



Australian Government
Australian Industrial Registry

26 May 2009

Mr David Oliver
National Secretary
Automotive, Food, Metals, Engineering,
Printing and Kindred Industries Union
PO Box 160
Granville NSW 2142

Attention: Mr Warren Soos, National Finance Officer
Attention: Ms Anne Urquhart, Tasmanian Branch Secretary

Dear Mr Oliver,

Re: Part 3 of Chapter 8 of Schedule 1 to the Workplace Relations Act 1996 (RAO Schedule)

Financial documents for year ended 30 September 2008 for:

National Council	FR2008/518	Western Australian Branch	FR2008/514
Victorian Branch	FR2008/515	South Australian Branch	FR2008/520
Queensland Branch	FR2008/519	New South Wales Branch	FR2008/517
Tasmanian Branch	FR2008/516		

Financial Documents for Tasmanian Branch for year ended 30 September 2007 (FR2007/520)

I refer to the above financial returns for the AMWU for the year ended 30 September 2008 which were lodged in the Industrial Registry on 30 March 2009. All of these financial returns have now been filed.

I also refer to the financial return for the Tasmanian Branch for the year ended 30 September 2007 (FR2007/520) regarding which there have been a number of exchanges by letter and email between our office, the organisation and the branch's auditors since the financial return was lodged in the Registry on 27 March 2008.

In light of issues that have arisen in correspondence regarding the Tasmanian Branch's financial return for the year ended 30 September 2007 and the recent lodgment of the 2008 returns, I have recently conducted a review of the requirements of the RAO Schedule with respect to the keeping of accounts and preparation of a general purpose financial report (GPFR) under sections 252 and 253 of the RAO Schedule respectively.

GPFR to be Prepared on Accrual Basis

Obligations with respect to the keeping of financial records and preparation of a GPFR are placed upon registered organisations and their branches (which are referred to as 'reporting units') by the following sections of the RAO Schedule (emphasis added):

252 Reporting unit to keep proper financial records

- (1) A reporting unit must:
 - (a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and
 - (b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and
 - (c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.
- (2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

- (3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.
- (4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.
- (5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

253 Reporting unit to prepare general purpose financial report

- (1) As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year.
...
- (3) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit. This subsection does not affect the obligation for a financial report to comply with the Australian Accounting Standards.

I note the distinction between the requirement to 'keep' financial records in section 252 and to 'prepare' a GPFR in section 253, the significance of which is discussed below.

As I understand the background to this matter, on 27 April 2005 the Registry received a letter from Mr Doug Cameron, then National Secretary of the AMWU, seeking an exemption under section 241 of the RAO Schedule from the requirement that a GPFR be prepared under section 253 in accordance with Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis. A copy of that letter is attached.

A letter in reply from the Registry dated 5 June 2005 (a copy of which is also attached) advised the AMWU that:

...subsection 252(3) confers on an organisation an express statutory discretion to keep its financial records on a cash basis or an accrual basis.

As a matter of legislative construction, and in the absence of any judicial authority to the contrary, it is the Registry's view that the express discretion under section 252(3) would override any general provision concerning exemption from the Accounting Standards. In other words, the terms of subsection 252(3) in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. In this respect it is not necessary to determine the instant application separately under section 241.

In light of the Registry's advice, the AMWU has been preparing GPFRs on a cash (rather than an accrual) basis. Accordingly, for the year ended 30 September 2008 the AMWU's national office and its branches have each prepared a GPFR on a cash basis as follows:

Note 1 to the Accounts - Significant Accounting Policies

...

The union has determined to adopt the cash basis of accounting in the preparation of financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standards that mandates accrual accounts ...

Similarly, the opinion expressed in the audit report for each of the financial returns also refers to a GPFR prepared on a cash basis:

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union... is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements...

Having now examined this issue myself, I am of the view that the advice in the Registry's letter of 5 June 2005 was incorrect.

Sections 252 and 253 of the RAO Schedule impose quite separate and distinct obligations upon reporting units. Section 252 is concerned with the keeping of financial records. While records may be kept on an accrual basis, subsections (3) and (4) also allow for the keeping of financial records as far as they relate to income and expenditure (and/or membership subscriptions) on a *cash* basis at the option of the reporting unit concerned (although note the requirement in section 252(2) that reporting units within an organisation should keep their records in a consistent manner as far as practicable).

A quite separate requirement to prepare a GPFR in accordance with Australian Accounting Standards (that is, on an *accrual* basis) is imposed by section 253 of the RAO Schedule and the relevant Australian Accounting Standard (AASB 101.25).

When read together, sections 252 and 253 require that, while some financial records may be kept on a cash basis, a GPFR must be prepared on an accrual basis whether or not records were kept on a cash or accrual basis. The only exception to the requirement that a GPFR be prepared on an accrual basis would be where an exemption from compliance with Australian Accounting Standards has been granted under section 241 of the RAO Schedule.

As a result, in future the AMWU and each of its reporting units **must** prepare a GPFR on an accrual basis as required by section 253 of the RAO Schedule and the relevant Australian Accounting Standard (AASB 101.25). You are requested to advise your branches accordingly. It is noted that this will result in a change of accounting policy that will need to be disclosed as set out in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. I understand

that the standard requires that it be applied to the comparative figures if practicable. I seek your view as to whether this is the case and note that you may need to discuss this with your auditor.

Financial Return for Tasmanian Branch – Year Ended 30 September 2007

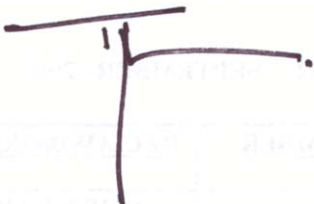
As stated above, the financial return for the Tasmanian Branch for year ended 30 September 2007 was lodged in the Registry on 27 March 2008 (FR2007/520).

The GPFR for that financial return was prepared on a cash basis. The original auditor for that financial return (Mr Craig Barling of Deloitte Touche Tohmatsu) included a disclaimer in his Audit Report dated 11 December 2007. Further correspondence between the Registry, the auditor and the organisation indicated that the disclaimer arose out of the preparation of the GPFR on a cash basis.

As already stated, in future years the organisation and its branches must prepare a GPFR on an accrual basis. I am therefore satisfied that this issue will be rectified by the branch when its next financial return is lodged with the Registry.

Accordingly, the financial return for the Tasmanian Branch for year ended 30 September 2007 has now been filed.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'Terry Nassios', written over a faint, illegible background. The signature consists of a horizontal line at the top, a vertical line extending downwards from the center, and a horizontal line extending to the right from the top of the vertical line.

Terry Nassios
Deputy Industrial Registrar

cc: Mr Craig Barling
Deloitte Touche Tohmatsu
cbarling@deloitte.com.au

27 April 2005

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001
Att: Andrew O'Brien

Dear Sir,

Re: Workplace Relations Act 1996
S241 - Exemptions from certain Australian Accounting Standards
Automotive, Food, Metals, Engineering, Printing and Kindred Industries
Union

I write to seek the Industrial Registrar's exemption from complying with the Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis. The application of this standard creates enormous difficulties for our organisation, and therefore, I ask that the AFMEPKIU be exempted from complying with the Accruals standard.

Below is the background and rationale for the above request.

1. Legislative Background

Under the Workplace Relations Act 1996, Schedule 1B – Chapter 8 – Records and Accounts:

Section 252(3) – Cash or accrual basis – states that the "Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation".

Section 253(1) – Report to be prepared at the end of the financial year – states that "As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards...".

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule – Application – point 3 states that "In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations".

Section 241(1) – Registrar may determine standards do not apply – states that “The Industrial Registrar may, by written notice, determine that particular Australian Accounting Standards do not apply in relation to an organisation or to a class of organisations”. **Section 241(2) – Considerations** – states that “In deciding whether to determine that a particular Australian Accounting Standard does not apply in relation to an organisation or organisations, the Registrar is to have regard to the cost to the organisation or organisations of complying with the standard and the information needs of the members of the organisation or organisations”.

2. Background on Difficulties Encountered complying with the Accruals Standard

The AFMEPKIU has developed over a five year period a complex budgetary process to aid the Committees of Management within the Union in making informed decisions.

On a monthly basis, actual results are compared to budgeted figures so that each State/Division within the Union can easily and swiftly appraise its performance. These budget figures provide detailed and accurate financial data, and allow the Union to make timely decisions regarding expenditure and staffing levels as required.

The monthly actual/budget figures are prepared as soon as the end of month process is complete (usually by the third day of the month), and are distributed to the National Secretary, National Divisional Secretaries, State and Regional Secretaries across the Union.

This does not present a problem, until audit time being September 30 each year. The Budget process is completed and distributed by the 7th day of October. The data that makes up these reports is based on information entered into the accounts up to September 30. The auditors perform their audit of the accounts usually from October 10 on.

If, during the performance of the audit, the auditors determine that an expense should be accrued into the September accounts (that is, paid in October but put back into September as it relates to September – as required by the standard on Accruals), this will mean there is a variance between the data we have provided to our management (on the 7th) and the data that is now in the accounts. That is, the September expenses will be higher than the data presented to management.

This variance between the data presented to management and the data in the accounts creates an enormous problem for the Union.

3. Rationale for Request

3a. The Workplace Realations Act section 252(3) is quite clear that “Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the

organisation". As the AFMEPKIU accounts for its income on a cash basis, it would be consistent for the expenditure to be also accounted for on a cash basis.

3b. All expenditure within the union is paid as soon as practicable after the receipt of an invoice. No invoices are held for payment to take advantage of terms of payment – that is, holding on to the invoice until the due date of the invoice is near. We treat all expenditure on a "cash" basis – payable immediately.

3c. Further to the point above, we do not pay any large annual invoices which would materially affect the financial results of the Union. For example, amongst our largest ongoing invoices would be phone and flight accounts, which are consistent across the months (in the main). Therefore, provided there are 12 monthly invoices reflected in the phone and flight accounts within the year, the financial results will give members and decision makers an accurate picture.

3d. The Accrual standard states that "The cash basis of accounting, which recognises the financial effects of transactions or other events only when cash has been received or paid, provides information of limited use for decision making." However, as stated above, the decision making of the Union is, and has for the past 5 years, been based on the cash basis of accounting, with excellent results.

3e. The AFMEPKIU has a proven record using the cash accounting method. There have been no qualified audits produced, and no major concerns alerted to us from the Industrial Registrar, only minor oversights. This record has been achieved using the cash accounting method, across all reporting units of the Union. It has only been recently that auditors are beginning to advise the Union that accrual journals should be raised, especially under the new legislation introduced under schedule 1B of the RAO, which places a greater emphasis on the Australian Accounting Standards.

4. Conclusion

The Workplace Relations Act 1991 allows for the financial records of an organisation that relate to expenditure to be kept on a cash basis, and allows for the Industrial Registrar to determine that a particular Australian Accounting Standards does not apply in relation to an organisation.

In short, it is our submission that the cash accounting method does not materially affect the information provided to members on the state of the Union's finances, and that the only real impact of your determination will be to delay the provision of key budget information to the Union's Committees of Management by up to six weeks.

As complying to the Accruals standard creates enormous problems for the AFMEPKIU in providing timely, relevant and meaningful financial data to the committee of management consistent with the financial accounts of the Union, I ask that the Industrial Registrar grant exemption to the AFMEPKIU from having to comply with the Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis.

We submit that this request is consistent with the Act.

Should you require further information or clarification on any of the above, please contact Warren Soos, National Finance Officer of the AFMEPKIU on 02 9897 9133.

Yours sincerely,

Doug Cameron
National Secretary



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7799
Fax: (03) 9654 6672

Mr D Cameron
National Secretary
Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
PO Box 160
Granville NSW 2142

Dear Mr Cameron

Attn: Mr Soos

Re: Application for exemption from accounting standard
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I refer to your letter of 28 April 2005 in which seek, on behalf of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (the Union), the Industrial Registrar's exemption from complying with Australian Accounting Standard AASB 1001 in so far as Item 7.2 of that standard requires an entity to prepare its financial statements on an accrual basis. Your letter then sets out reasons why and the grounds upon which the union wishes to (continue to) prepare its financial statements on a cash basis.

Your application is made under RAO section 241 which reads:

"241 Exemptions from certain Australian Accounting Standards

- (1) The Industrial Registrar may, by written notice, determine that particular Australian Accounting Standards do not apply in relation to an organisation or to a class of organisations.
- (2) In deciding whether to determine that a particular Australian Accounting Standard does not apply in relation to an organisation or organisations, the Registrar is to have regard to the cost to the organisation or organisations of complying with the standard and the information needs of the members of the organisation or organisations."

Your letter refers appropriately to the other relevant provisions of the RAO Schedule and delegated legislation, namely subsections 252(3), 253(1) and Item 3 of the Industrial Registrar's (s253) Reporting Guidelines. In order that this advice stands alone, it is necessary to restate those provisions more completely as follows:

"252 Reporting unit to keep proper financial records

- (1) A reporting unit must:
 - (a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and

(b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and

(c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.

(2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

(3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

(4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.

(5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

***253 Reporting unit to prepare general purpose financial report**

(1) As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year.

(2) The general purpose financial report must consist of:

(a) financial statements containing:

(i) a profit and loss statement, or other operating statement; and

(ii) a balance sheet; and

(iii) a statement of cash flows; and

(iv) any other statements required by the Australian Accounting Standards; and

(b) notes to the financial statements containing:

(i) notes required by the Australian Accounting Standards; and

(ii) information required by the reporting guidelines (see section 255); and

(c) any other reports or statements required by the reporting guidelines (see section 255).

(3) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit. This subsection does not affect the obligation for a financial report to comply with the Australian Accounting Standards.

Note 1: This section is a civil penalty provision (see section 305).

Note 2: The Australian Accounting Standards may be modified for the purposes of this Schedule by the regulations.

Note 3: If the financial statements and notes prepared in compliance with the Australian Accounting Standards would not give a true and fair view, additional information must be included in the notes to the financial statements under paragraph (2)(b)."

"Registrar's s253 reporting guidelines applying to financial years commencing on or after 1 November 2004

.....

3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations."

In considering this matter against the relevant legislative construct (as quoted above), it is noted that while section 241 provides an avenue for an exemption from particular AAS in certain circumstances, subsection 252(3) confers on an organisation an express statutory discretion to keep its financial records on a cash basis or an accrual basis.

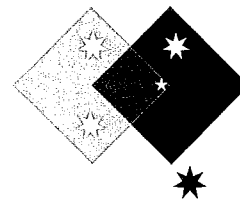
As a matter of legislative construction, and in the absence of any judicial authority to the contrary, it is the Registry's view that the express discretion under section 252(3) would override any general provision concerning exemption from the Accounting Standards. In other words, the terms of subsection 252(3) in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. In this respect it is not necessary to determine the instant application separately under section 241.

It follows that the instant matter does not constitute any conflict between the Accounting Standards and the Registrar's Guidelines, both of which must operate in a subordinate relationship to the primary legislative term per subsection 252(3) of Schedule 1B of the Workplace Relations Act 1996.

Yours sincerely,



Andrew O'Brien
Manager
Statutory Services Branch
Principal Registry
5 June 2005



AMWU

24 March 2009

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994
MELBOURNE VIC 3001
Att: Robert Pfeiffer



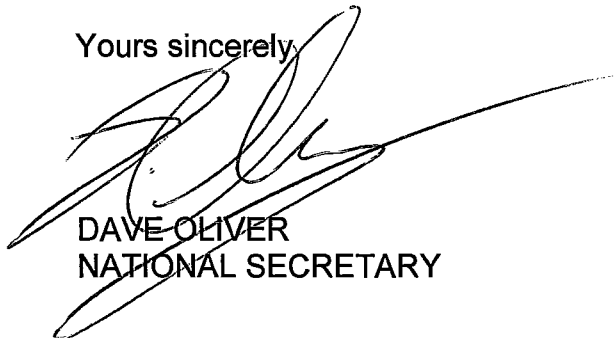
Dear Sir,

**Re: Lodgement of the Full Reports and Certificates of Secretaries
for the financial year ended 30 September 2008
Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union**

Please find enclosed copies of the Full Report of the reporting units together with certificates of the prescribed designated officers of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.

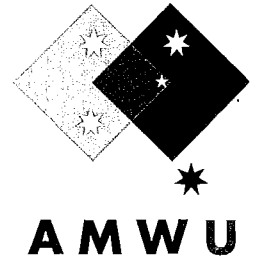
This lodgement is made in accordance with the Workplace Relations Act 1996, section 268 – Reports etc. to be lodged in the Industrial Registry.

Yours sincerely,



DAVE OLIVER
NATIONAL SECRETARY

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
**National Finance & Records
Department**
Level 4 133 Parramatta Rd
GRANVILLE NSW 2142
PO Box 160 Granville 2142
Telephone 02 9897 9133
Facsimile 02 9897 9274
amwu2@amwu.asn.au



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

NATIONAL COUNCIL

CERTIFICATE OF NATIONAL SECRETARY

I, Dave Oliver, 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 RAO Schedule; and
- that the Full Report was provided to members in the month of January 2009; 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 the 24th March 2009 in accordance with section 266 of the RAO Schedule.

National Secretary
Dave Oliver


Signature



24 March, 2009
Date

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

NATIONAL COUNCIL GENERAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

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

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT

The National Council, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council for the financial year ended 30 September 2008

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

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

Results of Principal Activities

The AFMEPKIU National Council's principal activities resulted in a surplus for the financial year of \$3,103,053.

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 the member ceases to be eligible to become a member;

whichever is later; or

- (b) 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.

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.

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

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (cont'd)

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 Workplace Relations Act 1996. In accordance with section 174(1) of the Workplace Relations Act 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.

National Officers or Members who are Trustees of a Superannuation Entity

The details of each officer or member of the National Council who 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	Superannuation Fund	Position
Dave Oliver	Australian Super	Member Director
Nixon Apple	Australian Super	Member Director-Alternate
Mike Nicolaides	Australian Super	Member Non-Director of the Member and Employer Services Committee
Glenn Thompson	C+BUS	Member Director
Tim Ayres	C+BUS	Member Director-Alternate
Ian Jones	MTAA Super	Member Representative Director
Alix Sachinidis	MTAA Super	Member Representative Director
Mark Georgiou	MTAA Super	Member Representative Director
Steve Walsh	Media Super	Member Representative Director
Katrina Ford	Media Super	Member Representative Director
Stuart Gordon	Media Super	Member Representative Director

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PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (cont'd)

Other Relevant Information

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

Prescribed Information Required Under the Workplace Relations (RAO) Regulations 2003

- (a) The number of persons who were recorded in the register of members on 30 September 2008 was 118,023.
- (b) The number of persons who were employees of the reporting unit on 30 September 2008 was 308.7, 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:


Name	Period Position Held
Julius Roe	1 October 2007 to 30 September 2008
Glenn Thompson	1 October 2007 to 30 September 2008
Jennifer Dowell	1 October 2007 to 30 September 2008
Mike Nicolaides	1 October 2007 to 30 September 2008
Steve Walsh	1 October 2007 to 30 September 2008
Ian Jones	1 October 2007 to 30 September 2008
Anne Donnellan	1 October 2007 to 30 September 2008
Dave Smith	1 October 2007 to 30 September 2008
Paul Bastian	1 October 2007 to 30 September 2008
Dave Oliver	1 October 2007 to 30 September 2008
Steve Dargavel	1 October 2007 to 30 September 2008
Jim Reid	1 October 2007 to 23 November 2007
John Camillo	1 October 2007 to 30 September 2008
Jock Ferguson	1 October 2007 to 28 September 2008
Andrew Dettmer	1 October 2007 to 30 September 2008
Tim Ayres	1 October 2007 to 30 September 2008
Matthew Lowe	1 October 2007 to 30 September 2008
Daniel Dougherty	1 October 2007 to 30 September 2008
Anne Urquhart	1 October 2007 to 30 September 2008
Ian Mortimer	1 October 2007 to 30 September 2008
Mark West	1 October 2007 to 30 July 2008
Craig Lerner	1 October 2007 to 30 July 2008
Jim O'Neill	1 October 2007 to 30 July 2008
Margaret Hay	1 October 2007 to 30 September 2008
Frank Cherry	1 October 2007 to 30 September 2008
Gary Robb	1 October 2007 to 30 September 2008
Darren Trask	1 October 2007 to 28 September 2008
Paul McMahon	1 October 2007 to 28 March 2008
Colin Fenney	1 October 2007 to 30 September 2008
Mick Elston	1 October 2007 to 30 September 2008
Steve McCartney	29 September 2008 to 30 September 2008
Alan Lindsey	31 July 2008 to 30 September 2008
David Brook	31 July 2008 to 30 September 2008
Lorraine Cassin	26 November 2007 to 30 September 2008
Rohan Webb	29 September 2008 to 30 September 2008
Charlie Marmara	12 March 2008 to 30 September 2008

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

NATIONAL COUNCIL GENERAL FUND

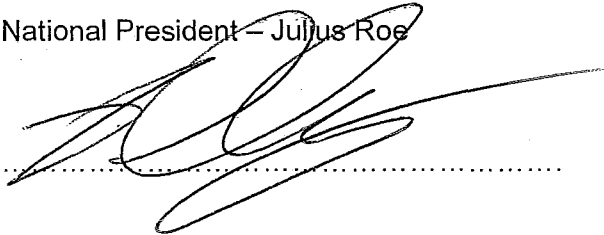
OPERATING REPORT (cont'd)

Signed in accordance with a resolution of National Council



.....

National President – Julius Roe



.....

National Secretary – Dave Oliver

16 December 2008

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

NATIONAL COUNCIL GENERAL FUND

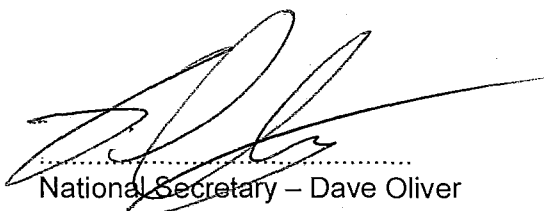
COMMITTEE OF MANAGEMENT'S STATEMENT

On 16 December 2008 the Committee of Management of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council General Fund for the year ended 30 September 2008.

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

- (a) the financial report and notes comply with the Australian Accounting Standards to the extent disclosed in note 1 to the financial statements;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report 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 ended 30 September 2008;
- (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 ended 30 September 2008 and since the end of the financial 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 RAO Schedule and the RAO Regulations; 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 of a member of the National Council or a Registrar under section 272 of the RAO Schedule.
 - (vi) no orders have been made by the Industrial Registrar under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 September 2008 the National Council did not participate in any recovery of wages activity.

For the National Council:


National Secretary – Dave Oliver

16 December 2008

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

NATIONAL COUNCIL GENERAL FUND

**INCOME STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2008**

	Note	2008 \$	2007 \$
INCOME			
Contributions		34,991,885	34,709,856
Distribution from Available-for-Sale Financial Assets		237,538	15,470
Interest on Investments		2,089,588	1,935,136
Interest on Loans		2,929	5,808
Rent Received	8	4,435,209	3,832,263
Sundry Income	9	301,278	249,457
TOTAL INCOME		<u>42,058,427</u>	<u>40,747,990</u>
 EXPENDITURE			
Depreciation			
Buildings		1,094,945	956,831
Computer Installation		288,112	276,609
Furniture & Fittings		87,791	87,381
Motor Vehicles		974,442	1,022,020
		<u>2,445,290</u>	<u>2,342,841</u>
 Employee Benefits Expense			
Salaries	14	16,117,329	16,651,214
Redundancies	13	600,115	235,573
Accrued Annual Leave		337,656	283,445
Long Service Leave		401,382	410,246
Fringe Benefits Tax		382,382	413,449
Payroll Tax		196,896	259,156
Superannuation		1,701,916	1,750,221
		<u>19,737,676</u>	<u>20,003,304</u>
 State Council Net Expenditure	 7	 <u>6,796,278</u>	 <u>6,072,377</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

**INCOME STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

	Note	2008 \$	2007 \$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees		492,441	490,183
Bank and Government Charges		179,044	156,396
Building Expenses		1,834,196	1,957,414
Collectors Expenses		39,407	43,501
Computing	10	803,207	1,055,849
Conference and Meeting Expenses		204,846	112,393
Conference and Meeting Expenses - Fees & Allowances		9,053	3,196
Delegation/Employee Expenses	11	559,001	666,473
Donations		18,239	45,846
Freight		11,449	71,347
Funeral Benefits		99,825	101,024
General Office Expenses		172,327	151,171
Insurance		49,608	89,115
Mailing and Printing - State M/C Cards		791,866	793,721
MISTAS		374,770	230,864
Motor Vehicle Expenses	16	213,029	210,579
Postage		17,827	37,354
Printing and Distribution - AMWU News		434,314	460,871
Printing and Distribution - Newsletters		50,877	137,177
Printing and Stationery		242,391	216,788
Professional Services	12	135,513	513,744
Publicity		20,514	197,864
Rent Paid	8	2,752,775	2,553,372
Research		125,162	248,325
Telephone		188,886	204,375
		<u>9,820,567</u>	<u>10,748,942</u>
TOTAL EXPENDITURE		<u>38,799,811</u>	<u>39,167,464</u>
OPERATING SURPLUS FOR YEAR		3,258,616	1,580,526
Deficit on Disposal of Assets	15	<u>(155,563)</u>	<u>(70,308)</u>
NET SURPLUS FOR YEAR		<u>3,103,053</u>	<u>1,510,218</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

BALANCE SHEET AS AT 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	3,739,081	3,962,134
Receivables	6	1,937,819	1,695,406
Investments			
Available for Sale Financial Assets		6,251,593	3,014,472
Managed Funds (at Fair Value)		29,351,380	26,427,543
Short Term Deposits		<u>35,602,973</u>	<u>29,442,015</u>
Total Current Assets		<u>41,279,873</u>	<u>35,099,555</u>
Non Current Assets			
Property, Plant and Equipment	4	41,361,763	41,495,421
Investments			
Sundry Investments		350,020	350,020
Receivables			
Loan secured by mortgage	24	<u>-</u>	<u>378,039</u>
Total Non Current Assets		<u>41,711,783</u>	<u>42,223,480</u>
TOTAL ASSETS		<u>82,991,656</u>	<u>77,323,035</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

BALANCE SHEET AS AT 30 SEPTEMBER 2008 (Cont'd)

	Note	2008 \$	2007 \$
LIABILITIES			
Current Liabilities			
Payables			
Sundry Creditors		295,993	22,426
Trust - Grants (including M.E.R.T)		2,246	292,355
National Council Political Fund		1,371,401	1,392,492
Hardship Fund	17	7,847,332	7,498,532
Education Fund	18	2,299,732	1,855,047
Vehicle Division Education Fund	19	91,341	89,696
Fairfax Chapel Dispute Fund		40,555	40,555
Australian Printing Federation		33,023	33,023
York Endowment		46,312	46,313
Campaign and Organising Fund	20	<u>1,402,345</u>	<u>(423,675)</u>
		<u>13,430,280</u>	<u>10,846,764</u>
Employee Entitlements			
Employee Entitlements for Annual Leave		2,609,905	2,616,277
Employee Entitlements for Long Service Leave		<u>2,825,101</u>	<u>2,944,483</u>
		5,435,006	5,560,760
Total Current Liabilities		<u>18,865,286</u>	<u>16,407,524</u>
Non Current Liabilities			
Employee Entitlements			
Employee Entitlements for Long Service Leave		<u>590,198</u>	<u>484,804</u>
Total Non Current Liabilities		<u>590,198</u>	<u>484,804</u>
TOTAL LIABILITIES		<u>19,455,484</u>	<u>16,892,328</u>
NET ASSETS		<u>63,536,172</u>	<u>60,430,707</u>
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		1,414	(998)
Accumulated Funds		<u>63,534,758</u>	<u>60,431,705</u>
ACCUMULATED FUNDS AND RESERVES		<u>63,536,172</u>	<u>60,430,707</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	Accumulated Funds	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
Balance at 30 September 2006	<u>58,921,487</u>	<u>-</u>	<u>58,921,487</u>
Net decrease in value of Available-for-sale financial assets	-	(998)	(998)
Net Surplus for the Year	<u>1,510,218</u>	<u>-</u>	<u>1,510,218</u>
Balance at 30 September 2007	<u>60,431,705</u>	<u>(998)</u>	<u>60,430,707</u>
Net increase in value of Available-for-sale financial assets	-	2,412	2,412
Net Surplus for the Year	<u>3,103,053</u>	<u>-</u>	<u>3,103,053</u>
Balance at 30 September 2008	<u>63,534,758</u>	<u>1,414</u>	<u>63,536,172</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL GENERAL FUND

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2008**

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		34,991,885	34,709,856
Payments to Suppliers and Employees		(33,892,849)	(35,121,756)
Interest Received		2,092,518	1,935,136
Rent Received		1,984,331	1,719,463
Sundry Income		301,278	249,458
NET CASH PROVIDED BY OPERATING ACTIVITIES	21(b)	<u>5,477,163</u>	<u>3,492,157</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investments		-	29,970
Proceeds from Sale of Property, Plant and Equipment		803,411	809,422
Receipts from Other Funds		4,295,623	4,057,419
Proceeds from loan		378,039	-
Payments for Property, Plant and Equipment		(3,270,611)	(5,380,825)
Payments for Investments		(2,997,170)	(3,000,000)
Payments for Other Funds		(1,695,562)	(2,695,751)
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,486,270)</u>	<u>(6,179,765)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts on Behalf of Grants		957,747	835,550
Payments on Behalf of Grants		(1,247,856)	(675,716)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		<u>(290,109)</u>	<u>159,834</u>
NET INCREASE (DECREASE) IN CASH HELD		2,700,784	(2,527,774)
Cash at Beginning of Year		<u>30,389,677</u>	<u>32,917,451</u>
CASH AT END OF YEAR	21(a)	<u>33,090,461</u>	<u>30,389,677</u>

(The attached Notes form part of these Accounts)

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Workplace Relations Act 1996, with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council, and in accordance with the Workplace Relations Act, 1996 the National Council is a reporting unit. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Workplace Relations Act. 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 financial report has been prepared on a cash basis as regards the income and expenditure of the National Council and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following is a summary of the significant accounting policies adopted by the National Council in the preparation and presentation of the financial report:

a) Revenue

All membership contributions are paid direct to the National Council and are accounted for on a cash receipts basis.

b) Property, Plant and Equipment

All Property, Plant and Equipment including those located at State Council Offices are recorded in the Balance Sheet of the National Council General Fund and all depreciation thereon is reflected in the National Council General Fund Income Statement.

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

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%
Furniture and Fittings	10% - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet 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 income statement in the year that the item is derecognised.

c) Impairment

The carrying amounts of non current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use of assets not held primarily to generate cash, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

**NATIONAL COUNCIL GENERAL FUND
NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Employee Benefits

Provisions for employee benefits in the form of Annual Leave and Long Service Leave have been made for the estimated entitlements of all employees including those working at State Council offices, on the basis of their terms of employment.

In the case of Long Service Leave, the provision has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

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

e) 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.

f) 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 balance sheet 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.

g) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Short Term Deposits and Sundry Investments

Short Term Deposits and Sundry Investments are stated at cost.

Available-for-Sale financial assets

Investments, which are classified as available for sale, are measured at fair value. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investment Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the income statement.

(h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (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.

(a) 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.

(b) 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 the assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

- 1) A member of a reporting unit, or registrar, 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)

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)

	2008	2007
	\$	\$
4. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	2,890,803	8,275,903
Less Accumulated Depreciation	<u>(2,268,948)</u>	<u>(7,607,177)</u>
	<u>621,855</u>	<u>668,726</u>
Furniture and Fittings		
Cost	4,999,559	4,983,521
Less Accumulated Depreciation	<u>(4,715,641)</u>	<u>(4,629,987)</u>
	<u>283,918</u>	<u>353,534</u>
Motor Vehicles		
Cost	5,744,740	5,661,096
Less Accumulated Depreciation	<u>(1,769,927)</u>	<u>(1,756,179)</u>
	<u>3,974,813</u>	<u>3,904,917</u>
Properties - Cost		
Land	4,330,000	4,330,000
Buildings	<u>45,162,820</u>	<u>44,154,944</u>
	49,492,820	48,484,944
Less Accumulated Depreciation on Buildings	<u>(13,011,643)</u>	<u>(11,916,700)</u>
	<u>36,481,177</u>	<u>36,568,244</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>41,361,763</u>	<u>41,495,421</u>

MOVEMENTS IN CARRYING AMOUNTS

	Computer Equipment \$	Furniture and fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at 1 October					
2007	668,726	353,534	3,904,917	36,568,244	41,495,421
Additions	252,933	18,175	1,991,625	1,007,878	3,270,611
Disposals	(11,692)	-	(947,287)	-	(958,979)
Depreciation	<u>(288,112)</u>	<u>(87,791)</u>	<u>(974,442)</u>	<u>(1,094,945)</u>	<u>(2,445,290)</u>
Balance at 30 September					
2008	<u>621,855</u>	<u>283,918</u>	<u>3,974,813</u>	<u>36,481,177</u>	<u>41,361,763</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)

	Note	2008 \$	2007 \$
5. CASH AND CASH EQUIVALENTS			
Advances and Floats		110,200	116,369
Bank Accounts			
National Council General Fund		2,647,626	3,082,107
State Council General Fund Accounts	7	78,128	88,956
Recoverable Deposits		13,252	13,702
Cash in Transit		889,875	661,000
		<u>3,739,081</u>	<u>3,962,134</u>
6. RECEIVABLES			
National Entitlement Security Trust		1,672,028	1,395,011
Sundry Debtors		265,791	300,395
		<u>1,937,819</u>	<u>1,695,406</u>
<p>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.</p>			
7. STATE COUNCIL BANK BALANCES			
Bank Balances at Beginning of Year		88,956	88,381
Add Remittance to State Council General Fund		6,821,442	5,951,161
Add Remittance to State Council LPA		36,469	39,616
		<u>6,946,867</u>	<u>6,079,158</u>
Less State Council Payments (Net)		<u>(6,868,739)</u>	<u>(5,990,202)</u>
Bank Balances at end of year		<u>78,128</u>	<u>88,956</u>
State Council Payments comprise:			
State Council Net Expenditure		6,796,278	6,072,377
Movement in State Council Debtors/Creditors		72,461	(82,175)
		<u>6,868,739</u>	<u>5,990,202</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

	2008 \$	2007 \$
8. RENTS RECEIVED/RENTS PAID		
Rents applicable to the Union's occupancy of its own premises are assessed at market value and included in these financial accounts as both Rents Received and Rents Paid.	<u>2,464,850</u>	<u>2,112,800</u>
9. SUNDRY INCOME		
Lease of Equipment	14,000	-
Sundry	131,210	90,917
Dividend Received	430	8,380
Service Training Fees	<u>155,638</u>	<u>150,160</u>
	<u>301,278</u>	<u>249,457</u>
10. COMPUTING		
Consultancy Fees	107,287	165,397
Maintenance	79,655	199,792
Software	152,511	183,725
Other	58,522	77,529
Data Lines	<u>405,232</u>	<u>429,406</u>
	<u>803,207</u>	<u>1,055,849</u>
11. DELEGATION/EMPLOYEE EXPENSES		
Employees- Office Holders	74,346	122,683
Employees- Other	293,904	352,923
Members	<u>7,295</u>	<u>5,193</u>
	<u>375,545</u>	<u>480,799</u>
International- Office Holders	103,429	105,980
International- Other	<u>80,027</u>	<u>79,694</u>
	<u>559,001</u>	<u>666,473</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,
 PRINTING AND KINDRED INDUSTRIES UNION
 NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

	2008 \$	2007 \$
12. PROFESSIONAL SERVICES		
Auditors		
Audit Fees	75,500	72,800
Other Services	3,225	2,875
	<u>78,725</u>	<u>75,675</u>
Legal Expenses	56,788	138,069
Settlement of Legal Disputes	-	300,000
	<u>56,788</u>	<u>438,069</u>
	<u>135,513</u>	<u>513,744</u>
13. SALARIES - REDUNDANCIES		
Payments to Employees	20,839	51,411
Payments to Officials	453,896	146,768
Payments to Officers	125,380	37,394
	<u>600,115</u>	<u>235,573</u>
14. SALARIES		
Employees	3,747,638	3,817,387
Officials	3,053,475	3,528,033
Officers	9,316,216	9,305,794
	<u>16,117,329</u>	<u>16,651,214</u>
15. (DEFICIT) SURPLUS ON DISPOSAL OF ASSETS		
IT Equipment	(1,390)	(6,966)
Motor Vehicles	(154,173)	(63,342)
	<u>(155,563)</u>	<u>(70,308)</u>
16. MOTOR VEHICLE EXPENSES		
Leasing	-	1,014
Registrations and Running Expenses	213,029	209,565
	<u>213,029</u>	<u>210,579</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

	2008 \$	2007 \$
17. HARDSHIP FUND		
Balance brought forward	7,498,532	6,244,405
Add Contributions	1,073,761	1,403,267
Less Benefit Payments	(55,421)	(149,140)
Less Transfer to Education & Campaign and Organising Fund	(669,540)	-
	<u>7,847,332</u>	<u>7,498,532</u>
18. EDUCATION FUND		
Balance brought forward	1,855,047	1,693,865
Add Contributions	606,766	467,912
Add Transfer from Hardship Fund	334,770	-
Less Amounts Expended on Education Projects	(496,851)	(306,730)
	<u>2,299,732</u>	<u>1,855,047</u>
19. VEHICLE DIVISION EDUCATION FUND		
Balance brought forward	89,696	68,958
Add Contributions	16,144	26,176
Less Amounts Expended on Education Projects	(14,499)	(5,438)
	<u>91,341</u>	<u>89,696</u>
20. CAMPAIGN AND ORGANISING FUND		
Balance brought forward	(423,675)	(301,309)
Add Contributions	1,782,865	1,393,365
Add Transfer from Hardship Fund	334,770	-
Less Payments	(291,615)	(1,515,731)
	<u>1,402,345</u>	<u>(423,675)</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

	Note	2008 \$	2007 \$
21. CASH FLOW INFORMATION			
a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.			
Cash and Bank Balances	5	3,739,081	3,962,134
Short Term Deposits		<u>29,351,380</u>	<u>26,427,543</u>
		<u>33,090,461</u>	<u>30,389,677</u>
b) Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		3,103,053	1,510,218
Non-Cash Flows in Net Surplus			
Depreciation		2,445,290	2,342,841
Deficit on Disposal of Assets		155,563	70,308
Reinvestment of income from managed funds		(237,538)	(15,470)
Changes in Assets and Liabilities			
Increase/(Decrease) in Creditors		273,567	(45,582)
(Decrease) in Employee Entitlements		(20,360)	(110,752)
(Increase) in Receivables		<u>(242,412)</u>	<u>(259,406)</u>
CASH FLOWS FROM OPERATIONS		<u>5,477,163</u>	<u>3,492,157</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

22. 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:

	Note	2008 \$	2007 \$
Cash and Bank Balances	5	3,739,081	3,962,134
Short Term Deposits		29,351,380	26,427,543
		<u>33,090,461</u>	<u>30,389,677</u>
The cash and cash equivalents are held in high quality Australian financial institutions.			
National Entitlement Security Trust		1,672,028	1,395,011
Sundry Debtors		265,791	300,395
Total receivables	6	<u>1,937,819</u>	<u>1,695,406</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.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

22. 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 2008 it had \$33,090,461 (\$30,389,677 - 2007) of cash and cash equivalents to meet these obligations as they fall due. The Financial liabilities recorded in the financial statements at 30 September 2008 and 30 September 2007 were \$13,430,280 and \$10,846,764 respectively. 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 cashflows 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:

Interest Rate Risk

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 2008	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	3,615,629	-	123,452	3,739,081
Receivables	1,672,028	-	265,791	1,937,819
Managed Funds	6,251,593	-	-	6,251,593
Short term deposits	29,351,380	-	-	29,351,380
	<u>40,890,630</u>	<u>-</u>	<u>389,243</u>	<u>41,279,873</u>
Weighted average Interest rate	6.97%			
Financial Liabilities				
Payables	1,371,401	-	12,058,879	13,430,280
	<u>1,371,401</u>	<u>-</u>	<u>12,058,879</u>	<u>13,430,280</u>
Weighted average Interest rate	7.04%			
Net financial assets (liabilities)	<u>39,519,229</u>	<u>-</u>	<u>(11,669,636)</u>	<u>27,849,593</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

22. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2007	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	3,832,063	-	130,071	3,962,134
Receivables	1,395,011	378,039	300,395	2,073,445
Managed Funds	3,014,472	-	-	3,014,472
Short term deposits	26,427,543	-	-	26,427,543
	<u>34,669,089</u>	<u>378,039</u>	<u>430,466</u>	<u>35,477,594</u>
Weighted average Interest rate	6.14%	1.50%		
Financial Liabilities				
Payables	1,392,492	-	9,454,272	10,846,764
	<u>1,392,492</u>	<u>-</u>	<u>9,454,272</u>	<u>10,846,764</u>
Weighted average Interest rate	6.27%			
Net financial assets (liabilities)	<u>33,276,597</u>	<u>378,039</u>	<u>(9,023,806)</u>	<u>24,630,830</u>

Sensitivity Analysis

2008	Carrying Amount	+0.50% (50 basis points) Profit	-2.00% (200 basis points) Loss
	\$	\$	\$
Cash Assets	3,615,629	18,078	(72,313)
Short Term Deposits	29,351,380	146,757	(587,028)
2007	Carrying Amount	+1.00% (100 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash Assets	3,832,063	38,321	(19,160)
Short Term Deposits	26,427,543	264,275	(132,138)

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

22. 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:

	2008	2007		2008	2007
Fund Allocation (%):			Fund Allocation (\$):		
Cash & Bonds	44%	29%	Cash & Bonds	2,751,905	861,073
Mortgage	50%	71%	Mortgage	3,112,188	2,153,399
Australian Shares	4%	0%	Australian Shares	275,000	-
International Shares	2%	0%	International Shares	112,500	-
Total	<u>100%</u>	<u>100%</u>	Total	<u>6,251,593</u>	<u>3,014,472</u>

Sensitivity Analysis - Managed Funds (external)

2008	Carrying Amount	+1% (100 basis points) Other Equity Profit	-2% (200 basis points) Other Equity Loss
Cash & Bonds	\$ 2,751,905	\$ 27,519	\$ (55,038)
Sub Total	<u>2,751,905</u>	<u>27,519</u>	<u>(55,038)</u>
	Carrying Amount	+ 10 % Other Equity Profit	- 15 % Other Equity Loss
Mortgage	\$ 3,112,188	\$ 311,219	\$ (466,828)
Australian Shares	275,000	27,500	(41,250)
International Shares	112,500	11,250	(16,875)
Sub Total	<u>3,499,688</u>	<u>349,969</u>	<u>(524,953)</u>
Total	<u>6,251,593</u>	<u>377,488</u>	<u>(579,991)</u>

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]

22. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity Analysis – Managed Funds (External) (cont'd)

(f) Other Price Risks (Cont'd)

2007	Carrying Amount	+ 1 % (100 basis points) Other Equity	- 0.5 % (50 basis points) Other Equity
Cash & Bonds	\$ 861,073	\$ 8,611	\$ (4,305)
Sub Total	<u>861,073</u>	<u>8,611</u>	<u>(4,305)</u>
Mortgage	\$ 2,153,399	\$ 215,340	\$ (323,010)
Sub Total	<u>2,153,399</u>	<u>215,340</u>	<u>(323,010)</u>
Total	<u>3,014,472</u>	<u>223,951</u>	<u>(327,315)</u>

(g) Foreign Exchange Risk

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

23. 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.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

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NATIONAL COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 [Cont'd]**

24. RELATED PARTIES

- (i) In accordance with a resolution of National Council an interest bearing loan of \$360,000 secured by mortgage over land and buildings was made to the then National Secretary on 3 August 2004. As at 30 September 2008 the loan amount and all interest on the loan had been repaid by the former National Secretary.
- (ii) The aggregate amount of remuneration paid to office holders during the financial year is disclosed in the income statement under Salaries Officials and Salaries Redundancies as disclosed at note 14 and 13 to the accounts respectively.
- (iii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$665,031 (2007:\$640,685)
- (iv) 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.

25. ADDITIONAL INFORMATION

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

Level 4,
133 – 137 Parramatta Road
Granville NSW 2142

26. CONTINGENT LIABILITIES

The union is not aware of any contingent liabilities

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT

To the members of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund.

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund, which comprises the balance sheet as at 30 September 2008, and the income statement, statement of changes in accumulated funds and reserves and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement for the year then ended.

Committee of Management and the National Secretary's Responsibility for the Financial Report

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

AUTOMOTIVE, FOOD, METALS, ENGINEERING,

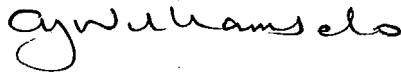
PRINTING AND KINDRED INDUSTRIES UNION

NATIONAL COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT (cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council General Fund is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



A J Williams & Co



David McLean
Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

16 December 2008

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

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	2008	2007
	\$	\$
INCOME		
Contributions	677,355	677,877
Interest Received	<u>88,625</u>	<u>88,822</u>
TOTAL INCOME	<u>765,980</u>	<u>766,699</u>
EXPENDITURE		
Affiliation Fees	401,846	375,968
Audit and Accountancy Fees	9,330	12,450
Bank and Government Charges	376	257
Delegation Expenses - Members	-	542
Donations	209,591	330,000
Election Expenses – Advertising	8,120	-
Marginal Seat Campaign	150,352	-
Postage, Printing & Stationery	<u>7,560</u>	<u>-</u>
TOTAL EXPENDITURE	<u>787,175</u>	<u>719,217</u>
(DEFICIT) / SURPLUS FOR YEAR	<u>(21,195)</u>	<u>47,482</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL POLITICAL FUND

BALANCE SHEET AS AT 30 SEPTEMBER 2008

	2008	2007
	\$	\$
ASSETS		
Cash at Bank	5,805	5,909
National Council General Fund	<u>1,371,401</u>	<u>1,392,492</u>
	<u>1,377,206</u>	<u>1,398,401</u>
LESS LIABILITIES		
Sundry Creditors	<u>-</u>	<u>-</u>
NET ASSETS	<u>1,377,206</u>	<u>1,398,401</u>
ACCUMULATED FUNDS	<u>1,377,206</u>	<u>1,398,401</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL POLITICAL FUND

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

	Accumulated Funds
	\$
Balance at 30 September 2006	1,350,919
Surplus for the year	47,482
Balance at 30 September 2007	<u>1,398,401</u>
Deficit for the year	(21,195)
Balance at 30 September 2008	<u>1,377,206</u>

(The attached Notes form part of these Accounts)

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		677,355	677,877
Interest Received		88,625	88,822
Payments to Suppliers		<u>(766,084)</u>	<u>(767,204)</u>
NET CASH USED IN OPERATING ACTIVITIES	3(b)	<u>(104)</u>	<u>(505)</u>
NET DECREASE IN CASH HELD		(104)	(505)
Cash at Beginning of Year		<u>5,909</u>	<u>6,414</u>
CASH AT END OF YEAR	3(a)	<u>5,805</u>	<u>5,909</u>

(The attached Notes form part of these Accounts)

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

1. SIGNIFICANT ACCOUNTING POLICIES

This financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations, with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

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 Workplace Relations Act. 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 financial report has been prepared on a cash basis as regards the income and expenditure of the National Council Political Fund and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following is a summary of the significant accounting policies adopted by the National Council Political Fund in the preparation and presentation of the financial report:

- (a) Contributions are accounted for on a cash receipts basis.
- (b) 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.
- (c) 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 balance sheet 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.

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.

(a) 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 asset and liabilities.

(b) Critical judgments in applying the National Council's accounting principles

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

	2008 \$	2007 \$
3. CASH FLOW INFORMATION		
a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash and Bank Balances	<u>5,805</u>	<u>5,909</u>
b) Reconciliation of Cash Flow from Operations with (Deficit) / Surplus		
(Deficit) / Surplus	(21,195)	47,482
Changes in Assets and Liabilities		
Decrease / (Increase) in National Council General Fund	<u>21,091</u>	<u>(47,987)</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(104)</u>	<u>(505)</u>

4. 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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(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:

	2008	2007
	\$	\$
Cash and cash equivalents	<u>5,085</u>	<u>5,909</u>

The cash and cash equivalents are held in a high quality Australian financial institution.

National Council General Fund	<u>1,371,401</u>	<u>1,392,492</u>
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There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(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 2008 it had \$5,085 (\$5,909 - 2007) of cash and cash equivalents to meet these obligations as they fall due. No financial liabilities were recorded in the financial statements at 30 September 2008 or 30 September 2007.

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 or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(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:

30 September 2008	Floating interest rate	Non interest bearing	Total
Financial Assets			
Cash and cash equivalents	\$ 5,805	-	\$ 5,805
Receivable	1,371,401	-	1,371,401
	<u>1,377,206</u>	<u>-</u>	<u>1,377,206</u>
Weighted average Interest rate	7.02%		
Financial Liabilities			
Payables	-	-	-
Net Financial Assets	<u>1,377,206</u>	<u>-</u>	<u>1,377,206</u>
30 September 2007	Floating interest rate	Non interest bearing	Total
Financial Assets			
Cash and cash equivalents	\$ 5,909	-	\$ 5,909
Receivable	1,392,492	-	1,392,492
	<u>1,398,401</u>	<u>-</u>	<u>1,398,401</u>
Weighted average Interest rate	6.25%		
Financial Liabilities			
Payables	-	-	-
Net Financial Assets	<u>1,398,401</u>	<u>-</u>	<u>1,398,401</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008 (Cont'd)**

4. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2008	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	5,805	29	(29)
2008	Carrying Amount	+0.50% (50 basis points) Profit	-2.00% (200 basis points) Loss
	\$	\$	\$
Receivable	1,371,401	6,857	(27,428)
2007	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	5,909	59	(59)
2007	Carrying Amount	+1.00% (100 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	1,392,492	13,925	(6,962)

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

INDEPENDENT AUDIT REPORT

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

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund, which comprises the balance sheet as at 30 September 2008, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes for the year then ended.

Committee of Management and the National Secretary's Responsibility for the Financial Report

The committee of management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

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

NATIONAL COUNCIL POLITICAL FUND

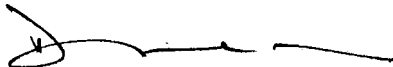
INDEPENDENT AUDIT REPORT (cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, National Council Political Fund is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



A J Williams & Co



David McLean

Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

16 December 2008