



Pulp & Paper Workers'
Superannuation Fund

Report To Members

Year ended 30th June 2007

P.P.W. Superannuation Pty. Ltd.
R.S.E. Licence No. L0002844
R.S.E. Registration No. R1067606
A.F.S.L. No. 234501
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MESSAGE TO MEMBERS

MESSAGE FROM THE EXECUTIVE

The year ended 30th June 2007 sees the PPWSF crediting 13.7% to member's accounts.

In a year of strong investment returns, the Directors of PPWSF believe that this is a moderately disappointing result, when compared to industry superannuation funds.

In the opinion of Directors, this below average performance has occurred for two reasons:

1. the underperformance of one of PPWSF's managers of Australian shares; and
2. PPWSF's careful control of cash to ensure flexibility.

Fund members can be assured that the Board of Directors, Executive and Staff remain focused on member returns and benefits.

Across the year, the Board of Directors and the Investment Committee and Audit & Compliance Committee met regularly, debating serious issues and making major decisions.

The most significant decision of the Board of Directors was to agree in principle to the merging of the Fund with the Furniture Industry Retirement & Superannuation Trust (FIRST) and the Timber Industry Superannuation Scheme (TISS). This very important matter is outlined in a separate notice. Members will be kept informed throughout the merger process.

This year has also been a year of change like no other. The Superannuation industry has been busy implementing the 'Better Super' changes that apply from 1 July 2007, as outlined in our newsletter sent earlier this year. The far reaching changes have affected almost every aspect of superannuation and will mean a boost to member's final superannuation benefits particularly for members who retire after age 60 and will receive their benefits tax free.

Other legislative changes are outlined under the heading 'legislative update' in this report.

On a very sad note, Ron Manzie passed away earlier this year. Ron was a Director of PPWSF from the day the Fund was established in 1974, representing Amcor. Ron was a dedicated and committed Director to whom we all owe a debt of thanks. With almost 33 years of service as a Director of the Fund, Ron was perhaps the nation's longest serving Director of any superannuation fund.

This annual report provides an overview of the fund for the financial year ending 30 June 2007.

On behalf of Trustee Directors



Tim Woods
Chairperson of Trustees



Ken Fisher
Chief Executive Officer

Investment Performance & Information

ALLOCATION OF NET EARNINGS

The table below shows the Fund's annual earnings allocated to members accounts over the last five years.

Year Ending	Net Earnings \$million	Earnings Rate	CPI + 3%
30/06/07	47.8	13.7	5.1
30/06/06	41.5	15.0	7.0
30/06/05	29.8	11.8	5.5
30/06/04	30.0	13.6	5.5
30/06/03	1.1	0.5	5.7

The compound average effective rate of net earnings for the 5-year period 2003 - 2007 is 10.0% p.a., compared to the target of CPI+3% compounded, which is 5.7% p.a. \$1.00 invested with the Fund on 1 July 2002 would be worth \$1.67 at 30 June 2007.

You should note that past performance is not necessarily an indicator of future performance.

INVESTMENT POLICY

The Fund invests its assets through investment arrangements which are likely to produce a satisfactory rate of return and at the same time minimise the risk of capital losses.

The Fund also minimises investment risk by appropriately spreading its exposure to the various types of investments available. The Fund has authorised its investment managers to use synthetic investments (options etc.) only for the purpose of protecting the Fund against risk.

The Fund seeks the higher returns typically secured on share and property investments but maintains an appropriate balance between investments in these assets and that in more secure assets like Government Bonds and Cash.

The Trustee has placed funds with twenty-two investment managers who have responsibility for the investment of the Fund's assets within specified constraints and each are expected to display the skill and expertise of a professional investment manager.

The managers are expected to follow a policy of active management of the Fund's assets within the terms set out for each individual investment they manage.

INVESTMENT OBJECTIVES

The setting of investment objectives has been acknowledged as a crucial step in the investment management process.

In developing investment objectives, the Trustee Board has considered the nature of the Fund's benefit design, the characteristics of the members including their risk/return preferences and the current financial status of the Fund.

The investment objective of the Fund is to maximise the members' long term earnings rate subject to the following constraints.

- i. Over rolling three-year periods, having a 70% probability of the earnings rate exceeding or equivalent to inflation (as measured by the change in the Australian Consumer Price Index) plus 3.0% per annum; and
- ii. a one in nine chance of having a negative earnings rate in any one year.

Investment Performance & Information

RESERVES

The Trustee will maintain a reserve for administration and operational purposes only, not for investment smoothing purposes.

During the past three years the Fund held the following in reserve:

<u>2007</u>	<u>\$267,444</u>
<u>2006</u>	<u>\$541,013</u>
<u>2005</u>	<u>\$170,750</u>

INTERIM EARNINGS RATE POLICY

The Trustee sets an interim earnings rate to apply to members accounts for any member who withdraws their benefits from the Fund during the reporting year. The interim-earnings rate will vary throughout the year depending upon the Fund's estimated earnings.

The rate is an interim rate because it is determined and set between the 30 June annual reporting dates when the Fund's investment earnings, capital growth or loss and taxes are brought to account to determine the actual annual earnings rate. As a result the interim-earnings rate may differ from the final rate paid to members who remain in the Fund.

The interim-earnings rate comprises the actual performance up to the period in question plus the anticipated cash return for the remainder of the year, less the estimated investment manager fees and tax payable on investment returns. (A conservatism factor may also be used if the interim rate will result in an overpayment of earnings).

ASSET ALLOCATION

As at 30 June 2007 the net asset value of the Fund is \$373 million compared with \$332 million at 30 June 2006. The Fund invests its funds in individually managed portfolios.

The table below shows the percentage of fund assets invested in each investment category and the change from last year.

Asset Class	2007 Target %	2007 Actual %	2006 Target %	2006 Actual %
Fixed Interest	7	10	7	8
Cash	3	5	3	2
Australian Shares	30	29	32	35
Overseas Investments	38	38	36	37
Direct Property	11	11	12	12
Private Equity	3	2	3	2
Infrastructure	8	5	7	4

INVESTMENT MANAGEMENT

The Fund's investments are managed by the Trustee in the best interests of members. The Trustee retains the services of Frontier Investment Consulting Pty Ltd as its asset consultant and investment adviser. The Trustee has placed members' funds with twenty-two professional managers who are responsible for the day-to-day management of the investments. Each manager invests according to an issued product disclosure statement or investment mandate.

All investment managers report their performance monthly and meet with Trustee Directors as necessary to review their performance and investment strategies.

The Investment Managers at 30 June 2007 were:

- Barclays Global Investors
- Confluence Asset Management Limited
- Credit Suisse Asset Management
- Deutsche Bank Real Estate
- Fortius Funds Management
- Fiduciary
- IFBT
- Industry Funds Management Infrastructure
- Industry Superannuation Property Trust
- ING Investment Management Limited
- JP Morgan Chase Bank
- Macquarie Investment Management
- Maple-Brown Abbott
- Perennial Investment Partners Limited
- PIMCO Australia Pty Ltd
- Quay Partners
- Schroder Investment Management Australia
- Super Loans Trust
- Tactical Global Management Limited
- UBS Global Asset Management
- Utilities Trust of Australia
- Wilshire Global Advisers Limited

The Fund participates in Super Loans Trust (SLT) (formerly Super Members Home Loans Scheme). \$2.1 million was invested with SLT at 30 June 2007.

Some funds are also held at 24 hour call.

PPW Super invests in Members Equity, however it does not receive any commissions for promoting Members Equity products or when a PPW Super member uses a Members Equity product.

SOCIALLY RESPONSIBLE INVESTING

We do not take into account labour standards, nor environmental, social or ethical considerations in selecting, retaining or realising the Fund's investments.

Investments are selected purely on their ability to help achieve the relevant investment objective.

INVESTMENTS GREATER THAN 5%

As at 30 June 2007 the following investments have a market value in excess of 5% of the total assets of the Fund.

- Barclays Investment Funds - Australian Alpha Equity Fund 13.9%
- Schroder Australian Equities 11.8%
- MBA Australian Equities 11.1%
- Barclays International Share Fund -International Share Fund 7.2%
- Credit Suisse Flexible International Share Fund 6.8%
- MBA International Equities 6.6%

The Fund has no investment in any associated enterprise that has a market value in excess of 5% of total assets.

Fees & Charges

ADMINISTRATION CHARGES

If the Fund receives contributions on your behalf while you are an employee of an associated corporation, the management fees deducted from your account are offset by an additional employer contribution of the same amount.

If you cease to be employed by an associated corporation and your account remains with the Fund

the management fees deducted from your account are not offset by additional employer contributions and will decrease the amount of your benefits in the Fund.

In respect of non-contributing members, i.e. members who have left the industry and still have benefits preserved with the Fund, an annual administration fee (currently \$52.00) is deducted from your account after allocation of earnings at the same rate as contributing members.

TYPE OF FEE OR COST	AMOUNT		HOW AND WHEN PAID
	CONTRIBUTING MEMBERS	NON-CONTRIBUTING MEMBERS	
FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND			
ESTABLISHMENT FEE The fee to open your investment	NIL	NIL	
CONTRIBUTION FEE The fee on each amount contributed to your investment—either by you or your employer	NIL	NIL	
WITHDRAWAL FEE The fee on each amount you take part of your investment	\$15	\$15	This fee is deducted from your account when a partial payment is paid to you.
The fee when you withdraw your entire benefit from the fund	NIL	NIL	There is no fee payable for any other type of withdrawal from the fund.
TERMINATION FEE The fee to close your account	NIL	NIL	
MANAGEMENT COSTS			
The fees and costs for managing your investment.	0.65% + \$185	0.65% + \$52	The percentage amount is deducted from the assets of the fund, <i>before</i> investment returns are calculated and allocated to your account. The fixed dollar amount is deducted from your account. Contributing members receive additional employer contributions equal to the fee charged.
The amount you pay for specific investment options	not applicable	not applicable	
SERVICE FEES			
INVESTMENT SWITCHING FEE The fee for changing investment options	not applicable	not applicable	
FAMILY LAW FEE The fee for family law requests and changes.	\$200 + GST for an application for information; \$200 + GST to effect an account split	\$200 + GST for an application for information; \$200 + GST to effect an account split	The fee is required to be paid before the Form 6 family law information is provided. The fee for splitting the member's account is deducted from the non-members account when the account is split.
ADVISER COMMISSIONS	not applicable	not applicable	

Fees & Charges

ADDITIONAL EXPLANATION OF FEES AND COSTS

Members of PPW do not incur any service fees above those shown in the table above.

Fees for family law and partial withdrawal payments are paid by members who use those services.

Members of PPW do not incur any incidental fees for administration, for example all bank transaction fees are paid by the Fund.

All fees charged to your account are shown in your annual member statement.

Members should refer to, or request a copy of the Fund's Product Disclosure Statement for details of fees that may be deducted from your account. No fees charged by the Fund are negotiable.

ANNUAL FEES AND COSTS

Investment costs for investment managers and advisers are deducted from the investment return before the earnings are allocated to your account. The fees can differ from year to year.

This table gives an example of how the fees and costs for this product can affect your superannuation investment over a 1 year period. You should use this table to compare this product with other superannuation products.

EXAMPLE - INVESTMENT IN FUND		BALANCE OF \$50 000 WITH A CONTRIBUTION OF \$5 000 DURING YEAR
Contribution Fees	Not applicable	For every \$5 000 you put in, you will be charged \$0.00
PLUS Management Costs	0.65% + UP TO \$185	<p>And, for every \$50 000 you have in the fund you will be charged \$325 each year plus;</p> <ul style="list-style-type: none"> \$52 in administration fees if you are a non-contributing member; or \$185* in administration fees if you are a contributing member regardless of your balance.
EQUALS Cost of fund		<p>If you put in \$5 000 during a year and your balance was \$50 000, then for that year you will be charged fees of from:</p> <ul style="list-style-type: none"> \$377 for non-contributing members \$510* for contributing members <p>What it costs will depend on if you are contributing or non-contributing member.</p>

*Important:

Management Costs contributing members receive additional employer contributions equal to the administration fees deducted from their account. The management cost paid by contributing members is 0.65% p.a. or \$325 each year. **And**, if you leave the Fund, you will be charged a \$15 dollar withdrawal fee for each partial payment you request, where the balance of your account remains in the Fund. There is no fee payable when you withdraw the entire balance of your account.

Member Services Information

DEATH OR TOTAL AND PERMANENT DISABILITY INSURANCE

In addition to the total accumulation in your account, most members are entitled to an insured benefit payable if you suffer death or total and permanent disability.

For members who have insurance cover each week \$3.18 of your contribution is used to buy two units of insurance cover for death and total and permanent disability (TPD). Your statement displays this amount.

The insured benefit ranges from \$80,000 (2 units of cover) to age 30 next birthday decreasing each year to \$7,800 for ages 59 to 65 next birthday. Members can elect to take out additional units up to maximum of five units of cover at their own cost.

We recommend that you give your family a copy of your statement to hold in case they need to contact us.

Continuation Option

Your cover under the policy of insurance put in place by the Fund ceases when the Fund no longer receives contributions made by you or on your behalf. There is no option to continue purchasing cover once contributions cease.

Alternate Cover

Members have the option of obtaining alternate death only insurance cover after ceasing employment provided certain conditions are met.

You must apply for the alternate cover with another insurer nominated by Hannover Life Re within 30 days and have not reached the age of 60 years, joined the Armed Forces or left employment due to illness or accident.

Members should contact the Fund's insurers directly to apply for the policy. The Fund's insurers are:

Hannover Life Re of Australasia Limited
Level 7, 70 Phillip Street
Sydney NSW 2000
Tel: (02) 9251 6911

MEMBER PROTECTION POLICY

Member protection applies to members who have an account balance of \$1,000 or less. Member protection serves to prevent small balances being eroded by fees. A member with a balance of \$1,000 or less is referred to as a protected member.

Non-active members are currently charged an annual fee of \$52 to cover their cost of administration.

When investment earnings are positive, protected members are charged a fee equivalent to their earnings up to a maximum of \$52.

When investment earnings are negative, non-active members with an account balance greater than \$1,000 are charged a fee of up to \$52 provided this does not reduce their account balance below \$1,000.

This policy only relates to the Fund administration fee, any investment losses or taxes are charged to the protected member's account.

Member Services Information

UNCLAIMED MONIES

Under the old rules of the fund when a member reaches age 65 and is no longer working their benefit was immediately payable. In cases where the fund could not make contact with the member and the member is over 65 they were classified as 'lost' and their benefit classified as 'unclaimed money'.

The new rules change the definition of unclaimed money. Money is not unclaimed until:

- the member reaches the eligibility age (65);
- the fund has not received an amount in respect of the member for at least 2 years; and
- a period of 5 years has lapsed since the fund last had contact with the member.

The amendments also require superannuation providers to pay any lost or unclaimed superannuation monies they hold on or after 1 July 2007 to the ATO.

The ATO will become a central point of contact for all lost or unclaimed superannuation monies.

This means that the fund will have to transfer unclaimed money to a central pool from where the member will subsequently claim their benefit.

LOST MEMBERS

Lost members are members who cannot be contacted - the Fund has not been advised of the member's new address and mail sent to the member's last known address has been returned unclaimed twice. Where a member becomes lost, the Fund must provide details on an approved format to the Tax Office.

From the 1st July 1996 the Tax Office has set up a central register of lost superannuation fund members.

Tax Office Operators will take inquiries from members who think that they may have a benefit, and then search the database on the member's behalf.

If the operator finds a match, he or she will tell the member the name of the fund where the account is located. The member can then contact the fund directly.

Recently the Tax Office launched a new online tool for individuals to conduct their own search for lost superannuation savings. The search facility, SuperSeeker, is accessible through the Tax office website at www.ato.gov.au/super.

SuperSeeker complements SuperMatch and other avenues open to individuals to track down their lost superannuation. SuperSeeker allows a user to conduct a search of several databases and is currently available for use.

MAKING / UPDATING YOUR WILL

The Fund has experienced problems with the payment of benefits to the beneficiaries of members who have died without making a Last Will & Testament.

Competing claims for deceased members' benefits have involved the Fund in substantial legal costs which are now deducted from the benefits paid to deceased members' beneficiaries.

It is extremely important that members ensure that an up to date Last Will & Testament is maintained to avoid these problems.

Members requiring assistance with this matter should contact their Union Secretary who can arrange an appointment with a solicitor to make a will.

CONTRIBUTING TO PPW

Salary sacrificing

Salary sacrificing allows you to contribute pre-tax income to superannuation. How it works is:

- You and your employer agree that some of your pre-tax income can be paid into super before you become entitled to it
- This lowers your taxable income, and
- Your PPW super account can grow faster.

Under the new super rules you can contribute up to \$50,000 per annum of concessional contributions (salary sacrifice, SG, additional employer contributions) taxed at the concessional rate of 15%

Those aged over 50 have a transitional limit of \$100,000 per annum until 30 June 2012.

It pays not to exceed your contribution limit as excess contributions will be taxed at the highest marginal rate plus Medicare.

Personal contributions

Personal contributions are another great way to increase your superannuation savings. Previously called 'undeducted contributions' personal contributions are made from money on which you have already paid PAYG income tax. You can contribute regularly or infrequently either in large amounts or small amounts.

Remember under the new rules the amount of non-concessional contributions are limited to \$150,000 per annum or \$450,000 over a three year period if you are under age 65.

These limits apply per person and to all super funds for which you may be a member. If you are between age 65 and 75, you must satisfy the work test each year you contribute (that is being gainfully employed for at least 40 hours in not more than 30 consecutive days).

You can contribute by directing your payroll officer to make the payment, by cheque or money order.

The Government co-contribution

An additional benefit for members earning less than \$58,980 per annum is that making after tax (non-concessional or personal) contributions during 2007-08 could qualify for up to an additional \$1,500 in contributions paid by the Government co-contribution.

The amount you receive will depend upon your salary and the amount of your personal contributions.

CHANGES TO BANKRUPTCY LEGISLATION

Bankruptcy legislation has been amended to allow the bankruptcy trustee to recover money that has been placed as contributions to a superannuation fund in a deliberate attempt to avoid creditors. Under the changes the following two types of contributions can be recovered:

- Contributions by a person who later becomes bankrupt; and
- Contributions made by a third party for the benefit of a person who later becomes bankrupt.

ABOLITION OF THE SUPER SURCHARGE

The superannuation surcharge has been abolished for all contributions and termination payments received after 1 July 2005. However the surcharge may still apply to you for the 2004-05 financial year, if that is the case the Australian Taxation Office will issue an assessment notice to you and PPW. PPW will then deduct the assessed amount from your account in the fund. You will not have to take any action in respect of the assessment.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING LEGISLATION

To comply with new legislation that will take effect on 12 December 2007 PPW is developing processes and procedures to reduce any potential risk of transactions that involve PPW being used to launder money or finance terrorism.

The new legislation may require PPW to collect member identification information and verify it with a reliable third party or external independent source. This would be in addition to our current verification process and may result in benefit payments being delayed or refused if satisfactory identification is not provided.

The new legislation will bring Australia's business practices in line with international best practice on the issue.

GOVERNMENT CO-CONTRIBUTIONS – DOUBLE PAYMENT

As a result of the 2007 Federal Budget if you are eligible to receive a Government co-contribution for the 2005-06 financial year the amount you receive, for 2005-06 only, will be double the normal co-contribution.

If you receive a co-contribution it will be shown separately on your annual statement.

BETTER SUPER CHANGES

Earlier this year we sent you a newsletter detailing the new legislation and what effect it will have on your retirement savings. Most changes take effect from 1 July this year.

The key changes include:

- Tax-free superannuation withdrawals from age 60
- New contribution rules have taken effect
- Reasonable benefit limits (RBLs) that previously limited the amount you could receive at concessional tax rates have been removed
- Tax file numbers are now used to determine tax on super contributions,
- Changes to taxation of benefit payments, and
- New rules for pensions and annuities.

FUND COMPLIANCE

In order for the Fund to receive concessional tax treatment, the Trustee Board must show that the Fund has fully complied with the legislation governing superannuation.

The dominant legislation that must be complied with is the Superannuation Industry Supervision (SIS) Legislation Act of 1993. The Trustee Board must lodge a return each year with the Australian Prudential Regulation Authority (APRA) to show compliance with the SIS Legislation.

The Trustee Board believes that PPW Superannuation Fund has continued to comply with all relevant laws, including compliance with SIS throughout the preceding year.

PRIVACY

The Fund is bound by the privacy code as laid out in the Privacy Amendment (Private Sector) Act 2000. The primary purpose of collecting personal information about members is to manage their participation in the Fund and ensure that they receive their entitlements from the Fund.

Members' personal information is kept in the office of PPW. Access to information both printed and electronic is restricted. The data is accessed only by appropriately authorised personnel and is handled with care.

PPW only discloses personal information about its members for the primary purpose for which it was collected. Personal information will only be disclosed for purposes related to the primary purpose or where member's consent has been obtained.

With certain exceptions members have a right to access all of the personal information that the Fund holds about them.

If you believe that your privacy has been breached by PPW you may lodge a written complaint with:

The Privacy Officer
PPW Superannuation Pty Ltd
148-152 Miller Street
West Melbourne Victoria 3003

A full copy of the PPW privacy policy is available upon request.

FUND TRUSTEE BOARD

The Trustee

The Trustee is responsible for ensuring that PPW Super is managed in the best interests of its members and in accordance with the relevant legislation.

The Board comprises ten Directors, five member representatives and five employer representatives.

Directors are nominated by their respective organisations in accordance with the rules of the Fund.

Directors do not receive any remuneration for their service to the Fund.

The Trustee of Pulp & Paper Workers' Superannuation Fund is P.P.W. Superannuation Pty Ltd, A.C.N. 005 056 762, R.S.E. Licence No. L0002844, R.S.E. Registration No. R1067606 and is holder of Australian Financial Services Licence, No. 234501.

At 30 June 2007 the Directors were:

Member Trustee Directors

Tim Woods; Chairperson

Alex Millar; Melbourne

Geoff Gasperotti; Melbourne

Kevin Millie; Millicent

Ian Moule; Maryvale

Employer Trustee Directors

Judy Power; Amcor

Peter Bennett; Kimberly-Clark Australia

Stephen Katona; Huhtamaki

Brenda Appleton; SCA Hygiene Australasia

Paul Welfare; Australian Paper

Ron Manzie passed away on 5 February 2007

Judy Power; appointed 2 May 2007

Associated Directorships

No director occupies a position on related bodies representing PPW Super's interests.

INQUIRIES AND DISPUTE RESOLUTION PROCEDURE

The Fund has procedures in place to resolve member inquiries or complaints within 90 days of being made. Of course most inquiries will be dealt with immediately. If a member wishes to make an inquiry or complaint regarding the management or operation of the Fund relating to that member they may do so by either phoning or writing to the office of the Fund. Contact details for the Complaints Officer are as follows:

Complaints Officer
PPW Superannuation Pty Ltd
148-152 Miller Street
West Melbourne Victoria 3003

SUPERANNUATION COMPLAINTS TRIBUNAL

In cases where the member is not satisfied with the decision of the Trustee Board in relation to a complaint, the member may lodge a complaint in writing to the Superannuation Complaints Tribunal (SCT). A member may complain if they consider the Fund has not treated them fairly or reasonably.

The Tribunal will not deal with complaints about the Fund generally or concerning conflicting medical evidence. Further information is available from the Fund Office. Contact details for the SCT are as follows:

Superannuation Complaints Tribunal
GPO Locked Bag 3060
Melbourne, Victoria 3001.

Phone 1300 884 114

ELIGIBLE ROLLOVER FUND (ERF)

An ERF is a superannuation fund designed to protect the superannuation entitlements of lost members and those with small account balances.

PPW does not use an ERF. If you become a lost member or a protected member PPW maintains your benefits in the Fund where you will continue to receive earnings on your benefits at the same rate as other members.

Your benefit will only be transferred from PPW if you are eligible to request a rollover or your benefit becomes unclaimed money, in which case it will be transferred to the Australian Taxation Office.

INDEMNITY INSURANCE

To protect the Trustee Company of PPW Superannuation Pty Ltd, its Directors and the Fund, the Trustee Board has arranged Trustee Indemnity Insurance through Chubb Insurance Company of Australia Limited.

AUDITED ACCOUNTS

Audited accounts of the Fund will be available for inspection at the Fund's office from November onwards or you may request a copy by telephoning the Fund's office.

The Trustee Board expects the likely audit opinion for the year ended 30 June 2007 to be that the financial statements present fairly the financial position of the Pulp and Paper Workers' Superannuation Fund as at 30 June 2007 and the results of its operations for the year then ended in accordance with applicable accounting standards.

SPECIALIST ADVISERS

The Fund has other specialist advisers to assist the Trustee Directors in the performance of their duties:

Auditor

Ernst & Young

Investment Advisers

Frontier Investment Consulting Pty Ltd

Insurance

Hannover Life Re Australasia Ltd

Solicitors

Ryan Carlisle Thomas

Compliance

Australian Institute of Superannuation Trustees

None of the investment managers or specialist advisers has any relationship with any of the Fund's Trustee Directors.

ANNUAL STATEMENT: ADDITIONAL NOTES

The notes in this section should be read in conjunction with your annual statement.

Withdrawal benefits

Your annual member statement distributed with this report details your withdrawal benefit in the Fund as at 30 June 2007. After this date the withdrawal amount may change due to future contributions, fees, taxes or earnings. Accordingly if you should withdraw your benefit from the Fund the amount you will be paid may be different from that shown on your annual statement.

Before withdrawing your benefit, the Trustee recommends that you request additional information about your withdrawal benefit at the time.

Contributions Surcharge Tax

With effect from 1 July 2005 the Federal Government has reduced the surcharge tax rate payable to nil. Surcharge tax of 12.5% previously applied to members whose adjusted taxable income (taxable income plus deductible contributions and gross-up fringe benefits) is \$99,710 or greater for the 2004/2005 financial year.

Even though the surcharge tax rate has been reduced to nil, the Australian Taxation Office may still require the Fund to report your contribution details.

Your account may still be reduced by unpaid surcharge tax liabilities that arose in previous years.

Abridged Financial Information

The following information is based on the unaudited accounts of PPW Superannuation Fund for the financial year ended 30 June 2007. Audited financial statements of the Fund will be available for inspection at the Fund office from November 2007 or you may request a copy by telephoning the Fund office on (03) 9274 9245.

STATEMENT OF CHANGE IN NET ASSETS OF THE PPW SUPERANNUATION FUND AVAILABLE TO PAY BENEFITS AT 30 JUNE 2007

	2007	2006 (audited)
Net Market Value of assets at beginning of financial year	\$324,637,408	\$281,314,238
Plus		
Contributions received – member	\$1,272,189	\$1,027,822
Contributions received – employers	\$9,017,967	\$8,558,937
Contributions received – productivity	\$10,679,340	\$9,701,570
Transfers	\$2,985,853	\$1,847,674
Investment Income	\$17,359,338	\$13,702,021
Changes in net market values	\$33,762,682	\$32,820,251
Other Income	\$163,560	\$6,880
Total Income	\$75,240,929	\$67,665,155
Less		
Government Taxes	\$5,254,072	\$6,487,529
Insurance Costs	\$262,975	\$316,248
Administration Costs	\$1,020,748	\$961,474
Benefits Paid	\$20,021,812	\$16,576,734
Total Outgoings	\$26,559,607	\$24,341,985
Net market value at end of the financial year	\$373,318,730	\$324,637,408
Consisting of:		
Members funds	\$373,051,286	\$324,096,395
Reserves	\$267,444	\$541,013
Net Assets at the end of the financial year	\$373,318,730	\$324,637,408

STATEMENT OF NET ASSETS OF PPW SUPERANNUATION FUND AS AT 30 JUNE 2007

	2007	2006
Investments		
Held by Investment Managers	\$380,183,707	\$329,847,338
Bank & Short term deposits	\$976,521	\$635,052
Super Loans Trust	\$2,157,387	\$2,048,716
Debtors and other assets	\$1,249,493	\$958,047
Total Investments	\$384,567,108	\$333,489,153
Less		
Income tax payable	\$4,103,907	\$1,826,185
Provision for deferred tax	\$4,230,641	\$5,564,375
Benefits Payable	\$2,268,113	\$1,167,277
Other liabilities	\$645,717	\$293,908
Total Liabilities	\$11,248,378	\$8,851,745
Net Assets of the Fund	\$373,318,730	\$324,637,408

CHANGE OF ADDRESS

To prevent your account from being transferred to "lost members" please notify this office of any change of address.

Full Name

Date of Birth

Membership #

Current Employer

Old Address

New Address

Signature

FURTHER INFORMATION

Any member of the Fund is welcome to a copy of the Fund's audited financial accounts including a copy of the auditor's report, or a copy of the Fund's Trust Deed and Rules.

The trustee will provide members with any information that they reasonably require to understand their benefit entitlements.

Members are invited to contact the Fund office if they require further information about their investment in the Fund or write to:

Enquiries:

P.P.W. Superannuation Fund
148-152 Miller Street
West Melbourne VIC 3003

Phone: (03) 9274 9245

Fax: (03) 9328 8517

Email: admin@ppwsuper.com.au

DISCLAIMER:

The information in this newsletter is of a general nature and is about Pulp & Paper Workers' Superannuation Fund. It doesn't take into account your specific needs. Before you take any action, you should seek professional advice in light of your particular investment needs, objectives and financial circumstances.

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Authorised by the Trustee Board