvale Sub-Branch (Resigned 16 December 2008)
Mr Craig Jones	Tasmanian Sub-Branch
Mr Kevin Millie	Secretary Millicent Sub-Branch
Mr Craig Walters	Secretary Sydney Sub-Branch (Resigned 20 December 2008)
Mr Mark Lennox	Secretary Petrie Sub-Branch

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

Signed in accordance with a resolution of the Committee of Management:

  
\_\_\_\_\_  
Jane Calvert - National President

  
\_\_\_\_\_  
Alex Millar - National Senior Vice President

Melbourne: 25 November 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
Revenue	3	1,879,234	1,389,448
Administration expense	4	(765,829)	(283,610)
Affiliation fees, compulsory levies and sustentation fees	4	(66,814)	(93,069)
Depreciation expense	4	(16,135)	(16,324)
Employee benefits expense	4	(649,060)	(610,266)
Bad debts		(8,089)	-
Loss on disposal of fixed asset		(4,021)	-
Motor vehicle expense		(32,111)	(29,145)
Occupancy expense		-	(13,674)
Telephone and facsimile expense		(16,143)	(18,430)
Travel expense		(106,778)	(120,321)
Other expenses		<u>(7,082)</u>	<u>(184,564)</u>
<b>Profit before income tax expense</b>		207,172	20,045
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit attributable to members		<u>207,172</u>	<u>20,045</u>

The accompanying notes form part of these financial statements.

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**BALANCE SHEET  
AS AT 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,668,403	990,280
Trade and other receivables	6	647,519	808,371
Other current assets	7	<u>1,784</u>	<u>17,942</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,317,706</u>	<u>1,816,593</u>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	6	1,811,859	1,811,859
Financial assets	8	175	670
Plant and equipment	9	<u>53,362</u>	<u>55,787</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>1,865,396</u>	<u>1,868,316</u>
<b>TOTAL ASSETS</b>		<u>4,183,102</u>	<u>3,684,909</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	758,823	520,696
Short term provisions	11	<u>191,987</u>	<u>139,093</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>950,810</u>	<u>659,789</u>
<b>TOTAL LIABILITIES</b>		<u>950,810</u>	<u>659,789</u>
<b>NET ASSETS</b>		<u>3,232,292</u>	<u>3,025,120</u>
<b>EQUITY</b>			
Reserves		717,550	717,550
Retained profits		1,041,860	1,063,231
PPW Support Fund	12	<u>1,472,882</u>	<u>1,244,339</u>
<b>TOTAL EQUITY</b>		<u>3,232,292</u>	<u>3,025,120</u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Asset realisation \$	PPW Support Fund \$	Retained earnings \$	Total \$
Balance at 1 January 2007	717,550	1,061,595	1,225,930	3,005,075
Profit/(loss) attributable to members	-	182,744	(162,699)	20,045
Balance at 31 December 2007	717,550	1,244,339	1,063,231	3,025,120
Profit/(loss) attributable to members	-	228,543	(21,371)	207,172
<b>Balance at 31 December 2008</b>	<b>717,550</b>	<b>1,472,882</b>	<b>1,041,860</b>	<b>3,232,292</b>

The accompanying notes form part of these financial statements.

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**CASHFLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Capitation fees		832,321	306,997
Contributions		524,002	516,512
Conference registrations		2,400	30,910
Consultancy		484,630	-
Interest received		87,944	59,782
Member dues received		-	47,002
Dividends received		16	28
Training income		54,370	153,744
Other income training		-	54,050
Other Income		24,767	-
Payments to suppliers and employees		<u>(1,315,091)</u>	<u>(1,165,061)</u>
Net cash provided by operating activities	19(b)	<u>695,359</u>	<u>3,964</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(33,600)	(4,978)
Proceeds from property, plant & equipment		16,364	-
Loans to other divisions		<u>-</u>	<u>(165,319)</u>
Net cash used by investing activities		<u>(17,236)</u>	<u>(170,297)</u>
Net increase / (decrease) in cash held		678,123	(166,333)
Cash at beginning of year		<u>990,280</u>	<u>1,156,613</u>
Cash at end of year	19(a)	<u>1,668,403</u>	<u>990,280</u>

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**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money-	-	-
	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

The accompanying notes form part of these financial statements.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The financial report of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers' Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

**Basis of Preparation**

**Reporting Basis and Conventions**

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

**Accounting Policies**

**a. Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

**b. Revenue**

Revenue from membership is recognised on a receipt basis.

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

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

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

**c. 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.

**d. 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, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**e. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**f. Plant and Equipment**

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

Plant and equipment is measured on the cost basis.

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

**Depreciation**

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis or a reducing balance basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Motor vehicles	20%
Furniture, fittings and equipment	10 to 50%

**g. Employee Benefits**

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

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

**h. Financial Instruments**

**Recognition**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Union becomes a party to the contractual provisions of the instrument.

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:

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**h. Financial Instruments continued**

**Derecognition**

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

**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.

**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 arm's length transactions, reference to similar instruments and option pricing models.

**Financial Liabilities**

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

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

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

Cash flows are presented in the cash flow statement on a gross basis, except for GST component of investing and financing activities, which are disclosed as operating cash flows.

**j. Comparative Figures**

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

**k. Critical Accounting Estimates and Judgements**

The Committee of management members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**k. Critical Accounting Estimates and Judgements continued**

**Key Estimates**

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

**Key Judgements**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

**l. Change in Accounting Policy**

The Sydney and Tasmania Sub branches closed its bank accounts and transferred its assets and liabilities to the CFMEU PPW Branch in 2007. This transfer was disclosed as a transfer of equity. However as stated in note 15 to the financial statements, the net assets of the sub branches was only to be transferred to the CFMEU PPW branch as of 31 December 2008 pursuant to a special committee meeting dated 5 August 2008. Accordingly an adjustment has been made to disclose the transfer as a loan to the CFMEU PPW Branch as follows:

	<b>2007 Previously Stated</b>	<b>Adjustment</b>	<b>2007 Restated</b>
<b><u>Balance Sheet</u></b>			
Loan from CFMEU PPW Sydney sub branch	-	(39,760)	(39,760)
Loan from CFMEU PPW Tasmania sub branch	-	(124,470)	(124,470)
Retained earnings	1,227,461	(164,230)	1,063,231
<b><u>Statement of changes in equity</u></b>			
Retained earnings at 1 January 2007	1,225,930	-	1,225,930
Profit attributed to members	(162,699)	-	(162,699)
Transfer from CFMEU PPW Sydney and Tasmania sub branches	164,230	(164,230)	-
Retained earnings at 31 December 2007	1,227,461	(164,230)	1,063,231

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

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

1. A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than fourteen days after the application is given to the reporting unit.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA  
continued**

3. A reporting unit must comply with an application under subsection (1).

	2008 \$	2007 \$
<b>NOTE 3: REVENUE</b>		
<b>Operating activities</b>		
Conference registrations	2,400	28,100
Dividends received	16	28
Capitation fees – Sub-Branches	651,429	586,373
Consultancy	484,630	-
Contributions – OHS & E	211,885	199,000
Contributions – Industry Skills Development	109,200	109,200
Contributions – Pulp & Paper Workers' Support Fund	202,917	161,356
Interest received	87,944	59,782
Member dues received	-	42,729
Other income	24,767	49,136
Transfer of employee entitlements	49,676	-
Training income	54,370	153,744
	<u>1,879,234</u>	<u>1,389,448</u>
Total revenue	<u>1,879,234</u>	<u>1,389,448</u>

**NOTE 4: PROFIT FOR YEAR**

Profit before income tax expense has been determined after:

<b>Administration expense</b>		
Bank charges	4,402	4,024
Computer expenses	15,272	29,552
Conference expenses	7,995	-
Consulting	396,910	-
Delegates and members	58	-
Donations	450	-
Insurance	9,130	-
Legal expenses	58,895	54,535
Media & Advertising	3,969	-
Meeting expenses	23,405	-
Member benefits	10,500	-
NAC fees	83,020	156,040
Other	4,111	-
Postage, freight, printing and stationery	21,363	36,744
Project expenses	36,364	-
Staff expenses	11,834	2,715
Subscriptions	18,634	-
Training	11,212	-
Unit expenses	48,305	-
	<u>765,829</u>	<u>283,610</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 4: PROFIT FOR YEAR continued**

**Affiliation fees, compulsory levies and sustentation fees**

Affiliation fees:

- Australian Labour Party	5,727	7,369
- Victorian Trades Hall Council	3,476	3,328
Compulsory levy:		
- Australian Council of Trade Unions Levy	-	26,080
Sustentation fee:		
- CFMEU Forestry and Furnishing Products Division National Office	57,611	56,292
	<u>66,814</u>	<u>93,069</u>

**Depreciation expense**

Motor vehicles	9,452	8,991
Furniture, fittings and equipment	6,683	7,333
	<u>16,135</u>	<u>16,324</u>

**Employee benefit expense**

Salaries

- elected officials	76,471	66,232
- employees	343,187	423,369
Superannuation		
- elected officials	8,036	8,388
- employees	38,706	41,595
Provision for annual leave		
- elected officials	4,360	2,797
- employees	15,760	(1,732)
Provision for long service leave		
- elected officials	(4,468)	4,693
- employees	37,176	-
Provision for sick leave		
- elected officials	(16,862)	8,660
- employees	13,358	2,816
Provision for rostered days off		
- elected officials	331	1,876
- employees	787	3,572
Terminations		
- officials	75,629	-
- employees	7,209	-
Fringe benefits tax	11,393	11,518
Payroll tax	31,000	29,645
Work cover	6,987	6,837
	<u>649,060</u>	<u>610,266</u>

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
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ABN 29 412 204 603**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash at bank	140,269	35,590
Cash on deposit	1,528,134	954,690
	1,668,403	990,280
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	89,120	133,976
Sundry debtors	27,732	22,732
GST receivable	-	17,891
Amounts relating to CFMEU Forestry and Furnishing Products Division:		
- National Office	150,114	142,821
- Victorian Forestry No 2 Branch	8,292	8,948
- South Australia Branch	5,894	5,894
- Tasmania Branch	2,060	2,060
- New South Wales	2,647	-
Amounts relating to CFMEU Pulp & Paper Workers' Branch:		
- Maryvale Sub-branch	70,622	83,913
- Melbourne Sub-branch	272,948	152,214
- Millicent Sub-branch	-	205,532
- Nowra Sub-branch	18,090	32,390
	647,519	808,371
<b>NON CURRENT</b>		
- Sundry Debtors	1,811,859	1,811,859
<b>NOTE 7: OTHER CURRENT ASSETS</b>		
<b>CURRENT</b>		
Prepayments	1,784	17,942
<b>NOTE 8: FINANCIAL ASSETS</b>		
<b>NON CURRENT</b>		
Shares – P.P.W. Superannuation Pty Ltd – at cost	-	5
Shares listed on prescribed stock exchange	175	665
– at market value	175	670

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	2008 \$	2007 \$
<b>NOTE 9: PLANT AND EQUIPMENT</b>		
Furniture, fittings and equipment – at cost	90,333	87,235
Less accumulated depreciation	<u>(77,090)</u>	<u>(70,407)</u>
	13,243	16,828
Motor vehicles – at cost	63,163	63,560
Less accumulated depreciation	<u>(23,044)</u>	<u>(24,601)</u>
	40,119	38,959
TOTAL PLANT AND EQUIPMENT	<u>53,362</u>	<u>55,787</u>

**Movements In Carrying Amounts**

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

	Motor Vehicles	Furniture Fittings & Equipment	TOTAL
	\$	\$	\$
Balance at start of year	38,959	16,828	55,787
Additions	30,502	3,098	33,600
Disposals	(30,899)	-	(30,899)
Accumulated depreciation on disposal	11,009	-	11,009
Depreciation expense	<u>(9,452)</u>	<u>(6,683)</u>	<u>(16,135)</u>
Balance at end of year	<u>40,119</u>	<u>13,243</u>	<u>53,362</u>

**NOTE 10: TRADE AND OTHER PAYABLES**

Trade creditors & accruals	70,325	196,189
Amounts relating to:		
- CFMEU Construction & General Division Victoria Branch	-	133,434
Amounts relating to CFMEU Forestry and Furnishing Products Division		
- South Australia Branch	4,780	5,180
- Victorian Forestry No 2 Branch	2,080	2,080
- National Office	61,126	8,059
Amounts relating to CFMEU Pulp & Paper Workers' Branch:		
- Melbourne Sub-branch	6,924	11,524
- Millicent Sub-branch	391,702	-
- Maryvale Sub-branch	52,598	-
- Sydney Sub-branch	36,295	39,760
- Tasmania Sub-branch	107,800	124,470
GST Payable	<u>25,193</u>	<u>-</u>
	<u>758,823</u>	<u>520,696</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b>NOTE 11: PROVISIONS</b>		
CURRENT		
Employee benefits:		
Annual leave		
- elected officials	26,976	22,616
- employees	49,201	32,204
Long service leave		
- elected officials	16,507	20,975
- employees	37,176	-
Sick leave		
- elected officials	24,358	41,220
- employees	31,204	16,630
Rostered days off		
- elected officials	2,207	1,876
- employees	4,358	3,572
	191,987	139,093
Total Current Provisions		
	6	6
Number of Employees at year end		

**NOTE 12: PULP and PAPER WORKERS' SUPPORT FUND**

Balance at 1 January 2008	1,244,339	1,061,595
<u>Income</u>		
Contributions	202,917	161,356
Interest received	81,308	58,701
Other income	-	71
<u>Expenditure</u>		
Mortuary benefit fund	(1,500)	(1,500)
Legal expenses	(54,182)	(35,884)
	1,472,882	1,244,339
Balance at 31 December 2008		

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**NOTE 13: KEY MANAGEMENT PERSONNEL COMPENSATION AND RELATED PARTY TRANSACTIONS**

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

Mr Tim Woods	Branch Secretary (resigned 20 March 2008)
Mr Alex Millar	Branch Secretary (appointed 21 March 2008)
	Secretary Melbourne Sub- Branch (resigned 20 March 2008)
Mr William Davey	President Tasmania Sub-Branch
Mr Ken Fraser	Secretary Tasmania Sub-Branch
Mr Geoff Gasperotti	Melbourne Sub-Branch
Mr David Hastie	Sydney Sub-Branch (Resigned 31 December 2008)
Mr Ian Moule	Secretary Maryvale Sub-Branch (Resigned 16 December 2008)
Mr Trevor Sinclair	Millicent Sub-Branch
Mr Craig Jones	Tasmanian Sub-Branch
Mr Michael Obradovic	Melbourne Sub-Branch
Mr David Doyle	Millicent Sub-Branch
Mr Tim Allan	Maryvale Sub-Branch
Mr Kevin Millie	Secretary Millicent Sub-Branch
Mr Craig Walters	Secretary Sydney Sub-Branch (Resigned 20 December 2008)
Mr Mark Lennox	Secretary Petrie Sub-Branch

- (a) The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$76,471 (2007: \$66,232). The aggregate amount of termination payments made to elected officials was \$75,629 (2007: nil). The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$8,036 (2007: \$8,388).
- (b) There was no remuneration paid to other persons on the committee of management.
- (c) There were no other transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**NOTE 14: OPERATING LEASE COMMITMENTS**

An operating lease commitment exists in respect of the lease of one motor vehicle from Summit Fleet Management Services. The maximum amount committed plus options is as follows:-

	2008 \$	2007 \$
Due within 1 year	10,792	10,366
Due within 2-5 years	-	12,094
<b>TOTAL COMMITMENT</b>	<b>10,792</b>	<b>22,460</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 15: EVENTS SUBSEQUENT TO REPORTING DATE**

Pursuant to a special committee meeting dated 5 August 2008 it was resolved that the assets and liabilities of the Reporting Unit be transferred to the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division which would henceforth be responsible for all financial matters pertaining to the Reporting Unit. Separate financial reports of the Reporting Unit will no longer be prepared subsequent to 31 December 2008.

**NOTE 16: CONTINGENT LIABILITIES**

There are no contingent liabilities at the date of this report.

**NOTE 17: ECONOMIC DEPENDENCE**

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

**NOTE 18: SEGMENT REPORTING**

The Union operates predominantly in one industry, being the Forestry, Furnishing, Building Products and Manufacturing sector. The business operates predominantly in four geographical areas being in Victoria, New South Wales, South Australia and Tasmania.

**NOTE 19: CASH FLOW INFORMATION**

**a. Reconciliation of Cash**

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:

	2008 \$	2007 \$
Cash at bank	140,269	35,590
Cash on deposit	1,528,134	954,690
	<u>1,668,403</u>	<u>990,280</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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	2008 \$	2007 \$
<b>NOTE 19: CASH FLOW INFORMATION continued</b>		
<b>b. Reconciliation of Net Cash provided by Operating Activities to Net Profit</b>		
Net profit	207,172	20,045
Non Cash Items		
Depreciation	16,135	16,324
Loss on sale of property, plant & equipment and investments	4,021	325
Unrealised gains on investments	-	318
Write off on investment	5	-
Changes in Assets and Liabilities		
Decrease/(increase) in receivables	160,852	(308,315)
Decrease in other current assets	16,158	1,031
Increase in payables	238,127	251,554
Increase in provisions	52,889	22,682
	<u>695,359</u>	<u>3,964</u>
<b>c. There are no credit or loan facilities.</b>		
<b>d. There were no non-cash financing or investing activities during the period.</b>		
<b>e. Net cash inflows / (outflows) relating to another reporting unit of the organisation are as follows:</b>		
<b>CFMEU Forestry and Furnishing Products Division:</b>		
- National Office	(72,069)	(82,301)
- New South Wales Branch	8,082	-
- Victorian Forestry No 2 Branch	1,209	2,333
- Tasmania Branch	(899)	1,907
- South Australia Branch	-	(88)
<b>CFMEU Pulp &amp; Paper Workers' Branch:</b>		
- Maryvale Sub-branch	96,517	-
- Melbourne Sub-branch	(4,826)	98,822
- Millicent Sub-branch	568,698	42,681
- Nowra Sub-branch	31,690	-
- Sydney Sub-branch	-	35,361
- Tasmania Sub-branch	1,175	-
	<u>629,577</u>	<u>98,715</u>

**NOTE 20: FINANCIAL INSTRUMENTS**

**a. Financial Risk Management**

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable.

The Union does not have any derivative instruments at 31 December 2008.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 20: FINANCIAL INSTRUMENTS continued**

**a. Financial Risk Management continued**

**i. Treasury Risk management**

A finance committee consisting of senior committee members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts

The committee's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The finance committee operates under policies approved by the senior committee members. Risk management policies are approved and reviewed by the committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

**ii. Financial Risks**

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

**Interest Rate Risk**

The Union is not exposed to any interest rate risk.

**Liquidity Risk**

The association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the association.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 20: FINANCIAL INSTRUMENTS continued**

**b. Financial Instrument Composition and Maturity Analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, amounts may not reconcile to the balance sheet.

2008	Note	Weighted Average Effective Interest Rate %	Floating Interest Rate \$	Fixed Interest Rate Maturing			TOTAL \$
				Within 1 Year \$	1 to 5 Years \$	Non- interest bearing \$	
<b>Financial Assets</b>							
Cash at bank	5	6.62	140,269	1,528,134	-	-	1,668,403
Receivables	6	-	-	-	-	2,459,378	2,459,378
Financial assets	8	-	-	-	-	175	175
<b>Total Financial Assets</b>			<u>140,269</u>	<u>1,528,134</u>	<u>-</u>	<u>2,459,553</u>	<u>4,127,956</u>
<b>Financial Liabilities</b>							
Payables	10	-	-	-	-	(758,823)	(758,823)
<b>Total Financial Liabilities</b>			<u>-</u>	<u>-</u>	<u>-</u>	<u>(758,823)</u>	<u>(758,823)</u>
<b>Net Financial Assets</b>			<u>140,269</u>	<u>1,528,134</u>	<u>-</u>	<u>1,700,730</u>	<u>3,369,133</u>
<b>2007</b>							
<b>Financial Assets</b>							
Cash at bank	5	5.48	35,590	954,690	-	-	990,280
Receivables	6	-	-	-	-	2,620,230	2,620,230
Financial assets	8	-	-	-	-	670	670
<b>Total Financial Assets</b>			<u>35,590</u>	<u>954,690</u>	<u>-</u>	<u>2,620,900</u>	<u>3,611,180</u>
<b>Financial Liabilities</b>							
Payables	10	-	-	-	-	(520,696)	(520,696)
<b>Total Financial Liabilities</b>			<u>-</u>	<u>-</u>	<u>-</u>	<u>(520,696)</u>	<u>(520,696)</u>
<b>Net Financial Assets</b>			<u>35,590</u>	<u>954,690</u>	<u>-</u>	<u>2,100,204</u>	<u>3,090,484</u>

**b. Reconciliation of Net Financial Assets to Net Assets**

	Notes		
Net Financial assets as above		3,369,133	3,090,484
Non-Financial assets and liabilities			
Other current assets	7	1,784	17,942
Property, plant and equipment	9	53,362	55,787
Employee entitlements	11	(191,987)	(139,093)
<b>Net assets per balance sheet</b>		<u>3,232,292</u>	<u>3,025,120</u>

**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 the 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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 20: FINANCIAL INSTRUMENTS continued**

Sensitivity Analysis

Interest rate risk

The Union has performed sensitivity analysis relating to its exposure to interest rate risk at balance sheet date. This sensitivity analysis demonstrated the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2008, the effect on profit and equity as a result of changes in interest rates, with all other variables remaining constant would be as follows:

	Profit \$	Equity \$
Year Ended 31 December 2008 +/- 2% in interest rate basis points	28,980	28,980
Year Ended 31 December 2007 +/- 2% in interest rate basis points	19,261	19,261

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed in foreign currency risk as the Union is not exposed to foreign currency fluctuations.

**NOTE 21: CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS**

The following Australian Accounting Standards issued or amended are applicable to the Branch but not yet effective and have not been adopted in the preparation of the financial statements at the reporting date.

<b>AASB Amendment</b>	<b>Standards Affected</b>	<b>Outline of Amendment</b>	<b>Application Date of Standard</b>	<b>Application Date for Sub-Branch</b>
AASB 2007-3: Amendments to Australian Accounting Standards	AASB 5: Non-current Assets Held for Sale and Discontinued Operations AASB 107: Cash Flow Statements AASB 119: Employee Benefits AASB 127: Consolidated and Separate Financial Statements AASB 136: Impairment of Assets AASB 1023: General Insurance Contracts	The disclosure requirements of AASB 1114: Segment Reporting will involve changes to segment reporting disclosures within the financial report. However, it is anticipated there will be no direct impact on recognition and measurement criteria amounts included in the financial report, as the entity does not fall within the scope of AASB 8.	01.01.2009	01.07.2009

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**NOTE 21: CHANGES TO AUSTRALIAN ACCOUNTING STANDARDS continued**

AASB 8: Operating Segments	AASB 114: Segment Reporting	As above.	01.01.2009	01.07.2009
AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1: First time adoption of AIFRS AASB 101: Presentation of Financial Statements AASB 107: Cash Flow Statements AASB 116: Property, Plant and Equipment	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction of production of a qualifying asset. However, there will be no direct impact to the amounts included in the financial statements as the Union already capitalises borrowing costs relating to qualifying assets.	01.01.2009	01.07.2009
AASB 123: Borrowing Costs	AASB 123: Borrowing Costs	As above.	01.01.2009	01.07.2009
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101: Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	01.01.2009	01.07.2009
AASB 101	AASB 101: Presentation of Financial Statements	As above.	01.01.2009	01.07.2009

**NOTE 22: ENTITY DETAILS**

The registered office is:  
148-152 Miller Street  
WEST MELBOURNE VIC 3003

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**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 17 November 2010 the Divisional Executive of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division on behalf of the Committee of Management of the Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers' Branch ("Union/Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2008:

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 General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
  - (v) the information sought in any request of a member of the reporting unit or the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or General Manager; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Tribunal under section 273 of the Fair Work (Registered Organisations) Act 2009.

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**COMMITTEE OF MANAGEMENT CERTIFICATE  
continued**

- (f) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

  
\_\_\_\_\_  
Jane Calvert – National President

  
\_\_\_\_\_  
Alex Millar – National Senior Vice President

Melbourne: 25 November 2010.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – PULP AND PAPER WORKERS BRANCH

We have audited the accompanying financial report of the Construction, Forestry, Mining and Energy Union, Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers Branch (the reporting unit), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

#### Committee of management's responsibility for the financial report

The reporting unit's Committee of management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – PULP AND PAPER WORKERS BRANCH

#### Independence

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

#### Basis for Qualified Audit Opinion

Included in the balance sheet are amounts owing from a debtor of \$1,811,859. We have been unable to satisfy ourselves regarding the accuracy of the amount or its recoverability as financial statements for this debtor are not available for our examination.

#### Qualified Auditor's opinion

In our opinion, except for the effects of such adjustments if any as might have been determined to be necessary had we been able to satisfy ourselves on the sundry debtor of \$1,811,859 referred to above, the financial report of the reporting unit:

- (a) is in accordance with the provisions of the Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:
  - (i) presenting fairly the reporting unit's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of Fair Work Australia, including:
  - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  - (ii) any donations or other contributions deducted from recovered money.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*L.S. Wong*

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

Melbourne: 25 November 2010

## COMPILATION REPORT

### TO THE CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION – PULP AND PAPER WORKERS' BRANCH

#### Scope

On the basis of the information provided by the Committee of Management of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers' Branch (Reporting Unit) we have compiled, in accordance with APS 9: Statement of Compilation of Financial Reports the special purpose financial report comprising the Detailed Profit and Loss Statement of Construction, Forestry, Mining and Energy Union Forestry, Furnishing, Building Products and Manufacturing Division – Pulp and Paper Workers' Branch for the year ended 31 December 2008 as set out on page 30 to 34.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the Committee of Management. No Accounting Standards and other mandatory professional reporting requirements have been adopted in the preparation of the special purpose financial report.

The Committee of Management is solely responsible for the information contained in the special purpose financial report and has determined that the accounting policies used are consistent and are appropriate to satisfy the needs of the Committee of Management.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the reporting unit, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared for the benefit of the reporting unit and its members and the purpose identified above. We do not accept responsibility to any other person for the contents of the special purpose financial report.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

Melbourne: 25 November 2010

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b><u>GENERAL FUNDS</u></b>		
<b>INCOME</b>		
Administration fees	-	19,599
Consultancy	467,130	-
Dividends received	16	28
Capitation fees – Sub-Branches	651,429	629,102
Interest received	6,636	789
Other income	24,767	8,261
Transfer of employee entitlements	49,676	-
Training income	-	62,821
	<hr/>	<hr/>
Total revenue	1,199,654	720,600
<b>EXPENDITURE</b>		
Air fares & travel	96,719	97,197
Affiliations	9,203	10,697
Annual leave provided	6,895	6,239
Bad debts	8,089	-
Bank charges	3,702	3,237
Branch secretary expenses	4,300	10,514
Committee of management expenses	15,933	10,869
Computer expenses	8,527	24,433
Conference registrations	7,245	-
Consultants	396,910	-
Depreciation	10,254	9,958
Fringe benefits tax	11,393	9,820
Honoraria	6,375	-
Legal costs	4,714	18,651
Loss on fixed assets written off	3,526	-
Loss on sale of investments	495	-
Long service leave provided	5,214	4,693
Mortuary benefits	9,000	3,000
Motor vehicle expenses	9,116	7,368
NAC fees	73,020	146,040
Payroll tax	27,052	26,221
Postage	2,074	2,576
Printing & stationery	17,664	28,283
Property expenses	8,306	8,234
RDO provided	1,028	3,747
Salaries – elected officials	76,471	66,232
Salaries – employees	158,507	241,292
Sick leave provided	(13,288)	12,824
Staff amenities	2,158	3,320

This statement should be read in conjunction with the attached compilation report on page 29

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
Staff training	2,852	7,282
Subscriptions	-	650
Sundries	9,181	15,474
Superannuation – elected officials	8,036	8,388
Superannuation – employees	18,218	25,633
Sustentation fees & levies FFPD Divisional National Office	57,611	82,172
Telephone	8,042	13,153
Terminations - officials	75,629	-
Terminations - employees	5,952	-
Unit expenses	23,937	28,179
Website expenses	-	55
Work cover	5,658	4,134
	<hr/>	<hr/>
TOTAL EXPENDITURE	1,185,718	940,565
	<hr/>	<hr/>
NET PROFIT/(LOSS) FOR YEAR	13,936	(219,965)
	<hr/>	<hr/>

This statement should be read in conjunction with the attached compilation report on page 29.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b><u>SUPPORT FUNDS</u></b>		
<b>INCOME</b>		
Contributions – Support Fund	202,917	161,356
Interest received	81,308	58,701
Other income	-	71
	<hr/>	<hr/>
Total revenue	284,225	220,128
<b>EXPENDITURE</b>		
Consulting fees	1,500	1,500
Legal costs	54,182	35,884
	<hr/>	<hr/>
TOTAL EXPENDITURE	55,682	37,384
	<hr/>	<hr/>
NET PROFIT FOR YEAR	228,543	182,744
	<hr/>	<hr/>

This statement should be read in conjunction with the attached compilation report on page 29.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008 \$	2007 \$
<b><u>OCCUPATION HEALTH &amp; SAFETY</u></b>		
<b>INCOME</b>		
Conference registrations	2,400	28,100
Contributions – OHS & E	211,885	199,000
Interest	-	224
Other income	7,200	21,205
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<b>221,485</b>	<b>248,529</b>
<b>EXPENDITURE</b>		
Airfares & travel	7,887	20,127
Annual leave provided	10,793	(7,932)
Bad debt	-	293
Bank charges	340	371
Branch secretary expenses	232	-
Committee of management expenses	225	-
Computer expenses	5,849	3,663
Consulting fees	-	28,705
Conference expenses	750	2,592
Depreciation	4,740	5,231
Fringe benefits tax	-	1,205
Insurance	446	1,944
Journal & publications	11,366	2,389
Long service leave provided	16,808	-
Motor vehicle expenses	7,340	5,099
NAC fees	5,000	5,000
Payroll tax	2,351	2,136
Postage	372	602
Printing & stationery	9,327	3,672
RDO provided	244	915
Salaries – employees	108,476	109,130
Sick leave provided	3,445	1,901
Staff amenities	536	-
Sundry expenses	6,797	1,202
Superannuation – employees	12,153	7,926
Telephone	5,168	2,066
Terminations	1,258	-
Training	7,814	9,201
Unit expenses	23,154	22,139
Work cover	664	1,462
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	<b>253,535</b>	<b>231,039</b>
	<hr/>	<hr/>
<b>NET (LOSS)/PROFIT FOR YEAR</b>	<b>(32,050)</b>	<b>17,490</b>

This statement should be read in conjunction with the attached compilation report on page 29.

**CONSTRUCTION, FORESTRY, MINING AND ENERGY UNION  
FORESTRY, FURNISHING, BUILDING PRODUCTS AND MANUFACTURING DIVISION –  
PULP AND PAPER WORKERS' BRANCH  
ABN 29 412 204 603**

**DETAILED PROFIT AND LOSS STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

	2008	2007
	\$	\$
<b><u>INDUSTRY SKILLS &amp; DEVELOPMENT</u></b>		
<b>INCOME</b>		
Contributions received – Industry Skills & Development	109,200	109,200
Consultancy income	17,500	-
Interest received	-	68
Training income	47,170	90,923
	<hr/>	<hr/>
<b>TOTAL INCOME</b>	<b>173,870</b>	<b>200,191</b>
<b>EXPENDITURE</b>		
Accommodation & travel	1,882	3,000
Annual leave provided	2,432	2,758
Bank charges	359	415
Consulting fees	-	30,594
Computer expenses	3,341	3,191
Depreciation	1,141	1,135
Fringe benefits tax	-	493
Insurance	668	1,713
Long service leave provided	10,685	-
Motor vehicle expenses	16,221	16,476
NAC fees	5,000	5,000
Payroll tax	1,597	1,288
Postage	16	-
Printing & stationery	494	1,608
Loss on sale of fixed assets	-	324
Project expenses	36,364	1,019
RDO provided	(153)	786
Salaries – employees	76,204	73,047
Sick leave provided	6,339	(3,349)
Staff training	545	5,202
Sundries	111	374
Superannuation – employees	8,335	8,036
Telephone	2,933	3,211
Unit expenses	1,948	2,853
Work cover	665	1,241
	<hr/>	<hr/>
<b>TOTAL EXPENDITURE</b>	<b>177,127</b>	<b>160,415</b>
	<hr/>	<hr/>
<b>NET (LOSS)/PROFIT FOR YEAR</b>	<b>(3,257)</b>	<b>39,776</b>

This statement should be read in conjunction with the attached compilation report on page 29.