



11 April 2023

Mr Steven Murphy
National Secretary

"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)

Sent via email: amwu@amwu.org.au

CC: clayton.eveleigh@bdo.com.au

Dear Mr Murphy

**"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)
Financial Report for the year ended 30 September 2022 – FR2022/195**

I acknowledge receipt of the financial report for the year ended 30 September 2022 for the Australian Manufacturing Workers' Union (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 22 March 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Morgan', is positioned above the printed name.

KEN MORGAN
Financial Reporting Specialist
Fair Work Commission



22 March, 2023

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

CERTIFICATE OF NATIONAL SECRETARY

I, Steven Murphy, being the National Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members on the AMWU website on 20 December 2022; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council on 21 March, 2023 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

STEVEN MURPHY
NATIONAL SECRETARY

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Office
Level 4
133 Parramatta Road
Granville NSW 2142
Telephone: 02 8868 1500
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND KINDRED
INDUSTRIES UNION**

NATIONAL COUNCIL

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL

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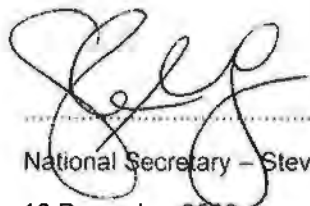
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NATIONAL COUNCIL

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The National Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council for the year ended 30 September 2022.

Categories of expenditures	2022	2021
	\$	\$
Remuneration and other employment-related costs and expenses – employees	28,593,471	26,024,981
Advertising	483,672	143,257
Operating costs	11,777,523	11,353,520
Donations to political parties	-	-
Legal costs	123,702	142,759
Other Costs	4,755,287	4,080,936



National Secretary – Steven Murphy

13 December 2022

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NATIONAL COUNCIL

OPERATING REPORT

The National Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AFMEPKIU), National Council for the financial year ended 30 September 2022.

The operational name for the AFMEPKIU is the Australian Manufacturing Workers' Union (AMWU). The Union is a 'not for profit' entity, a registered organisation under the Fair Work (Registered Organisations) Act 2009.

Review of the National Council's Principal Activities

The AFMEPKIU's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes in Principal Activities

There were no significant changes in the nature of the National Council's principal activities during the financial year.

Results of Principal Activities

During the year to 30 September 2022 the AFMEPKIU negotiated and registered 257 enterprise bargaining agreements nationally.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2022 the National Office improved award minimum rates for all workers and was actively participating in the Fair Work Commission's review of Modern Awards. The State Branches are responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU National Council General Fund principal activities resulted in a net surplus for the financial year of \$12,744,175 (2021: net surplus of \$4,825,576).

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the National Council during the financial year.

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

(a) where the member ceases to be eligible to become a member of the organisation:

(i) on the day on which the notice is received by the organisation; or

(ii) on the day specified in the notice, which is a day not earlier than the day when

whichever is later; or

(a) In any other case:

(i) At the end of two weeks, after the notice is received by the organisation; or

(ii) On the day specified in the notice;

whichever is later.

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Any dues payable but not paid by a former member of the organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

A notice delivered to the State Secretary shall be taken to have been received by the organisation when it is delivered.

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Nothing in Rule 43(8) of the AFMEPKIU Rules interferes with a member's right to resign from the union as set out under section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Statement of Salaries, Board Fees, Associated Entities, Key Relationships & Disclosure Statements

The AFMEPKIU National Council's top five salary rates are as follows:

Level	Position	Per Annum
5	Officer	\$102,167
6	Senior Officer	\$107,318
7	Assistant State Secretary	\$114,800
8	Assistant National Secretary / National Executive Officer/State Secretary	\$121,524
9	National Secretary/National President	\$130,866

Note: AFMEPKIU base superannuation is paid at a range of between 10.5% and 12.5%, and annual leave loading is calculated at 17.5%. A maximum service increment of \$4,000 is payable to Officers with over 16 years of service.

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Board Fees

Board Fees received by the AFMEPKIU National Council on behalf of employees who are members of external boards, are as follows:

Organisation	Amount received
Australian Super	\$88,335
Construction & Building Industry Super	\$88,121
Spirit Super	\$130,204
Building & Construction Industry Training Fund	\$13,895
Department of Home Affairs	\$1,912
Media Super	\$29,128
TAFE Queensland	\$26,304

Associated Entities & Principal Relationships

The National Council has significant influence over two associated entities as follows:

1. A 49% interest in UCover. UCover provides the income protection insurance cover known as WageGuard. The AFMEPKIU has taken an interest in this company to ensure that members receive the best possible income protection product through their Enterprise Agreement and all income derived from this activity is reinvested in membership services and support.
2. A 24% interest in Industry Printing and Publishing (IPP) Pty Ltd, a print and design company with which the AFMEPKIU has a long standing interest. During the period, the business operations of IPP have been sold to a third party, whilst the shareholding in the entity remains.

The rules of the AFMEPKIU provide that all Director/Sitting Fees payable to AFMEPKIU employees are to be paid directly to the AFMEPKIU.

Key Relationships

The National Council has developed key relationships over a long period with a number of suppliers of various goods and services. These relationships are conducted on normal commercial terms, and are periodically tested against market price:

Supplier	
Building Services	Legal Services
CBD MECHANICAL ELECTRICAL	MAURICE BLACKBURN PTY LTD
ENERGY AUSTRALIA	TAYLOR & SCOTT
ORIGIN ENERGY SERVICES LTD	LUCY SAUNDERS
SIMPLY ENERGY	Printing & Publicity Services
SIEMENS LTD	DCMC DESIGN PTY LTD

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Supplier	
Building Services	Printing & Publicity Services
BENITEZ HOLDINGS P/L	MCPHERSONS PRINTING GROUP
CONSOLIDATED PROPERTY SERVICES	CREATIVE WORKS
KNIGHT FRANK AUSTRALIA P/L	MOUNTAIN MEDIA
MCGEES PROPERTY	BLUE GUM CLOTHING CO. P/L
DAIKIN AUSTRALIA P/L	MINUTEMAN PRESS
J HUTCHISON P/L	ENVELOPE EXPERTS
HD & TA WEBER	CATE BROADBENT
EXTREME FIRE SOLUTIONS & ELECTRICAL	HORTON ADVISORY
OTIS LIFTS	Travel Services
AGL P/L	AMERICAN EXPRESS
SPIFFY CLEAN P/L	QANTAS
STEMAR GROUP P/L	FCM TRAVEL SOLUTIONS
Financial & Advisory Services	CABCHARGE AUST P/L
BDO AUDIT PTY LTD	MERCURE SYDNEY
COVERFORCE INSURANCE BROKING	OT CANBERRA
ICARE	IBIS MELBOURNE
NATIONAL AUSTRALIA BANK	Vehicle Services
INDUSTRY FUNDS SERVICES	SYDNEY CITY VOLKSWAGEN
Direct Membership Services	PARRAMATTA HOLDEN
ON THE LINE AUSTRALIA INC	SUMMIT FLEET LEASING
	ROAM
IT & Communications Services	
CANON AUSTRALIA P/L	TELSTRA
INFOR GLOBAL SOLUTIONS(ANZ)P/L	OPTUS
SOFTWARE ONE	EXETEL
IT INTEGRITY	SOFTWARE ONE AUST P/L
ASCENDER PTY LTD	NORTHERN MANAGED FINANCE P/L
TPG TELECOM	PSI PACIFIC MANAGED SOLUTIONS
THOMSON REUTERS (PROFESSIONAL)	

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Officers' Material Personal Interests

For the year ended 30 September 2022, the Officers of the AFMEPKIU have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2022, the AFMEPKIU has made no reportable payments to any related party or declared person or body of the Union.

National Officers or Members who are Trustees of a Superannuation Entity

The details of each member, or officer of the National Council who at 30 September 2022 is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

Name of officer or member	Superannuation Fund	Position Held
Glenn Thompson	Australian Super	Member Director
Peter Cozens	Australian Super	Member Director-Alternate
Anne Donnellan	C+BUS	Member Director
Dave Smith	Spirit Super	Member Representative Director
S McCartney	Building & Construction Industry Training Fund	Member Representative Director
Katrina Ford	Media Super	Member Representative Director
Ian Mortimer	Media Super	Member Representative Alternate Director

Other Relevant Information

The National Council is not aware of any other relevant information.

Prescribed Information Required Under the Fair Work (Registered Organisations) Regulations 2009

- (a) The number of persons who were recorded in the register of members on 30 September 2022 was 54,898.
- (b) The number of persons who were employees of the reporting unit on 30 September 2022 was 220, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
- (c) The name of each person who has been a member of National Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Name	Period Position Held
Ann-Marie Allan	1 October 2021 to 30 September 2022
Scott Batchelor	1 October 2021 to 29 July 2022
Jacob Batt	17 November 2021 to 30 September 2022
Peter Bauer	1 October 2021 to 30 September 2022
Shannon Brooks	1 October 2021 to 30 September 2022
Michael Cannon	1 October 2021 to 30 September 2022
Lorraine Cassin	1 October 2021 to 30 September 2022
Adam Davis	1 October 2021 to 30 September 2022
Andrew Dettmer	1 October 2021 to 30 September 2022
Gordon Entwisle	1 October 2021 to 30 September 2022
Steven Fainges	1 October 2021 to 30 September 2022
Robyn Fortescue	1 October 2021 to 30 September 2022
Chris Harper	1 October 2021 to 30 September 2022
Jesse Hawke	1 October 2021 to 30 September 2022
Jason Hefford	1 October 2021 to 30 September 2022
Brett Huybers	31 May 2022 to 30 September 2022
Andy Kane	1 October 2021 to 30 September 2022
Chris Kirkby	1 October 2021 to 30 September 2022
Jon Lambropoulos	1 October 2021 to 30 September 2022
Keith Lang	1 October 2021 to 30 September 2022
Lou Malgeri	1 October 2021 to 30 September 2022
Tony Mavromatis	1 October 2021 to 30 September 2022
Stee McCartney	1 October 2021 to 30 September 2022
Glenn McLaren	1 October 2021 to 17 November 2021
Noel Mitchell	1 October 2021 to 30 September 2022
Chris Mooney	1 October 2021 to 30 September 2022
Ian Mortimer	1 October 2021 to 5 October 2021
Steve Murphy	1 October 2021 to 30 September 2022
David Norris	1 October 2021 to 30 September 2022
Colin Ormsby	1 October 2021 to 30 September 2022
Mark Pearce	1 October 2021 to 30 September 2022
Tony Piccolo	1 October 2021 to 30 September 2022
Tim Ring	1 October 2021 to 30 September 2022


**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Name	Period Position Held
Dominic Rozario	1 October 2021 to 30 September 2022
Darrell Scanlan	1 October 2021 to 30 September 2022
John Short	1 October 2021 to 30 September 2022
Dean Slevin	1 October 2021 to 30 September 2022
Dave Smith	1 October 2021 to 27 September 2022
Karen Smith	1 October 2021 to 30 September 2022
Heidi Stenschke	1 October 2021 to 31 December 2021
Mick Terry	1 October 2021 to 30 September 2022
Glenn Thompson	1 October 2021 to 30 September 2022
Graham Torpy	1 October 2021 to 10 March 2022
Jenny Tynan	1 October 2021 to 30 September 2022
Rohan Webb	1 October 2021 to 30 September 2022
Cory Wright	1 October 2021 to 30 September 2022

Signed in accordance with a resolution of National Council


National Secretary – Steven Murphy

National President – Andrew Dettmer

13 December 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

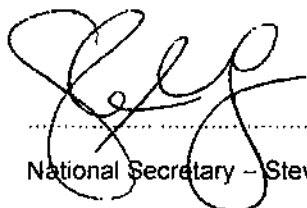
COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 December 2022 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council for the year ended 30 September 2022.

The National Council 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the National Council for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the National Council 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 National Council were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the National Council have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the National Council have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the National Council have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request by a member of the National Council or Commissioner duly made under Section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.

This declaration is made in accordance with a resolution of the National Council:



.....
National Secretary – Steven Murphy

13 December 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Contributions	4	33,222,245	33,832,283
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS		33,222,245	33,832,283
OTHER INCOME			
Distribution from Available-for-Sale Financial Assets		2,310,509	2,340,347
Interest Received		159,785	46,849
Grant Income		707,300	855,165
Rent Received	5A	3,091,931	3,876,222
Sundry Income (including Board fees)	5B	5,794,520	7,693,033
TOTAL OTHER INCOME		12,064,045	14,811,616
TOTAL REVENUE AND OTHER INCOME		45,286,290	48,643,899
EXPENDITURE			
Depreciation			
Buildings – owner occupied	15	1,329,015	1,365,532
Computer Installation	15	364,050	369,595
Furniture & Fittings	15	39,936	46,341
Motor Vehicles	15	856,214	865,554
Right of Use asset	16	100,142	80,811
Total Depreciation Property Plant and equipment		2,689,357	2,727,833
Employee Benefits Expense			
Salaries		22,629,447	22,098,933
Accrued Annual Leave		(259,855)	40,964
Long Service Leave		(463,658)	297,646
Redundancy Expenses		2,778,369	-
Superannuation		2,497,701	2,539,226
Sub total	6	27,182,004	24,976,769
Fringe Benefits Tax		426,512	411,451
Payroll Tax		313,387	251,737
		27,921,903	25,639,957
State Branch Expenditure	9A	4,755,287	4,080,935

(The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes)

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NATIONAL COUNCIL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

	Note	2022	2021
		\$	\$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees	7A	540,313	445,932
Bank and Government Charges		217,128	217,476
Building Expenses		3,084,829	2,527,313
Collectors Expenses			-
Computing		638,700	652,139
Conference and Meeting Expenses		69,864	14,546
Delegation/Employee Expenses	8	671,569	385,023
Donations and Grants	7B	99,591	59,293
Freight		8,244	3,401
Finance costs	16	5,332	5,315
Fund Expenses			
Political Fund Expenditure		949,084	442,232
Hardship Fund Expenditure		563,221	70,422
Education Fund Expenditure		34,153	172,828
Strategic Plan Fund Expenditure		309,864	455,645
Funeral Benefits		33,410	30,580
General Office Expenses	7C	347,817	212,983
Movement in expected credit losses		(473,374)	251,724
Insurance		1,119,593	1,182,512
Membership Printing		346,992	370,540
Motor Vehicle Expenses		219,645	240,869
Postage		12,615	10,471
Printing and Distribution - AMWU News		185,772	196,554
Printing and Distribution – Newsletters		-	8,960
Printing and Stationery		241,870	276,318
Professional Services	20	207,038	451,625
Publicity		483,672	143,257
Premises expenses	16	44,022	73,990
Research		109,579	99,949
Telephone		296,565	294,831
		10,367,108	9,296,728
TOTAL EXPENDITURE		45,733,655	41,745,453

(The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

	2022	2021
	\$	\$
OPERATING SURPLUS FOR YEAR	(447,365)	6,898,446
Gain on Disposal of Assets	492,423	127,130
Gain/(loss) on revaluation of Investment Properties	12,699,117	(2,200,000)
NET SURPLUS FOR YEAR	12,744,175	4,825,576
OTHER COMPREHENSIVE INCOME		
Net (Decrease)/Increase in Value of Available-for-Sale Financial Assets	(8,562,258)	4,507,176
Gain on revaluation of Land & Buildings recognised as Property, Plant & Equipment	5,842,076	48,950
OTHER COMPREHENSIVE INCOME FOR THE YEAR	(2,720,182)	4,556,126
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10,023,993	9,381,702

(The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	10	2,064,738	2,327,708
Receivables	11	7,503,643	7,418,124
Other Assets	11	1,405,118	1,285,081
Other Financial Assets	12	84,447,381	90,381,555
Total Current Assets		95,420,880	101,412,468
Non-Current Assets			
Property, Plant and Equipment	15A	69,491,227	64,727,716
Investment Property	15B	63,040,000	50,873,000
Investments	13	313,001	313,001
Right of use assets	16	54,115	82,060
Other Financial Assets	12	46,670	46,670
Receivables	11	-	-
Total Non-Current Assets		132,945,013	116,042,447
TOTAL ASSETS		228,365,893	217,454,915
LIABILITIES			
Current Liabilities			
Trade and Other Payables	17	1,016,462	578,737
Lease liability	16	36,562	36,004
Provisions	18	8,564,771	9,303,110
Deferred Revenue	19	1,784,918	576,317
Total Current Liabilities		11,402,713	10,494,168
Non-Current Liabilities			
Lease liability	16	6,461	42,847
Provisions	18	235,477	220,651
Total Non-Current Liabilities		241,938	263,498
TOTAL LIABILITIES		11,644,651	10,757,666
NET ASSETS		216,721,242	206,697,249
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		(4,813,480)	3,748,778
Revaluation Reserve		39,438,573	33,596,497
Accumulated Funds	22	182,096,149	169,351,974
TOTAL ACCUMULATED FUNDS AND RESERVES		216,721,242	206,697,249

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Accumulated Funds	Fair Value Investment Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 30 September 2020	164,526,398	(758,398)	33,547,547	197,315,547
Net surplus for the Year	4,825,576	-	-	4,825,576
Other comprehensive income:				
Increase in value of				
financial assets at fair value	-	4,507,176	-	4,507,176
Revaluation surplus	-	-	48,950	48,950
Total Comprehensive Income	<u>4,825,576</u>	<u>4,507,176</u>	<u>48,950</u>	<u>9,381,702</u>
Balance at 30 September 2021	<u>169,351,974</u>	<u>3,748,778</u>	<u>33,596,497</u>	<u>206,697,249</u>
Net surplus for the Year	12,744,175	-	-	12,744,175
Other comprehensive income:				
Decrease in value of				
financial assets at fair value	-	(8,562,258)	-	(8,562,258)
Revaluation surplus	-	-	5,842,076	5,842,076
Total Comprehensive Income	<u>12,744,175</u>	<u>(8,562,258)</u>	<u>5,842,076</u>	<u>10,090,943</u>
Balance at 30 September 2022	<u>182,096,149</u>	<u>(4,813,480)</u>	<u>39,438,573</u>	<u>216,721,242</u>

(The above statement of changes in accumulated funds and reserves should be read in conjunction with the accompanying notes)

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 \$	2021 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		33,732,032	33,698,227
Receipts from other Reporting Units		-	-
Payments to other Reporting Units	9B	(4,755,287)	(4,080,935)
Payments to Suppliers and Employees		(39,585,707)	(35,051,826)
Distributions Received		2,310,509	2,340,347
Interest Received		159,785	46,849
Interest paid		(5,332)	(5,315)
Rent Received		2,685,248	3,169,419
Grants received		2,150,107	940,681
Sundry Income		6,267,894	7,693,034
NET CASH PROVIDED BY OPERATING ACTIVITIES	20B	<u>2,959,249</u>	<u>8,750,481</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		684,496	338,610
Proceeds from sale of Investment Property		756,000	-
Payments for Property, Plant and Equipment		(1,926,606)	(1,212,137)
Payments for Investment property		-	-
Net Payments for Investments		<u>(3,101,777)</u>	<u>(8,355,149)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(3,587,887)</u>	<u>(9,228,676)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Lease liability repayments		<u>(108,025)</u>	<u>(88,285)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(108,025)</u>	<u>(88,285)</u>
NET (DECREASE)/INCREASE IN CASH HELD		<u>(736,662)</u>	<u>(566,480)</u>
Cash at Beginning of Year	20A	<u>6,951,623</u>	<u>7,518,103</u>
CASH AT END OF YEAR	20A	<u>6,214,960</u>	<u>6,951,623</u>

(The above statement of cash flows should be read in conjunction with the accompanying notes)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council (AFMEPKIU) operating under the name of the Australian Manufacturing Workers' Union (AMWU), and in accordance with the *Fair Work (Registered Organisations) Act 2009* the National Council is a reporting unit. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the *Fair Work (Registered Organisations) Act 2009*. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the National Council are not subject to the Corporations Act 2001.

The reporting guidelines made under section 255 of the *Fair Work (Registered Organisations) Act 2009* require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009* for a not for profit oriented entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

Change in basis of reporting

The financial report has been prepared on a reporting unit basis for the National Council and excluding the State Branches. In 2013 and years prior to that the financial report was prepared on a branch consolidation basis. The National Council has significant influence over the 'State Branches' or 'State Councils', and control of the funds supplied to finance Branch activities. These include the following branches:

- New South Wales State Branch
- Victoria Branch
- Queensland Branch
- South Australia Branch
- Western Australia Branch
- Tasmania Branch

Further information on the State branch expenditure can be obtained by reference to the individual state branch financial reports. The following is a summary of the significant accounting policies adopted by the National Council in the preparation and presentation of the financial report.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments

Financial assets and financial liabilities are recognised when the National Council entity becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the National Council's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the National Council initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The National Council's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Classification and subsequent measurement

As at the reporting date, the National Council's financial assets consisted of cash and cash equivalents, investment portfolios of equity and other instruments which are measured at fair value through other comprehensive income, trade and other receivables and accrued income which are measured at amortised cost in accordance with the below accounting policy.

A contract asset is recognised when the National Council's right to consideration in exchange goods or services that have transferred to the customer but payment has not yet been received.

Financial assets at amortised cost

The National Council measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the union intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Further, these assets must be held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The National Council's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the National Council commits to purchase or sell the asset.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value investment reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

De-recognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The union has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the union has transferred substantially all the risks and rewards of the asset, or
 - b) the union has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the union has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The National Council recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the National Council's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For trade and other receivables that do not have a significant financing component, the National Council applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the National Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The National Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial Instruments (Cont'd)

Classification and subsequent measurement

As at the reporting date, the Council's financial liabilities include trade and other payables which are measured at amortised cost in accordance with the below accounting policy.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

b) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) Revenue

The National Council recognised revenue as follows;

Revenue from Contracts with Customers

Revenue is recognised at an amount that reflects the consideration to which the National Council is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the National Council: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Membership contribution revenue is recognised over the period of time to which the subscription relates, as the benefits of the membership are provided to the customer.

Revenue from the sale of goods is recognised at the point in time the performance obligation is satisfied, being the point at which the customer obtains control of the goods.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Board fees are fees received where union officers are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised at the point in time that they are received.

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grant revenue is recognised over time, as the company satisfies its performance obligations as stated in the grant funding agreements, which is typically associated with the expenditure of related costs under the agreement. Specifically, government grants whose primary condition is that the National Council should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Union with no future related costs are recognised in profit or loss in the period in which they become receivable.

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Deferred revenue

Deferred revenue is recognised if a payment is received or a payment is due from a customer before the National Council transfers the related goods or services. Deferred revenue is recognised as revenue when the National Council satisfies the performance obligation under the subscription arrangement.

e) Property, Plant and Equipment

All Property, Plant and Equipment including those located at State Council Offices are recorded in the Statement of Financial Position of the National Council and all depreciation thereon is reflected in the National Council Statement of Comprehensive Income.

Property, Plant and Equipment held at Fair Value

All land and building assets are carried at their fair value, in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Fair value of Land and Buildings is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. When an item of Land and Building is revalued, the entire class of asset to which belongs shall be revalued.

Revaluations

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are to be conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Land and buildings are revalued every 3 years. A revaluation of land and buildings was conducted as at 31 October 2020, and was based upon the assessment of an independent valuation expert.

Revaluation increments for all land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the statement of profit or loss, the increment is recognised immediately as a gain in the statement of profit or loss. Revaluation decrements for all property, plant and equipment are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation reserve on the same class of assets, in which case, the decrement is debited directly to the asset revaluation reserve.

All other classes of property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Property, Plant and Equipment (cont'd)

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Buildings	2% - 5%
Computer Equipment	20% - 33%
Furniture and Fittings	10% - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

f) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise. Assets are valued in accordance with AASB 13 Fair Value Measurement and AASB 140 Investment Property. Fair value of Land and Buildings is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

g) Right-of-Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

h) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

i) Leases

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

j) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) Employee Benefits (cont'd)

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the National Council in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The National Council recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

k) Income Tax

No provision for Income Tax is necessary as the National Council is exempt from income tax under Section 50 - 15 of the Income Tax Assessment Act.

l) 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 on the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables as appropriate. Cash flows are included in the statement of cash flows on a gross basis.

m) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) Associates

An associate is an entity over which the National Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations'. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate.

When the share of losses of an associate or joint venture exceeds the interest in that associate, the National Council discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

The investments in Ucover and IPP are deemed to be associates.

When the National Council's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the National Council does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

NOTES TO AND FORMING PART OF THE ACCOUNTS

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FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

o) Going concern support

The National Council is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis. No financial support has been received in the year to 30 September 2022.

Pursuant to the Section 242 (3) of the RO Act, each branch is regarded as a reporting unit for the RO Act reporting purposes.

The National Council supports the branches through:

- the allocation of funds to the branch to meet operational expenses
- the payment of the wages and salaries of the branch officers and employees.

The National Council has not provided any financial support to any reporting unit other than the branches noted in Notes 9A and 9B.

p) Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

q) Adoption of New Australian Accounting Standard requirements

The National Council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the National Council.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

r) Future Australian Accounting Standard requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 September 2022. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	Liabilities – Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.	For financial years commencing on or after 1 January 2023	The impact of applying the new standard will not have a material impact on the Branch's accounting policies or the amounts recognised in the financial statements.	1 October 2023

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The National Council makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Critical judgments in applying the National Council's accounting principles

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

(a) Impairment for expected credit losses

The National Council's assumptions in determining the expected credit losses on financial assets are outlined in item Note 1 (a) of this report.

(b) Fair value of investment property and PPE land & buildings

The National Council's assumptions in determining the fair value of investment property and land & buildings as property, plant & equipment are outlined in item Note 15B of this report.

(c) Estimation of useful life of assets

The National Council's assumptions about the useful life of assets are set out in item Note 1(e) of this report.

(d) Long service leave provision

The National Council's assumptions in determining the provision for long service leave are set out in Note 1(j) of this report.

3. SECTION 272 FAIR WORK (REGISTERED ORGANISATION) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

1. A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

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	2022	2021
	\$	\$
4 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Contributions	33,222,245	33,832,283
Comprises the following various funds:		
Political Fund	479,268	478,248
Hardship Fund	881,513	70,423
Education Fund	293,838	123,378
Strategic Plan Resource Fund	506,457	1,893,143
General Fund	31,061,169	31,267,091
	<u>33,222,245</u>	<u>33,832,283</u>

Disaggregation of revenue

The National Council derives its revenue from the single major revenue stream, being the provision of services to members. Contributions revenue is recognised over the term of the period to which the contributions relate. The disclosure above adequately depicts a breakdown of how the nature, amount, timing and cash flows of revenue from customers are affected by economic factors.

	2022	2021
	\$	\$
5 OTHER INCOME		
5A. RENT RECEIVED		
Electricity Recovered	55,013	45,358
Tenant Items Recovered	3,017	1,144
Rent Received – investment property	2,880,935	3,703,005
Rent Outgoings Received	45,295	45,199
Car Parking	107,671	81,516
	<u>3,091,931</u>	<u>3,876,222</u>
	2022	2021
	\$	\$
5B. SUNDRY INCOME		
Dividend Received	554	703
Protect Income distributions	1,525,503	-
Income from Associate – U-Cover Pty Ltd	2,882,511	2,561,631
Training course fees	143,999	161,472
Promotional income – advertising	140,455	285,000
Board Fees	377,899	333,579
Incolink settlement	-	3,500,000
Miscellaneous Income	723,599	850,648
	<u>5,794,520</u>	<u>7,693,033</u>

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	2022	2021
	\$	\$
6. EMPLOYEE BENEFITS EXPENSE		
Holders of office:		
Wages and salaries	6,562,612	6,771,074
Superannuation	744,148	761,202
Leave and other entitlements	895,336	94,079
Separation and redundancies	2,089,248	7,667
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>10,291,344</u>	<u>7,634,022</u>
Employees other than office holders:		
Wages and salaries	16,066,836	15,320,192
Superannuation	1,753,553	1,778,024
Leave and other entitlements	(1,618,850)	244,531
Separation and redundancies	689,121	-
Other employee expenses	-	-
	<u>16,890,660</u>	<u>17,342,747</u>
Total employee expenses	<u>27,182,004</u>	<u>24,976,769</u>
7A AFFILIATIONS		
Australian People for Health, Education & Development	25,998	25,345
Australasian Railway Association	1,000	1,000
Australia Fair Trade & Investment Network	-	424
Australian Council of Trade Unions	370,030	256,496
Australian Palestine Advocacy Network	400	733
IndustriALL	103,381	103,324
International Union of Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	25,080	25,638
Phillipines Australia Union Link	100	50
Registered Workers Club Holiday Centre	4,000	4,000
Responsible Forest Management	2,128	1,699
Union Network International	6,574	27,223
International Transport Workers Federation	1,622	-
Total affiliations	<u>540,313</u>	<u>445,932</u>

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	2022	2021
	\$	\$
7B. GRANTS OR DONATIONS \$1000 OR LESS		
Grants	1,000	-
Donations	1,209	2,793
	<u>2,209</u>	<u>2,793</u>
GRANTS OR DONATIONS OVER \$1000		
Grants	11,273	-
Donations	86,109	56,500
	<u>97,382</u>	<u>56,500</u>
Total	<u>99,591</u>	<u>59,293</u>
7C. GENERAL OFFICE EXPENSES		
Total paid to employers for payroll deductions of membership subscriptions	142,386	74,148
Other	205,431	138,835
Total	<u>347,817</u>	<u>212,983</u>
8 DELEGATION/EMPLOYEE EXPENSES/(REFUNDS)		
Employees - Office Holders	133,252	345,267
Employees – Other	392,694	-
Members	129,287	39,756
	<u>655,233</u>	<u>385,023</u>
International - Office Holders	16,336	-
International – Other	-	-
	<u>-</u>	<u>-</u>
Total	<u>671,569</u>	<u>385,023</u>

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	2022	2021
	\$	\$
9A STATE BRANCH EXPENDITURE		
State branch expenditure is broken down amongst the state branches as follows:		
New South Wales branch	682,969	566,593
Queensland branch	1,368,762	1,007,423
South Australia branch	188,180	165,603
Tasmania branch	196,755	184,845
Victoria branch	1,457,464	1,366,608
Western Australia branch	861,157	789,863
	<u>4,755,287</u>	<u>4,080,935</u>
9B PAYMENTS TO OTHER REPORTING UNITS		
Payments to other reporting units are broken down amongst the state branches as follows:		
New South Wales branch	682,969	566,593
Queensland branch	1,368,762	1,007,423
South Australia branch	188,180	165,603
Tasmania branch	196,755	184,845
Victoria branch	1,457,464	1,366,608
Western Australia branch	861,157	789,863
	<u>4,755,287</u>	<u>4,080,935</u>
10. CASH AND CASH EQUIVALENTS		
Advances and Floats	16,626	16,626
Bank Accounts:		
National Council General Fund	2,030,219	2,293,189
National Council Political Fund	-	-
Recoverable Deposits	17,893	17,893
	<u>2,064,738</u>	<u>2,327,708</u>

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	2022	2021
	\$	\$
11. RECEIVABLES		
<i>Current</i>		
Trade receivables	1,158,618	814,990
Accrued Interest	7,193	317
Accrued membership income	310,687	329,180
Provision for bad debts	(84,127)	(38,778)
Rent receivable	650,796	994,932
National Entitlement Security Trust (NEST) *	<u>5,460,476</u>	<u>5,317,483</u>
	<u>7,503,643</u>	<u>7,418,124</u>

**The National Council has transferred monies to NEST in order to secure the current provision of long service leave entitlements for its employees, officers and officials.*

Accrued membership income

The significant changes between opening and closing balances of accrued membership income primarily relates to the allocation of payments against accrued membership income during the period, and the recognition of membership income earned by not yet invoiced at 30 September 2022.

Non-Current

IPP Property Trust - Distribution Receivable	59,152	534,696
Less: Provision for expected credit losses	<u>(59,152)</u>	<u>(534,696)</u>
	<u>-</u>	<u>-</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

As at 1 October	534,696	282,972
Provision for expected credit losses	-	251,724
Amounts received during the period	(475,544)	-
Amounts written off during the period	<u>-</u>	<u>-</u>
As at 30 September	<u>59,152</u>	<u>534,696</u>

OTHER ASSETS

Current

Prepayments	1,348,899	1,285,081
Sundry Debtors	<u>56,219</u>	<u>-</u>
	<u>1,405,118</u>	<u>1,285,081</u>

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	2022	2021
	\$	\$
12. OTHER FINANCIAL ASSETS		
<i>Financial assets carried at amortised cost:</i>		
Short-Term Deposits	4,150,222	4,623,915
<i>Financial assets at fair value through other comprehensive income:</i>		
<i>Managed Funds</i>		
- Equity instruments, designated at fair value Through OCI	23,533,831	26,857,516
- Non-equity instruments at fair value through OCI	56,763,328	58,900,124
Total: Managed Funds	<u>80,297,159</u>	<u>85,757,640</u>
Foundation units	<u>46,670</u>	<u>46,670</u>
	<u>84,494,051</u>	<u>90,428,225</u>
Current	84,447,381	90,381,555
Non-Current	<u>46,670</u>	<u>46,670</u>
	<u>84,494,051</u>	<u>90,428,225</u>
13. INVESTMENTS		
Investments in associates accounted for using the equity method	313,001	313,001
	<u>313,001</u>	<u>313,001</u>
Name of entity Principal Activity	2022	2021
	%	%
Ucover	49%	49%
Industry Printing and Publishing Pty Limited (IPP)	24%	24%
<p>Ucover provides the income protection insurance cover known as WageGuard. The AFMEPKIU has an interest in the company to ensure that members receive the best possible income protection products through their Enterprise Agreements and all income derived from this activity is reinvested in membership Services and support</p> <p>IPP is a print and design company which the AFMEPKIU has a long standing interest. As a private company it has no published price quotations. The audited financial information as at the 30 September is not readily available. Accordingly, the 30 June 2022 amounts are applied to represent the gains or losses.</p>		

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Summary financial information of associates

Ucover – year ended 30 June 2022	2022	2021 (Restated)
	\$	\$
Statement of financial position:		
Assets	3,521,895	2,969,825
Liabilities	(3,521,895)	(2,969,825)
Net assets	-	-
Statement of comprehensive income:		
Income	6,151,516	5,596,916
Expenses	(496,310)	(508,282)
Net surplus/(deficit)	5,655,206	5,088,634
Share of net surplus:		
Share of net surplus before tax	2,771,051	2,493,431
Income tax expense	-	-
Share of net surplus after tax	2,771,051	2,493,431

Note that the AFMEPKIU receives dividends from Ucover which represents their share of profits on the underlying investment, therefore no further movement on the carrying value has been recorded.

Summary financial information of associates

Industry Printing and Publishing Pty Limited – year ended 30 June 2022	2022	2021
	\$	\$
Statement of financial position:		
Assets	501,135	2,631,162
Liabilities	(1,264,778)	(3,303,457)
Net assets	(763,643)	(672,295)
Statement of comprehensive income:		
Income	6,027	108,743
Expenses	(97,375)	(874,400)
Net (deficit)	(91,348)	(765,657)
Share of net (deficit):		
Share of net (deficit) before tax	(21,924)	(183,758)
Income tax expense	-	-
Share of net (deficit) after tax	(21,924)	(183,758)

Note that the information disclosed for the above associates does not coincide with AFMEPKIU's year-end date of 30 September, as the associates both have financial reporting year end dates of 30 June.

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14. ASSETS MEASURED AT FAIR VALUE ON THE STATEMENT OF FINANCIAL POSITION

2022	Balance	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income – Managed funds: Equity instruments	23,533,831	-	23,533,831	-
Financial assets at fair value through other comprehensive income – Managed funds: Non-equity instruments	56,763,328	-	56,763,328	-
Financial assets at fair value through other comprehensive income – Unquoted Foundation units	46,670	-	-	46,670

2021	Balance	Level 1	Level 2	Level 3
Financial assets at fair value through other comprehensive income – Managed funds: Equity instruments	26,857,516	-	26,857,516	-
Financial assets at fair value through other comprehensive income – Managed funds: Non-equity instruments	58,900,124	-	58,900,124	-
Financial assets at fair value through other comprehensive income – Unquoted Foundation units	46,670	-	-	46,670

14A. FOR ASSETS MEASURED AT FAIR VALUE BASED ON LEVEL 3 IN THE STATEMENT OF FINANCIAL POSITION

	Foundation Units	Equity investments	Total
Opening balance - 2021	46,670	-	46,670
Total gains or losses			
- in profit or loss	-	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Disposals	-	-	-
Transfers out of Level 3		-	
Closing balance 2022	46,670	-	46,670

Total gains or losses for the period included
in profit or loss

2022	-	-	-
2021	-	-	-

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	2022	2021
	\$	\$
15A. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	2,487,103	2,450,846
Less Accumulated Depreciation	<u>(2,020,196)</u>	<u>(1,662,306)</u>
	<u>466,907</u>	<u>788,540</u>
Furniture and Fittings		
Cost	5,919,564	5,904,456
Less Accumulated Depreciation	<u>(5,654,614)</u>	<u>(5,614,678)</u>
	<u>264,950</u>	<u>289,778</u>
Motor Vehicles		
Cost	4,484,993	4,839,842
Less Accumulated Depreciation	<u>(2,262,755)</u>	<u>(2,388,833)</u>
	<u>2,222,238</u>	<u>2,451,009</u>
Properties held for own use – at Valuation		
Land	33,946,045	33,516,453
Buildings	32,108,073	29,019,009
Less Accumulated depreciation	<u>(263,902)</u>	<u>(1,487,899)</u>
Buildings – Work in progress	<u>746,916</u>	<u>150,826</u>
	<u>66,537,132</u>	<u>61,198,389</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>69,491,227</u>	<u>64,727,716</u>
MOVEMENTS IN CARRYING AMOUNTS 2022		

	Computer Equipment	Furniture and Fittings	Motor Vehicles	Land and Buildings	Buildings -work in progress	Total
	\$	\$	\$	\$	\$	\$
Balance at						
1 Oct 2021	788,540	289,778	2,451,009	61,047,563	150,826	64,727,716
Additions	50,902	15,108	967,031	229,592	596,090	1,858,723
Disposals	(8,485)	-	(339,588)		-	(348,073)
Re-valuations	-	-	-	5,842,076	-	5,842,076
Depreciation	<u>(364,050)</u>	<u>(39,936)</u>	<u>(856,214)</u>	<u>(1,329,015)</u>	<u>-</u>	<u>(2,589,215)</u>
Balance at						
30 Sept 2022	<u>466,907</u>	<u>264,950</u>	<u>2,222,238</u>	<u>65,790,216</u>	<u>746,916</u>	<u>69,491,227</u>

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15A. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Property, Plant and Equipment

All property, plant and equipment (inclusive of land and buildings) including those located at State Council Offices are recorded in the Statement of Financial Position of the National Council and all depreciation thereon is reflected in the National Council Statement of Comprehensive Income.

All land and building assets are carried at their fair value, in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Fair value of Land and Buildings is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. When an item of Land and Building is revalued, the entire class of asset to which belongs shall be revalued.

Each remaining class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any impairment in value.

Revaluations

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are to be conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Land and buildings are revalued every 3 years. A revaluation of land and buildings was conducted as at 31 October 2022, and was based upon the assessment of an independent valuation expert.

Revaluation increments for all land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the statement of profit or loss, the increment is recognised immediately as a gain in the statement of profit or loss. Revaluation decrements for all property, plant and equipment are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation reserve on the same class of assets, in which case, the decrement is debited directly to the asset revaluation reserve.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Buildings	2% - 5%
Computer Equipment	20% - 33%
Furniture and Fittings	10% - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

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15B. INVESTMENT PROPERTY

Rental income is received on buildings owned and occupied by the National Office and branches in each State, with the exception of the designated Investment property set out below. The portions of property rented vary in each State. The portions occupied by the Union and or its branches is more than an insignificant portion of the available space and is not able to be separately sold as part of a Strata title. Accordingly, the property other than the buildings noted below have not been classified as Investment property.

Investment property	2022 \$	2021 \$
Balance at start of year	50,873,000	52,600,000
Additions	67,883	-
Disposals	(600,000)	-
Transfers from property, plant & equipment	-	473,000
Re-valuations	12,699,117	(2,200,000)
Balance at end of year	<u>63,040,000</u>	<u>50,873,000</u>

Investment Property

Investment properties are measured initially its costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are includes in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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15B. INVESTMENT PROPERTY (Cont'd)
ASSETS MEASURED AT FAIR VALUE ON THIS STATEMENT OF FINANCIAL POSITION

2022	Balance	Level 1	Level 2	Level 3
Investment Properties	63,040,000	-	-	63,040,000

2021	Balance	Level 1	Level 2	Level 3
Investment Properties	50,873,000	-	-	50,873,000

Level 1 – Investments in equity and debt instruments are assets with available quoted prices (unadjusted) in active markets.

Level 2 – are assets values based available unit prices that are not quoted in an active market.

Equity instruments and non-equity instruments in managed funds are carried at fair value based on the current unit price for redemption of those units within the funds. The Unit prices are obtained from the trustees annually.

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment Properties: \$63,040,000 – are held at fair value, on the basis of Councillor's valuations performed at 31 October 2022. The valuations have been performed by independent valuation experts, applying generally accepted methods of valuation, including the Income Capitalisation Method. Under the Income Capitalisation Method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

Description of significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Properties held as Investment property	Income Capitalisation Method	<ul style="list-style-type: none"> Net rental income Capitalisation rate 	<ul style="list-style-type: none"> \$2.2m 4.75% - 6.5%

Significant increases or decreases in the estimated rental income and capitalisation rate in isolation would result in significantly higher (lower) fair value of the properties.

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15B. INVESTMENT PROPERTY (Cont'd)

ASSETS MEASURED AT FAIR VALUE BASED ON LEVEL 3 IN THE STATEMENT OF FINANCIAL POSITION

	Investment Properties
Opening balance - 2021	50,873,000
Total gains or losses	
- in profit or loss	12,699,117
- in other comprehensive income	-
Purchases	67,883
Disposals	(600,000)
Transfers from property, plant & equipment	-
Transfers out of Level 3	-
Closing balance 2022	63,040,000

16. LEASES	2022	2021
<i>Right of use assets</i>	\$	\$
Balance at 1 October 2021	82,060	162,871
Additions	72,197	-
Depreciation expense	(100,142)	(80,811)
	<u>54,115</u>	<u>82,060</u>
<i>Lease liabilities</i>		
Current	36,562	36,004
Non-current	6,461	42,847
	<u>43,023</u>	<u>78,851</u>
<i>Amounts recognised in statement of profit or loss and other comprehensive income</i>		
Interest on lease liabilities	5,332	5,315
Expenses relating to short term & low value leases	44,022	61,990
Depreciation expense	94,386	80,811
	<u>143,983</u>	<u>148,116</u>

The National Council leases a number of small office spaces over leases that range between 1-2 years in length. The National Council has not accounted for any options to extend its lease arrangements, on the basis that it is not reasonably likely these options will be exercised.

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	2022	2021
	\$	\$
17. TRADE AND OTHER PAYABLES		
Trade payables	187,942	126,115
GST Payable	235,791	261,132
Sundry creditors	592,729	191,490
	<u>1,016,462</u>	<u>578,737</u>

As at 30 September 2022, the National Council held no balances payable to entities or persons in relation to legal costs or litigation matters.

As at 30 September 2022, there were no payables due to the following:

- Other Branches with the AMWU;
- Members' employers in respect of payroll deductions for memberships.

18. PROVISIONS	2022	2021
<i>Current</i>	\$	\$
Annual Leave Entitlements	3,347,473	3,607,328
Long Service Leave Entitlements	5,217,298	5,695,782
Provision for redundancy	-	-
Other	-	-
	<u>8,564,771</u>	<u>9,303,110</u>
<i>Non-Current</i>		
Long Service Leave Entitlements	235,477	220,651
	<u>8,800,248</u>	<u>9,523,761</u>

18A EMPLOYEE PROVISIONS	2022	2021
Office Holders:	\$	\$
Annual leave	1,075,398	1,075,398
Long service leave	1,925,885	1,925,885
Provision for redundancy	-	-
Other provisions	-	-
Subtotal - office holders	<u>3,001,283</u>	<u>3,001,283</u>
Employees other than office holders:		
Annual leave	2,272,075	2,531,930
Long service leave	3,526,890	3,990,548
Provision for redundancy	-	-
Other provisions	-	-
Subtotal - employees other than office holders	<u>5,798,965</u>	<u>6,522,478</u>
Total employee provisions	<u>8,800,248</u>	<u>9,523,761</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

19. DEFERRED REVENUE	2022	2021
	\$	\$
Membership dues paid in advance	337,518	383,008
Deferred grant revenue	<u>1,447,400</u>	<u>183,309</u>
	<u>1,784,918</u>	<u>576,317</u>

Membership dues paid in advance

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$383,008.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 September 2022 is \$337,518. The National Council expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations relate to the provision of services associated with a membership of the union.

20. PROFESSIONAL SERVICES	2022	2021
	\$	\$
Auditors		
Audit Fees	75,000	66,750
Preparation of financial statements	4,250	6,250
Other assurance engagements	<u>4,086</u>	<u>13,750</u>
	<u>83,336</u>	<u>86,750</u>
Legal Expenses		
Litigation	10,272	38,198
Other Legal Matters	<u>113,430</u>	<u>103,561</u>
	<u>123,702</u>	<u>142,759</u>
Other professional fees	-	222,116
Total professional fees	<u>207,038</u>	<u>451,625</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

21. CASH FLOW INFORMATION		Note	2022	2021
			\$	\$
A	For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.			
	Cash and Bank Balances	10	2,064,738	2,327,708
	Short Term Deposits	12	<u>4,150,222</u>	<u>4,623,915</u>
			<u>6,214,960</u>	<u>6,951,623</u>
B	Reconciliation of Cash Flow from Operations with Net Surplus			
	Net Surplus		12,744,175	4,825,576
	Non-Cash Flows in Net Surplus			
	Depreciation		2,689,357	2,727,833
	(Gain) on Disposal of Fixed Assets		(492,423)	(127,130)
	(Gain)/loss on Revaluation of Investment Property		(12,699,117)	2,200,000
	Impairment of long term receivables			251,724
	Changes in Assets and Liabilities			
	(Increase) in Current Receivables		(205,557)	(1,894,015)
	Increase /(Decrease) in Trade and Other Payables		447,726	(148,434)
	(Decrease)/Increase in Employee Entitlements		(723,513)	338,610
	Increase in Deferred Revenue		<u>1,198,601</u>	<u>576,317</u>
	CASH FLOWS FROM OPERATIONS		<u>2,959,249</u>	<u>8,750,481</u>

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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

22. ACCUMULATED FUNDS SUMMARY

Funds	Opening Balance 1 Oct 2021	Contributions into Funds	Net Expenditure and transfers of funds	Profit and Loss of General Fund	Closing Balance 30 Sep 2022
	\$	\$	\$	\$	\$
National Council Political	1,108,598	479,268	(949,084)	-	638,782
Education	7,386,161	293,838	(34,153)	-	7,645,846
Hardship	7,847,332	881,513	(563,221)	-	8,165,624
Strategic Plan Resource	2,442,135	506,457	(309,864)	-	2,638,728
York Endowment	46,313	-	-	-	46,313
General	150,521,435	(2,161,076)	1,856,322	12,744,175	162,960,856
	<u>169,351,974</u>	<u>-</u>	<u>-</u>	<u>12,744,175</u>	<u>182,096,149</u>

FUNDS

THE SPECIFIC PURPOSE OF THE FUND

National Council Political	Established under Rule to further the political objectives of the Union amongst the membership and the wider community.
Education	Established to assist members and employees to gain knowledge and skills which strengthen their participation in Union activities.
Hardship	Established for the welfare of Union members who require relief from hardship.
Strategic Plan	Established for initiatives arising from the National Strategic Plan or the National Industry Committees
York Endowment	The late Eric Percival York bequeathed his estate to the AMF&SU to be invested for the benefit of the Union.
General	The working account of the AFMEPKIU National Office.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The National Council is exposed to risks that arise from its use of financial instruments. This note describes the National Council's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the National Council's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The National Council's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Council has overall responsibility for the determination of the National Council's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the National Council incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the National Council.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2022	2021
	\$	\$
Receivables		
National Entitlement Security Trust	5,460,476	5,317,483
Trade and Sundry Debtors	<u>2,043,167</u>	<u>2,100,641</u>
	<u>7,503,643</u>	<u>7,418,124</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the National Council may encounter difficulties raising funds to meet commitments associated with financial instruments.

The National Council is not significantly exposed to this risk; as at 30 September 2022 it had \$2,064,738 (2021: \$2,327,708) of cash and cash equivalents to meet its obligations as they fall due, and a further \$4,150,222 (2021: \$4,623,915) held in short term deposits. The Financial liabilities recorded in the financial statements at 30 September 2022 were \$1,059,485 (2021: \$657,588). The National Council manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) Interest Rate Risk

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

The Union's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 September 2022	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	2,030,220	-	34,518	2,064,738
Receivables	-	5,460,476	2,043,167	7,503,643
Managed Funds/Other	80,297,159	-	46,670	80,343,829
Short term deposits	-	4,150,222	-	4,150,222
	<u>82,327,379</u>	<u>9,610,698</u>	<u>2,124,355</u>	<u>94,062,432</u>
 Weighted average Interest rate	 0.02%	 1.49%		
Financial Liabilities				
Payables	-	-	1,016,462	1,016,462
Lease liabilities	-	43,023	-	43,023
	<u>-</u>	<u>43,023</u>	<u>1,016,462</u>	<u>1,059,485</u>
Net Financial Assets	<u>82,327,379</u>	<u>9,567,675</u>	<u>1,107,893</u>	<u>93,002,947</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT (Cont'd)

30 September 2021	Floating interest rate	Fixed interest rate	Non- interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	2,293,189	-	34,519	2,327,708
Receivables	-	5,317,483	2,100,641	7,418,124
Managed Funds/other	85,757,641	-	46,670	85,804,311
Short term deposits	-	4,623,915	-	4,623,915
	<u>88,050,830</u>	<u>9,941,398</u>	<u>2,181,830</u>	<u>100,174,058</u>
Weighted average Interest rate	0.04%	0.13%		
Financial Liabilities				
Payables	-	-	578,737	578,737
Lease liabilities	-	78,851	-	78,851
		<u>78,851</u>	<u>578,737</u>	<u>657,588</u>
Net financial assets	<u>88,050,830</u>	<u>9,862,547</u>	<u>1,603,092</u>	<u>99,516,470</u>

Sensitivity Analysis

2022	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	2,030,220	22,302	(20,302)
Receivables	5,460,476	54,605	(54,605)
Managed Funds	80,297,159	802,972	(802,972)
Short term deposits	4,150,222	41,502	(41,502)
2021	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	2,293,189	22,932	(22,932)
Receivables	5,317,483	52,175	(52,175)
Managed Funds	85,757,641	857,576	(857,576)
Short term deposits	4,623,915	46,239	(46,239)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks

The National Council invests surplus cash in managed funds, and in doing so it exposes itself to the fluctuations in price that are inherent in such a market. The National Council manages other price risks by monitoring the allocations made by the funds. The National Council's exposure to equity price risk is as follows:

Sensitivity Analysis - Managed Funds (external)

	2022	2021	2022	2021
Fund Allocation	%	%	\$	\$
Domestic Shares	10.90%	10.32%	8,751,446	8,844,696
International Shares	14.84%	16.47%	11,919,718	14,127,508
Listed Property	3.57%	4.53%	2,862,668	3,885,312
Domestic Fixed Interest	33.09%	27.82%	26,568,848	23,857,402
International Fixed Interest	15.57%	12.65%	12,502,546	10,845,791
Cash	13.38%	19.11%	10,740,332	16,389,323
Alternative Investments	8.66%	9.10%	6,951,601	7,807,609
Total	100%	100%	80,297,159	85,757,641

2022	Carrying Amount	+10.00% (1000 basis points) Other Equity Profit	-10.00% (1000 basis points) Other Equity Profit
	\$	\$	\$
Domestic Shares	8,751,446	875,145	(875,145)
International Shares	11,919,718	1,191,972	(1,191,972)
Listed Property	2,862,668	286,267	(286,267)
Domestic Fixed Interest	26,568,848	2,656,885	(2,656,885)
International Fixed Interest	12,502,546	1,250,255	(1,250,255)
Cash	10,740,332	1,074,033	(1,074,033)
Alternative Investments	6,951,601	695,160	(695,160)
Total	80,297,159	8,029,716	(8,029,716)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks (Cont'd)

2021	Carrying Amount	+10.00% (1000 basis points) Other Equity Profit	-10.00% (1000 basis points) Other Equity Profit
	\$	\$	\$
Domestic Shares	8,844,696	884,470	(884,470)
International Shares	14,127,508	1,412,751	(1,412,751)
Listed Property	3,885,312	388,531	(388,531)
Domestic Fixed Interest	23,857,402	2,385,740	(2,385,740)
International Fixed Interest	10,845,791	1,084,579	(1,084,579)
Cash	16,389,323	1,638,932	(1,638,932)
Alternative Investments	7,807,609	780,761	(780,761)
Total	85,757,641	8,575,764	(8,575,764)

(g) Foreign Exchange Risk

The National Council is not directly exposed to foreign exchange rate risk.

24. SUPERANNUATION

Superannuation plans are defined contribution plans. The benefits provided under these plans are based on accumulated contributions and earnings for each employee. The Union's liability is limited to paying the contributions to the plans

25. RELATED PARTIES

- (i) The aggregate amount of remuneration paid to office holders during the financial year is disclosed in the statement of comprehensive income under Salaries Officials as disclosed at note 6 to the accounts.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$744,148 (2021: \$761,202).
- (iii) There have been no other transactions between the office holders and 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. Delegation and international expenses for office holders totalled \$149,588 in the year (2021: \$345,267) as disclosed in Note 8 to the accounts.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

25. RELATED PARTIES (Cont'd)

- (iv) The National Council received income of \$2,882,511 (2021: \$2,561,631) from its associate, U Cover Pty Ltd during the year.
- (v) The National Council held amounts receivable of \$59,152 (2021: \$534,696) from its associate, Industrial Printing and Publishing Ltd as at balance date. \$475,544 was received from the company during 2022. The remaining balance is fully impaired and has no carrying value at 30 September 2022.

26. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons who have authority and responsibility for planning, directing and controlling the activities of the National Council and National Administrative and Budget Committee. Key management personnel have been determined to consist of the National Secretary, National President, National Executive Officer, All State Secretaries, Assistant National Secretaries and the NSW Printing Division Secretary. Remuneration received or due by key management personnel of the National Council for management of its affairs are as follows:

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	2,470,651	1,981,071
Annual leave accrued	130,292	130,292
Service entitlement/performance bonus accrued	49,000	52,000
Total short-term employee benefits	<u>2,649,943</u>	<u>2,163,363</u>
Post-employment benefits:		
Superannuation	210,753	197,685
Total post-employment benefits	<u>210,753</u>	<u>197,685</u>
Other long-term benefits:		
Long-service leave	42,345	42,345
Total other long-term benefits	<u>42,345</u>	<u>42,345</u>
Termination benefits	-	-
Total	<u>2,903,041</u>	<u>2,403,393</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022 (Cont'd)**

27. CONTINGENT LIABILITIES

The National Council does not have any material contingent liabilities or commitments that would require disclosure in this financial report.

28. ADDITIONAL INFORMATION

The registered office and principal place of business of the union is:

Level 4, 133 – 137 Parramatta Road, Granville NSW 2142.

29. SUBSEQUENT EVENTS

There has been no matters or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the National Council, the results of those operations, or the state of affairs of the National Council in subsequent financial periods.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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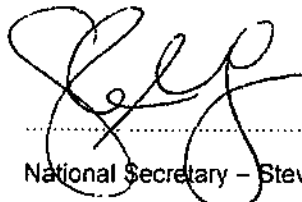
NATIONAL COUNCIL

OFFICER DECLARATION STATEMENT

I, Steven Murphy, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, declare that the following did not occur during the reporting period ending 30 September 2022

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive revenue from undertaking recovery of wages activity
- Pay capitation fees to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay a person fees or allowances to attend conferences or meetings as a representation of the reporting unit
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- Have a receivable with other reporting unit(s)
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit.



National Secretary – Steven Murphy

13 December 2022



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Australia

INDEPENDENT AUDITORS REPORT

To the members of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union,
National Council

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council (the reporting unit), which comprises the statement of financial position as at 30 September 2022, the statement of comprehensive income, the statement of changes in accumulated funds & reserves and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council, presents fairly, in all material respects the reporting unit's financial position as at 30 September 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.



- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.


We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I declare that I am an auditor registered under the RO Act.

BDO Audit Pty Ltd

BDO


Clayton Eveleigh
Director

Sydney, 13 December 2022

Registration number (as registered by the Commissioner under the RO Act): AA2019/16

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED
INDUSTRIES UNION**

NATIONAL POLITICAL FUND

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING & KINDRED INDUSTRIES UNION**

NATIONAL POLITICAL FUND

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**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND


COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 December 2022 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council Political Fund for the year ended 30 September 2022.

The National Council 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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the National Council Political Fund for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the National Council Political Fund 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 National Council Political Fund were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the National Council Political Fund have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the National Council Political Fund have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the National Council Political Fund have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request by a member of the National Council or Commissioner duly made under Section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.

This declaration is made in accordance with a resolution of the National Council:



.....
National Secretary – Steven Murphy

13 December 2022

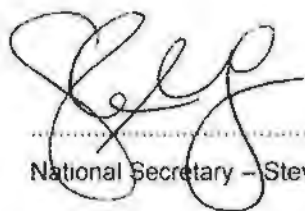
**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The State Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund for the year ended 30 September 2022.

Categories of expenditures	2022 \$	2021 \$
Remuneration and other employment-related costs and expenses – employees	-	-
Advertising	-	-
Operating costs	366,413	360,858
Donations to political parties	583,993	88,682
Legal costs	-	-



National Secretary – Steven Murphy

13 December 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

		2022	2021
		\$	\$
INCOME			
Contributions		457,279	476,940
Interest received		<u>21,989</u>	<u>1,308</u>
TOTAL INCOME		<u>479,268</u>	<u>478,248</u>
EXPENDITURE			
Affiliation fees	3	326,566	349,338
Audit and accountancy fees	4	15,400	11,300
Bank and government charges		120	120
Delegation expenses – Employees		500	100
Donations	5	583,993	88,682
General office		4,724	-
Marginal seat election expenses		<u>19,103</u>	<u>-</u>
TOTAL EXPENDITURE		<u>950,406</u>	<u>449,540</u>
SURPLUS/(DEFICIT) FOR THE YEAR		<u>(471,138)</u>	<u>28,708</u>
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(471,138)</u>	<u>28,708</u>

The above statement of should be read in conjunction with the notes

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022**

	2022	2021
	\$	\$
ASSETS		
Cash at Bank	29	80
Receivable from: Cash Investments National Council	614,838	1,084,654
Prepayments	20,535	16,556
TOTAL ASSETS	<u>635,402</u>	<u>1,101,290</u>
LIABILITIES		
Trade and other payable	5,250	-
TOTAL LIABILITIES	<u>5,250</u>	<u>-</u>
NET ASSETS	<u>630,152</u>	<u>1,101,290</u>
ACCUMULATED FUNDS		
Accumulated Funds	630,152	1,101,290
TOTAL ACCUMULATED FUNDS	<u>630,152</u>	<u>1,101,290</u>

The above statement should be read in conjunction with the notes

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Accumulated Funds \$
Balance at 30 September 2020	1,072,582
Total comprehensive income for the year	<u>28,708</u>
Balance at 30 September 2021	<u>1,101,290</u>
Total comprehensive income for the year	<u>(471,138)</u>
Balance at 30 September 2022	<u>630,152</u>

The above statement should be read in conjunction with the notes

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022	2021
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions and Remittances		457,279	476,940
Interest Received		21,989	1,308
Payments to other reporting units: Victoria branch		(4,000)	(478,198)
Payments to Suppliers		(475,319)	(478,198)
NET CASH FLOWS FROM OPERATING ACTIVITIES	5(b)	(51)	50
NET INCREASE/(DECREASE) IN CASH HELD		(51)	50
Cash at the beginning of the year		80	30
CASH AT END OF THE YEAR	5(a)	29	80

The above statement should be read in conjunction with the notes

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisations) Act 2009 (RO Act)*. For the purpose of preparing the general purpose financial statements, the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund is a not-for-profit entity.

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the RO Act. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund is a Branch of the registered organisation. In accordance with the RO Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on an accrual basis and in accordance with historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Contributions are recognised as income at the point in time the National council transfers the monies it receives from members for the Political Fund.

Interest revenue is recognised on an accrual basis using the effective interest method.

Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

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 amortised cost using the effective rate of interest method.

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 on the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

Adoption of New Australian Accounting Standard requirements

The Branch has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Branch.

Going concern basis of accounting

The financial report has been prepared on the basis that the fund is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Political Fund believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the National Council has made an undertaking to provide financial support to the fund.

The Political Fund does not provide any financial support to any other Branch of the AFMEPKIU.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The National Council Political Fund makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Critical judgments in applying the National Council Political Fund's accounting principles

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

3. AFFILIATION FEES

	2022	2021
	\$	\$
Australian Labor Party NSW	68,576	71,802
Australian Labor Party Victoria	102,174	104,066
Australian Labor Party Queensland	70,060	68,625
Australian Labor Party Northern Territory	1,959	2,123
Australian Labor Party South Australia	23,191	22,778
Australian Labor Party Western Australia	56,010	72,032
Australian Labor Party Tasmania	4,596	7,912
	326,566	349,338

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

4. AUDIT AND ACCOUNTANCY FEES

	2022	2021
	\$	\$
Auditors		
Audit Fees	-	-
Preparation of financial statements	-	-
Financial member affiliation audit	14,500	10,700
Other audit and accountancy services	900	600
	<u>15,400</u>	<u>11,300</u>

5. GRANTS OR DONATIONS

	2022	2021
	\$	\$
Grants or donations \$1000 or less	2,050	1,000
Grants or donations over \$1000	581,943	87,682
	<u>583,993</u>	<u>88,682</u>

6. GENERAL OFFICE EXPENDITURE

	2022	2021
	\$	\$
General office expenses	724	-
Payment to other reporting unit: Victoria branch	4,000	-
	<u>4,724</u>	<u>-</u>

7. CASH FLOW INFORMATION

	2022	2021
	\$	\$
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at bank	<u>29</u>	<u>80</u>
(b) Reconciliation of Cash Flow from Operations with Surplus/(Deficit)		
Surplus/(Deficit)	(471,138)	28,708
Changes in Assets and Liabilities		
Decrease/(Increase) in Prepayments	(3,980)	7,358
(Increase)/Decrease in Receivables from National Council General Fund	469,817	(36,016)
(Decrease)/Increase in Trade and other payables	5,250	-
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(51)</u>	<u>50</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The National Council Political Fund is exposed to risks that arise from its use of financial instruments. This note describes the National Council Political Fund's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the National Council Political Fund's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The National Council Political Fund's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council Political Fund is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National Council have overall responsibility for the determination of the National Council Political Fund's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the National Council Political Fund incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the National Council Political Fund.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2022	2021
	\$	\$
Cash and cash equivalents	<u>29</u>	<u>80</u>
The cash and cash equivalents are held in a high quality Australian financial institution.		
Receivables from National Council General Fund	<u>614,838</u>	<u>1,084,654</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) Liquidity Risk

Liquidity risk is the risk that the National Council Political Fund may encounter difficulties raising funds to meet commitments associated with financial instruments.

The National Council Political Fund is not significantly exposed to this risk; as at 30 September 2022 it had \$29 (2021: \$80) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2022 was \$5,250 (2021: \$nil).

The National Council Political Fund manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

(e) Interest Rate Risk

The National Council Political Fund's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. FINANCIAL RISK MANAGEMENT (Cont'd)

30 September 2022	Floating/fixed interest rate	Non-interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	29	-	29
Receivable	614,838	-	614,838
Prepayments	-	20,535	20,535
	<u>614,867</u>	<u>20,535</u>	<u>635,402</u>
Weighted average interest rate	0.6%	0%	0.6%
Financial Liabilities			
Payables	-	5,250	5,250
Net Financial Assets	<u>614,867</u>	<u>15,285</u>	<u>630,152</u>
30 September 2021	Floating/fixed interest rate	Non-interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	80	-	80
Receivable	1,084,654	-	1,084,654
Prepayments	-	16,556	16,556
	<u>1,084,734</u>	<u>16,556</u>	<u>1,101,290</u>
Weighted average interest rate	0.6%	0%	0.6%
Financial Liabilities			
Payables	-	-	-
Net Financial Assets	<u>1,084,734</u>	<u>16,556</u>	<u>1,101,290</u>

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

8. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

**Sensitivity Analysis
2022**

	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	29	-	-

2022	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	614,838	3,074	(3,074)

2021	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	80	-	-

2021	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,084,654	5,423	(5,423)

9. SUBSEQUENT EVENTS

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is unable to reliably estimate the full financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Fund.

There were no events that occurred after 30 September 2022, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Political Fund.

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NATIONAL POLITICAL FUND

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

The National Council Political Fund is not aware of any contingent liabilities or commitments that would require disclosure in this financial report.

11. RELATED PARTIES

Key management personnel compensation and other Related Party transactions have been disclosed in the National Council's financial report.

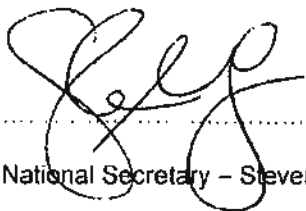
12. SECTION 272 FAIR WORK (REGISTERED ORGANISATION) ACT 2009

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009, the attention of members is drawn to the provisions of subsection (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Signed in accordance with a resolution of National Council.



.....

National Secretary – Steven Murphy



.....

National President – Andrew Dettmer

13 December 2022

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING & KINDRED INDUSTRIES UNION**

NATIONAL POLITICAL FUND

OFFICER DECLARATION STATEMENT

I, Steven Murphy, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries, declare that the following did not occur during the reporting period ending 30 September 2022:

The reporting unit did not:

- Agree to provide financial support to another reporting unit to ensure they continue as a going concern
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeded \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Pay legal costs relating to litigation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- Have a payable for Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable for Employee Provisions for Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Provide cash flows to another reporting unit and/or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



.....
National Secretary – Steven Murphy

13 December 2022

INDEPENDENT AUDITORS REPORT

To the members of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union,
National Council Political Fund

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund ('National Council Political Fund'), which comprises the statement of financial position as at 30 September 2022, the statement of comprehensive income, the statement of changes in accumulated funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund, presents fairly, in all material respects the National Council Political Fund's financial position as at 30 September 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the National Council Political Fund in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the National Council Political Fund's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the National Council Political Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

- As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 National Council Political Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Council Political Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the National Council Political Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the National Council Political Fund to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the National Council Political Fund audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I declare that I am an auditor registered under the RO Act.

BDO Audit Pty Ltd

BDO


Clayton Eveleigh
Director

Sydney, 13 December 2022

Registration number (as registered by the Commissioner under the RO Act): AA2019/16