



FAIR WORK
AUSTRALIA

15 July 2010

Mr David Oliver
National Secretary
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the
Australian Manufacturing Workers’ Union (AMWU)
PO Box 160
GRANVILLE NSW 2142
By email: amwu2@amwu.asn.au

Attention: Ms Anne Urquhart, Tasmanian Branch Secretary
amwu@amwutas.asn.au

Dear Mr Oliver,

**Part 3 of Chapter 8 of Fair Work (Registered Organisations) Act 2009 (RO Act)
Financial reports for year ended 30 September 2009 for:**

National Council	FR2009/10197	Western Australian Branch	FR2009/10193
Victorian Branch	FR2009/10194	South Australian Branch	FR2009/10199
Queensland Branch	FR2009/10198	New South Wales Branch	FR2009/10196
Tasmanian Branch	FR2009/10195		

I refer to the above financial reports for the AMWU for the year ended 30 September 2009 which were lodged with Fair Work Australia on 30 March 2010. I apologise for the delay in responding to this matter.

All the above financial reports, with the exception of the Tasmanian Branch, have now been filed.

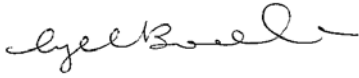
In regards to the financial report of the Tasmanian Branch of the AMWU, the lodged documents provided an unsigned copy of the auditor’s report. As you are aware, the full report that is presented to the committee of management in accordance to s266 of the RO Act and provided to the members in accordance to s265(5) must contain a signed and dated auditor’s report. I have followed up this matter with the Tasmanian Branch and their financial report will be filed in due course once this issue is resolved.

Comments to assist future financial reports

Subsection 254(2)(a) of the RO Act requires the operating report to contain 1) a review of the principal activities of the reporting unit; 2) the results of the principal activities; and 3) any significant changes in the nature of the principal activities. In addition to these requirements, subsection 243(2)(b) requires the operating report to give details of any significant changes in the reporting unit’s financial affairs during the year. I note that the operating reports addressed the requirements of subsection 254(2)(a) but not subsection 254(2)(b). Please ensure all the required information is provided in future operating reports.

If you have any queries regarding this letter I may be contacted on (03) 8661 7989 (Wednesdays - Fridays) or via email at Cynthia.lobooth@fwa.gov.au.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth
Tribunal Services and Organisations



23 March, 2010

The General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Attention: Robert Pfeiffer

Dear Sir,

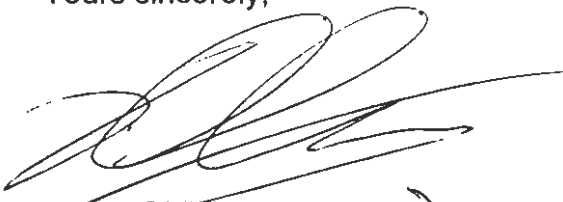
**Re: Lodgement of the Full Reports and Certificates of Secretaries
for the financial year ended 30 September 2009**

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries
Union known as the Australian Manufacturing Workers' 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 known as the Australian Manufacturing Workers' Union.

This lodgement is made in accordance with the Fair Work (Registered Organisations) Act 2009, section 268 – Reports etc. to be lodged with FWA.

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
amwu@amwu.asn.au



A M W U

**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 Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members in the month of January 2010; 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 23 March 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

National Secretary
Dave Oliver

Signature

23 March, 2010

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

NATIONAL COUNCIL GENERAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**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 Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council for the financial year ended 30 September 2009

Review of the National Council's Principal Activities

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

Significant Changes

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 \$2,836,459.

During the year the Australian Industrial Registrar withdrew its exemption for the National Council to adopt a cash basis for preparing its financial report and mandated that it now adopt an accruals basis for preparing the report. The National Council has therefore prepared its financial report on an accruals basis for the year ended 30 September 2009.

This is a change in accounting policy in that in previous years the National Council prepared its financial reports on a cash basis as they related to the income and expenditure of the National Council.

The effect of the change in accounting policy has been to increase net surplus for the year from \$2,431,845 to a net surplus of \$2,836,459, increase prepayments by \$386,262, increase interest accrued by \$194,467 and increase trade and other payables by \$176,115.

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.

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NATIONAL COUNCIL GENERAL FUND

OPERATING REPORT (cont'd)

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

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

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

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

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

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 of officer or member	Superannuation Fund	Position Held
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
Lorraine Cassin	Media Super	Member Representative Director
Katrina Ford	Media Super	Member Representative Director
Stuart Gordon	Media Super	Member Representative Director
Steve Vine	Media Super	Member Representative Director - Alternate

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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 Fair Work (Registered Organisations) Regulations 2009

- (a) The number of persons who were recorded in the register of members on 30 September 2009 was 113,086.
- (b) The number of persons who were employees of the reporting unit on 30 September 2009 was 313.8, 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 2008 to 30 September 2009
Dave Oliver	1 October 2008 to 30 September 2009
Glenn Thompson	1 October 2008 to 30 September 2009
Jennifer Dowell	1 October 2008 to 30 September 2009
Mike Nicolaides	1 October 2008 to 30 September 2009
Steve Walsh	1 October 2008 to 21 August 2009
Lorraine Cassin	1 October 2008 to 30 September 2009
Ian Jones	1 October 2008 to 30 September 2009
Anne Donnellan	1 October 2008 to 30 September 2009
Dave Smith	1 October 2008 to 30 September 2009
Paul Bastian	1 October 2008 to 30 September 2009
Steve Dargavel	1 October 2008 to 30 September 2009
Andrew Dettmer	1 October 2008 to 30 September 2009
John Camillo	1 October 2008 to 30 September 2009
Steve McCartney	1 October 2008 to 30 September 2009
Anne Urquhart	1 October 2008 to 30 September 2009
Tim Ayres	1 October 2008 to 30 September 2009
Gary Robb	1 October 2008 to 30 September 2009
Rohan Webb	1 October 2008 to 30 September 2009
Colin Fenney	1 October 2008 to 30 September 2009
Matthew Lowe	1 October 2008 to 13 May 2009
Steve Vine	14 May 2009 to 30 September 2009
Jamie Bellerby	24 August 2009 to 30 September 2009
Daniel Dougherty	1 October 2008 to 30 September 2009
Alan Lindsey	1 October 2008 to 30 September 2009
Warren Butler	1 October 2008 to 30 September 2009
Ian Mortimer	1 October 2008 to 30 September 2009
Margaret Hay	1 October 2008 to 30 September 2009
Mick Elston	1 October 2008 to 30 September 2009
David Brook	1 October 2008 to 30 September 2009
Charlie Marmara	1 October 2008 to 30 September 2009
Frank Cherry	1 October 2008 to 30 September 2009

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NATIONAL COUNCIL GENERAL FUND

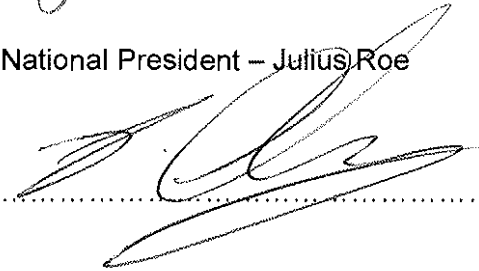
OPERATING REPORT (cont'd)

Signed in accordance with a resolution of National Council



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National President – Julius Roe



.....

National Secretary – Dave Oliver

8 December 2009

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

NATIONAL COUNCIL GENERAL FUND

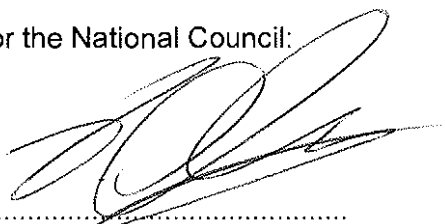
COMMITTEE OF MANAGEMENT'S STATEMENT

On 8 December 2009 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 2009.

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;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (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 2009;
- (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 2009 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 30 September 2009 the National Council did not participate in any recovery of wages activity.

For the National Council:



.....
National Secretary – Dave Oliver

8 December 2009

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

**INCOME STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 \$	2008 \$
INCOME			
Contributions		35,156,683	34,991,885
Distribution from Available-for-Sale Financial Assets		561,106	237,538
Interest on Investments		2,022,704	2,089,588
Interest on Loans		-	2,929
Rent Received	9	4,951,114	4,435,209
Sundry Income	10	<u>108,560</u>	<u>301,278</u>
TOTAL INCOME		<u>42,800,167</u>	<u>42,058,427</u>
EXPENDITURE			
Depreciation			
Buildings		1,124,700	1,094,945
Computer Installation		250,801	288,112
Furniture & Fittings		82,698	87,791
Motor Vehicles		<u>1,050,976</u>	<u>974,442</u>
		<u>2,509,175</u>	<u>2,445,290</u>
Employee Benefits Expense			
Salaries	15	17,005,302	16,117,329
Redundancies	14	228,932	600,115
Accrued Annual Leave		377,368	337,656
Long Service Leave		505,051	401,382
Fringe Benefits Tax		379,099	382,382
Payroll Tax		293,370	196,896
Superannuation		<u>1,776,520</u>	<u>1,701,916</u>
		<u>20,565,642</u>	<u>19,737,676</u>
State Council Net Expenditure	8	<u>6,689,824</u>	<u>6,796,278</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 2009 (Cont'd)**

	Note	2009 \$	2008 \$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees		448,078	492,441
Bank and Government Charges		177,453	179,044
Building Expenses		1,963,945	1,834,196
Collectors Expenses		38,089	39,407
Computing	11	738,379	803,207
Conference and Meeting Expenses		67,268	204,846
Conference and Meeting Expenses - Fees & Allowances		4,200	9,053
Delegation/Employee Expenses	12	565,537	559,001
Donations		56,690	18,239
Freight		9,575	11,449
Funeral Benefits		100,858	99,825
General Office Expenses		166,480	172,327
Insurance		51,443	49,608
Mailing and Printing - State M/C Cards		809,079	791,866
MISTAS		77,243	374,770
Motor Vehicle Expenses	17	190,385	213,029
Postage		25,412	17,827
Printing and Distribution - AMWU News		395,259	434,314
Printing and Distribution - Newsletters		24,549	50,877
Printing and Stationery		195,010	242,391
Professional Services	13	239,934	135,513
Publicity		101,902	20,514
Rent Paid	9	3,253,415	2,752,775
Research		90,845	125,162
Telephone		373,916	188,886
		<u>10,164,944</u>	<u>9,820,567</u>
TOTAL EXPENDITURE		<u>39,929,585</u>	<u>38,799,811</u>
OPERATING SURPLUS FOR YEAR		2,870,582	3,258,616
Deficit on Disposal of Assets	16	<u>(34,123)</u>	<u>(155,563)</u>
NET SURPLUS FOR YEAR		<u>2,836,459</u>	<u>3,103,053</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 2009

	Note	2009 \$	2008 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	1,411,692	3,739,081
Receivables	7	3,548,353	1,937,819
Investments			
Available for Sale Financial Assets		6,501,660	6,251,593
Managed Funds (at Fair Value)		36,936,920	29,351,380
Short Term Deposits		<u>43,438,580</u>	<u>35,602,973</u>
Total Current Assets		<u>48,398,625</u>	<u>41,279,873</u>
Non Current Assets			
Property, Plant and Equipment	5	40,820,911	41,361,763
Investments			
Sundry Investments		350,020	350,020
Total Non Current Assets		<u>41,170,931</u>	<u>41,711,783</u>
TOTAL ASSETS		<u>89,569,556</u>	<u>82,991,656</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 2009 (Cont'd)

	Note	2009 \$	2008 \$
LIABILITIES			
Current Liabilities			
Payables			
Sundry Creditors		661,995	295,993
Trust - Grants (including M.E.R.T)		-	2,246
National Council Political Fund		1,623,541	1,371,401
Hardship Fund	18	7,847,332	7,847,332
Education Fund	19	3,135,825	2,299,732
Vehicle Division Education Fund	20	94,085	91,341
Fairfax Chapel Dispute Fund		40,555	40,555
Australian Printing Federation		33,023	33,023
York Endowment		46,312	46,312
Campaign and Organising Fund	21	3,555,336	1,402,345
		<u>17,038,004</u>	<u>13,430,280</u>
Employee Entitlements			
Employee Entitlements for Annual Leave		2,795,794	2,609,905
Employee Entitlements for Long Service Leave		2,965,257	2,825,101
		<u>5,761,051</u>	<u>5,435,006</u>
Total Current Liabilities		<u>22,799,055</u>	<u>18,865,286</u>
Non Current Liabilities			
Employee Entitlements			
Employee Entitlements for Long Service Leave		711,738	590,198
Total Non Current Liabilities		<u>711,738</u>	<u>590,198</u>
TOTAL LIABILITIES		<u>23,510,793</u>	<u>19,455,484</u>
NET ASSETS		<u>66,058,763</u>	<u>63,536,172</u>
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		(312,454)	1,414
Accumulated Funds		66,371,217	63,534,758
ACCUMULATED FUNDS AND RESERVES		<u>66,058,763</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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Accumulated Funds	Available- for-Sale Investment Reserve	Total
	\$	\$	\$
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>
Net decrease in value of Available-for-sale financial assets	-	(313,868)	(313,868)
Net Surplus for the Year	<u>2,836,459</u>	<u>-</u>	<u>2,836,459</u>
Balance at 30 September 2009	<u>66,371,217</u>	<u>(312,454)</u>	<u>66,058,763</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 2009**

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		35,156,683	34,991,885
Payments to Suppliers and Employees		(34,256,832)	(33,892,849)
Interest Received		1,828,237	2,092,518
Rent Received		1,997,709	1,984,331
Sundry Income		<u>108,560</u>	<u>301,278</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	22(b)	<u>4,834,357</u>	<u>5,477,163</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		1,745,769	803,411
Receipts from Other Funds		4,223,603	4,295,623
Proceeds from loan		-	378,039
Payments for Property, Plant and Equipment		(3,748,215)	(3,270,611)
Payments for Investments		(322,288)	(2,997,170)
Payments for Other Funds		<u>(979,634)</u>	<u>(1,695,562)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>919,235</u>	<u>(2,486,270)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Receipts on Behalf of Grants		1,070,085	957,747
Payments on Behalf of Grants		<u>(1,565,526)</u>	<u>(1,247,856)</u>
NET CASH (USED IN) FINANCING ACTIVITIES		<u>(495,441)</u>	<u>(290,109)</u>
NET INCREASE IN CASH HELD		5,258,151	2,700,784
Cash at Beginning of Year		<u>33,090,461</u>	<u>30,389,677</u>
CASH AT END OF YEAR	22(a)	<u>38,348,612</u>	<u>33,090,461</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 2009**

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 Fair Work (Registered Organisations) Act 2009.

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

The financial report has been prepared 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 2009 (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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
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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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

2. CHANGE IN ACCOUNTING POLICY

During the year the Australian Industrial Registrar withdrew its exemption for the National Council to adopt a cash basis for preparing its financial report and mandated that it now adopt an accruals basis for preparing the report. The National Council has therefore prepared its financial reports on an accruals basis for the year ended 30 September 2009.

This is a change in accounting policy in that in previous years the National Council had prepared its financial reports on a cash basis as they related to the income and expenditure of the National Council.

The effect of the change in accounting policy has been to increase net surplus for the year from \$2,431,845 to a net surplus of \$2,836,459, increase prepayments by \$386,262, increase interest accrued by \$194,467 and increase trade and other payables by \$176,115.

3. 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 assets and liabilities.

**4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF
FAIR WORK AUSTRALIA**

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

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

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	2009	2008
	\$	\$
5. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	2,992,109	2,890,803
Less Accumulated Depreciation	<u>(2,420,402)</u>	<u>(2,268,948)</u>
	<u>571,707</u>	<u>621,855</u>
Furniture and Fittings		
Cost	5,048,346	4,999,559
Less Accumulated Depreciation	<u>(4,777,399)</u>	<u>(4,715,641)</u>
	<u>270,947</u>	<u>283,918</u>
Motor Vehicles		
Cost	5,961,430	5,744,740
Less Accumulated Depreciation	<u>(1,455,643)</u>	<u>(1,769,927)</u>
	<u>4,505,787</u>	<u>3,974,813</u>
Properties - Cost		
Land	4,330,000	4,330,000
Buildings	<u>45,278,815</u>	<u>45,162,820</u>
	49,608,815	49,492,820
Less Accumulated Depreciation on Buildings	<u>(14,136,345)</u>	<u>(13,011,643)</u>
	<u>35,472,470</u>	<u>36,481,177</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>40,820,911</u>	<u>41,361,763</u>

MOVEMENTS IN CARRYING AMOUNTS

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at 1 October 2008	621,855	283,918	3,974,813	36,481,177	41,361,763
Additions	227,813	69,727	3,334,682	115,993	3,748,215
Disposals	(27,160)	-	(1,752,732)	-	(1,779,892)
Depreciation	<u>(250,801)</u>	<u>(82,698)</u>	<u>(1,050,976)</u>	<u>(1,124,700)</u>	<u>(2,509,175)</u>
Balance at 30 September 2009	<u>571,707</u>	<u>270,947</u>	<u>4,505,787</u>	<u>35,472,470</u>	<u>40,820,911</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

	Note	2009 \$	2008 \$
6. CASH AND CASH EQUIVALENTS			
Advances and Floats		86,852	110,200
Bank Accounts			
National Council General Fund		1,242,286	3,537,501
State Council General Fund Accounts	8	75,434	78,128
Recoverable Deposits		7,120	13,252
		<u>1,411,692</u>	<u>3,739,081</u>
7. RECEIVABLES			
Accrued Interest		194,467	-
National Entitlement Security Trust		1,991,486	1,672,028
Prepayments		386,262	-
Sundry Debtors		482,943	265,791
Trust – Grants (including M.E.R.T)		493,195	-
		<u>3,548,353</u>	<u>1,937,819</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>			
8. STATE COUNCIL BANK BALANCES			
Bank Balances at Beginning of Year		78,128	88,956
Add Remittance to State Council General Fund		6,128,520	6,821,442
Add Remittance to State Council LPA		36,737	36,469
		<u>6,243,385</u>	<u>6,946,867</u>
Less State Council Payments (Net)		<u>(6,167,951)</u>	<u>(6,868,739)</u>
Bank Balances at end of year		<u>75,434</u>	<u>78,128</u>
State Council Payments comprise:			
State Council Net Expenditure		6,689,824	6,796,278
Movement in State Council Debtors/Creditors		<u>(521,873)</u>	<u>72,461</u>
		<u>6,167,951</u>	<u>6,868,739</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

	2009 \$	2008 \$
9. 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>2,953,405</u>	<u>2,464,850</u>
10. SUNDRY INCOME		
Lease of Equipment	-	14,000
Sundry	(78,760)	131,210
Dividend Received	190	430
Service Training Fees	<u>187,130</u>	<u>155,638</u>
	<u>108,560</u>	<u>301,278</u>
11. COMPUTING		
Consultancy Fees	119,968	107,287
Maintenance	59,352	79,655
Software	168,923	152,511
Other	70,995	58,522
Data Lines	<u>319,141</u>	<u>405,232</u>
	<u>738,379</u>	<u>803,207</u>
12. DELEGATION/EMPLOYEE EXPENSES		
Employees- Office Holders	49,516	29,963
Employees- Other	288,652	330,503
Members	<u>43,870</u>	<u>15,079</u>
	<u>382,038</u>	<u>375,545</u>
International- Office Holders	130,306	83,485
International- Other	<u>53,193</u>	<u>99,971</u>
	<u>565,537</u>	<u>559,001</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

	2009 \$	2008 \$
13. PROFESSIONAL SERVICES		
Auditors		
Audit Fees	55,000	-
Audit Fees – prior year	40,125	75,500
Other Services	11,900	3,225
	<u>107,025</u>	<u>78,725</u>
Legal Expenses	<u>132,909</u>	<u>56,788</u>
	<u>239,934</u>	<u>135,513</u>
14. SALARIES - REDUNDANCIES		
Payments to Employees	-	20,839
Payments to Officials	165,445	453,896
Payments to Officers	63,487	125,380
	<u>228,932</u>	<u>600,115</u>
15. SALARIES		
Employees	3,823,303	3,747,638
Officials	3,197,312	3,053,475
Officers	9,984,687	9,316,216
	<u>17,005,302</u>	<u>16,117,329</u>
16. (DEFICIT) ON DISPOSAL OF ASSETS		
IT Equipment	(2,094)	(1,390)
Motor Vehicles	(32,029)	(154,173)
	<u>(34,123)</u>	<u>(155,563)</u>
17. MOTOR VEHICLE EXPENSES		
Registrations and Running Expenses	<u>190,385</u>	<u>213,029</u>

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	2009 \$	2008 \$
18. HARDSHIP FUND		
Balance brought forward	7,847,332	7,498,532
Add Contributions	73,000	1,073,761
Less Benefit Payments	-	(55,421)
Less Transfer to Education & Campaign and Organising Fund	<u>(73,000)</u>	<u>(669,540)</u>
	<u>7,847,332</u>	<u>7,847,332</u>
19. EDUCATION FUND		
Balance brought forward	2,299,732	1,855,047
Add Contributions	1,145,836	606,766
Add Transfer from Hardship Fund	36,500	334,770
Less Amounts Expended on Education Projects	<u>(346,243)</u>	<u>(496,851)</u>
	<u>3,135,825</u>	<u>2,299,732</u>
20. VEHICLE DIVISION EDUCATION FUND		
Balance brought forward	91,341	89,696
Add Contributions	12,313	16,144
Less Amounts Expended on Education Projects	<u>(9,569)</u>	<u>(14,499)</u>
	<u>94,085</u>	<u>91,341</u>
21. CAMPAIGN AND ORGANISING FUND		
Balance brought forward	1,402,345	(423,675)
Add Contributions	2,229,183	1,782,865
Add Transfer from Hardship Fund	36,500	334,770
Less Payments	<u>(112,692)</u>	<u>(291,615)</u>
	<u>3,555,336</u>	<u>1,402,345</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

	Note	2009 \$	2008 \$
22. 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	6	1,411,692	3,739,081
Short Term Deposits		<u>36,936,920</u>	<u>29,351,380</u>
		<u>38,348,612</u>	<u>33,090,461</u>
b) Reconciliation of Cash Flow from Operations with Net Surplus			
Net Surplus		2,836,459	3,103,053
Non-Cash Flows in Net Surplus			
Depreciation		2,509,175	2,445,290
Deficit on Disposal of Assets		34,123	155,563
Reinvestment of income from managed funds		(561,106)	(237,538)
Changes in Assets and Liabilities			
(Increase) in Sundry Debtors		(217,152)	(242,412)
(Increase) in Accrued Interest		(194,467)	-
(Increase) in Prepayments		(386,262)	-
Increase in Sundry Creditors		366,002	273,567
Increase (Decrease) in Employee Entitlements		<u>447,585</u>	<u>(20,360)</u>
CASH FLOWS FROM OPERATIONS		<u>4,834,357</u>	<u>5,477,163</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
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23. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

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

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

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

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

(b) Credit Risk

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

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

	2009	2008
	\$	\$
Cash and Bank Balances	1,317,720	3,615,629
Short Term Deposits	36,936,920	29,351,380
	<u>38,254,640</u>	<u>32,967,009</u>
The cash and cash equivalents are held in high quality Australian financial institutions.		
National Entitlement Security Trust	1,991,486	1,672,028
Sundry Debtors	482,943	265,791
Trust – Grants (including M.E.R.T)	493,195	-
	<u>2,967,624</u>	<u>1,937,819</u>

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

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23. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) *Liquidity Risk*

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

The National Council is not significantly exposed to this risk; as at 30 September 2009 it had \$38,348,612 (\$33,090,461 - 2008) of cash and cash equivalents to meet these obligations as they fall due. The Financial liabilities recorded in the financial statements at 30 September 2009 and 30 September 2008 were \$17,038,004 and \$13,430,280 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 2009	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	1,317,720	-	93,972	1,411,692
Receivables	1,991,486	-	976,138	2,967,624
Managed Funds	6,501,660	-	-	6,501,660
Short term deposits	36,936,920	-	-	36,936,920
	<u>46,747,786</u>	<u>-</u>	<u>1,070,110</u>	<u>47,817,896</u>
Weighted average Interest rate	5.27%			
Financial Liabilities				
Payables	1,623,541	-	15,414,463	17,038,004
	<u>1,623,541</u>	<u>-</u>	<u>15,414,463</u>	<u>17,038,004</u>
Weighted average Interest rate	4.30%			
Net financial assets (liabilities)	<u>45,124,245</u>	<u>-</u>	<u>(14,344,353)</u>	<u>30,779,892</u>

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23. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

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>

Sensitivity Analysis

2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	1,317,720	13,177	(13,177)
Receivables	1,991,486	19,915	(19,915)
Short Term Deposits	36,936,920	369,369	(369,369)
2008	Carrying Amount	+0.5% (50 basis points) Profit	-2.00% (200 basis points) Loss
	\$	\$	\$
Cash Assets	3,615,629	18,078	(72,313)
Receivables	1,672,028	8,360	(33,440)
Short Term Deposits	29,351,380	146,757	(587,028)

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23. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks

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

	2009	2008		2009	2008
Fund Allocation (%):			Fund Allocation (\$):		
Cash & Bonds	53%	44%	Cash & Bonds	3,443,296	2,751,905
Mortgage	29%	50%	Mortgage	1,905,362	3,112,188
Australian Shares	4%	4%	Australian Shares	251,663	275,000
International Shares	14%	2%	International Shares	901,339	112,500
Total	<u>100%</u>	<u>100%</u>	Total	<u>6,501,660</u>	<u>6,251,593</u>

Sensitivity Analysis - Managed Funds (external)

2009	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	3,443,296	34,433	(34,433)
Sub Total	<u>3,443,296</u>	<u>34,433</u>	<u>(34,433)</u>
	Carrying Amount	+ 10 % Other Equity Profit	- 15 % Other Equity Loss
	\$	\$	\$
Mortgage	1,905,362	190,536	(285,804)
Australian Shares	251,663	25,166	(37,749)
International Shares	901,339	90,134	(135,201)
Sub Total	<u>3,058,364</u>	<u>305,836</u>	<u>(458,754)</u>
Total	<u>6,501,660</u>	<u>340,269</u>	<u>(493,187)</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

23. FINANCIAL RISK MANAGEMENT (Cont'd)

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

(f) Other Price Risks (Cont'd)

2008	Carrying Amount	+ 1 % (100 basis points) Other Equity	- 2 % (200 basis points) Other Equity
	\$	\$	\$
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	- 15 % Other Equity
	\$	\$	\$
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>

(g) Foreign Exchange Risk

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

24. SUPERANNUATION

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

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25. RELATED PARTIES

- (i) 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 15 and 14 to the accounts respectively.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$683,744 (2008:\$655,031)
- (iii) There have been no other transactions between the office holders and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

26. ADDITIONAL INFORMATION

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

Level 4,
133 – 137 Parramatta Road
Granville NSW 2142

27. CONTINGENT LIABILITIES

The union is not aware of any significant contingent liabilities

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 2009, 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.



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 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to be the stylized letters 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, appearing to be 'David McLean'.

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

8 December 2009

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

NATIONAL COUNCIL POLITICAL FUND

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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

NATIONAL COUNCIL POLITICAL FUND

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	2009	2008
	\$	\$
INCOME		
Contributions	720,904	677,355
Interest Received	63,982	88,625
TOTAL INCOME	<u>784,886</u>	<u>765,980</u>
EXPENDITURE		
Affiliation Fees	418,684	401,846
Audit and Accountancy Fees	5,500	9,330
Bank and Government Charges	393	376
Consultancy Fees	23,000	-
Delegation Expenses - Members	4,865	-
Donations	57,964	209,591
Election Expenses – Advertising	-	8,120
General Office	2,714	-
Marginal Seat Campaign	-	150,352
Postage, Printing & Stationery	9,857	7,560
TOTAL EXPENDITURE	<u>522,977</u>	<u>787,175</u>
SURPLUS / (DEFICIT) FOR YEAR	<u>261,909</u>	<u>(21,195)</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 2009

	2009	2008
	\$	\$
ASSETS		
Cash at Bank	9,062	5,805
National Council General Fund	1,623,541	1,371,401
Prepayments	<u>9,512</u>	<u>-</u>
TOTAL ASSETS	<u>1,642,115</u>	<u>1,377,206</u>
LESS LIABILITIES		
Sundry Creditors	<u>3,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,000</u>	<u>-</u>
NET ASSETS	<u>1,639,115</u>	<u>1,377,206</u>
ACCUMULATED FUNDS	<u>1,639,115</u>	<u>1,377,206</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 2007	\$ 1,398,401
Deficit for the year	(21,195)
Balance at 30 September 2008	1,377,206
Profit for the year	261,909
Balance at 30 September 2009	1,639,115

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL POLITICAL FUND

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		720,904	677,355
Interest Received		63,982	88,625
Payments to Suppliers		<u>(781,629)</u>	<u>(766,084)</u>
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	4(b)	<u>3,257</u>	<u>(104)</u>
NET INCREASE / (DECREASE) IN CASH HELD		3,257	(104)
Cash at Beginning of Year		<u>5,805</u>	<u>5,909</u>
CASH AT END OF YEAR	4(a)	<u>9,062</u>	<u>5,805</u>

(The attached Notes form part of these Accounts)

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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, and the Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the National Council are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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 an accruals 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.

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

2. CHANGE IN ACCOUNTING POLICY

During the year the Australian Industrial Registrar withdrew its exemption for the National Council to adopt a cash basis for preparing its financial report and mandated that it now adopt an accruals basis for preparing the report. The National Council has therefore prepared its financial reports on an accruals basis for the year ended 30 September 2009. Consequently the National Council Political Fund has also prepared its financial report on an accruals basis.

This is a change in accounting policy in that in previous years the National Council Political Fund had prepared its financial reports on a cash basis as they related to the income and expenditure of the National Council Political Fund.

The effect of the change in accounting policy has been to increase net surplus for the year from \$255,397 to \$261,909, increase prepayments by \$9,512 and increase sundry creditors by \$3,000.

3. 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 assets and liabilities.

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

	2009 \$	2008 \$
4. 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>9,062</u>	<u>5,805</u>
b) Reconciliation of Cash Flow from Operations with Surplus / (Deficit)		
Surplus / (Deficit)	261,909	(21,195)
Changes in Assets and Liabilities		
(Increase) in Prepayments	(9,512)	-
(Increase) / Decrease in National Council General Fund	(252,140)	21,091
Increase in Sundry Creditors	<u>3,000</u>	<u>-</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>3,257</u>	<u>(104)</u>

5. 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,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

5. 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:

	2009	2008
	\$	\$
Cash and cash equivalents	<u>9,062</u>	<u>5,805</u>

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

National Council General Fund	<u>1,623,541</u>	<u>1,371,401</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 2009 it had \$9,062 (\$5,805 - 2008) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2009 and 30 September 2008 were \$3,000 and nil, respectively.

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,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

5. 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 2009	Floating interest rate	Non interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	9,062	-	9,062
Receivable	1,623,541	-	1,623,541
	<u>1,632,603</u>	<u>-</u>	<u>1,632,603</u>
Weighted average Interest rate	4.30%		
Financial Liabilities			
Payables	-	3,000	3,000
	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Net Financial Assets / (Liabilities)	<u>1,632,603</u>	<u>(3,000)</u>	<u>1,629,603</u>
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	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net Financial Assets	<u>1,377,206</u>	<u>-</u>	<u>1,377,206</u>

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2009 (Cont'd)**

5. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	<u>9,062</u>	<u>91</u>	<u>(91)</u>
2009	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Receivable	<u>1,623,541</u>	<u>16,235</u>	<u>(16,235)</u>
2008	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	<u>5,805</u>	<u>29</u>	<u>(29)</u>
2008	Carrying Amount	+0.50% (50 basis points) Profit	-2.00% (200 basis points) Loss
	\$	\$	\$
Receivable	<u>1,371,401</u>	<u>6,857</u>	<u>(27,428)</u>

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 2009 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.

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 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to be 'BDO'.

BDO Audit (NSW - VIC) Pty Ltd

A handwritten signature in black ink, appearing to be 'David McLean'.

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

8 December 2009