



01 April 2016

Mr Paul Bastian  
National Secretary  
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the  
Australian Manufacturing Workers’ Union  
Level 4, 133 Parramatta Road  
GRANVILLE NSW 2142

via email: [national.secretary@amwu.asn.au](mailto:national.secretary@amwu.asn.au)

Dear Mr Bastian

**“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union Financial Reports for the year ended 30 September 2015 - [FR2015/356]**

I acknowledge receipt of the financial report of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (the AMWU National). The documents were lodged with the Fair Work Commission (FWC) on 24 March 2016.

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

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

Please note that the financial report for the year ending 30 September 2016 may be subject to an advanced compliance review.

During the recent review a number of discrepancies were identified between the AMWU National financial statements and figures reported in the State Branches of the AMWU and the National Council Political Fund. Mr Warren Soos for AMWU National is aware of these discrepancies and I will continue to communicate with Mr Soos to ensure that these items are addressed prior to filing next year’s report.

### **Reporting Requirements**

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4681 or via email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line that tapers to the right.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch



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

**NATIONAL COUNCIL**

**CERTIFICATE OF NATIONAL SECRETARY**

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

- that the documents as lodged are copies of the Full Report, referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report for the financial year ended 30 September 2015 was provided to members on the AMWU website on 18 December 2015, and an article in the AMWU News advising the membership of the Full Report's availability was sent to members between the dates 8 to 15 January 2016.; 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 22 March 2016 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

National Secretary  
Paul Bastian



Signature

22 March, 2016

Australian Manufacturing  
Workers' Union  
Registered as AFMEPKIU  
National Office  
Level 4  
133 Parramatta Road  
Granville NSW 2142  
Telephone: 02 8868 1500  
Facsimile: 02 9897 9274  
amwu@amwu.asn.au

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

**NATIONAL COUNCIL**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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

**NATIONAL COUNCIL**

**CONTENTS**

	<b>Page</b>
Operating Report	2
Committee of Management Statement	9
Statement of Comprehensive Income	10
Statement of Financial Position	13
Statement of Changes in Accumulated Funds and Reserves	14
Statement of Cash Flows	15
Notes to and forming part of the Accounts	16
Independent Audit Report	44

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

**NATIONAL COUNCIL**

**OPERATING REPORT**

The National Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AFMEPKIU), National Council for the financial year ended 30 September 2015.

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

**Review of the National Council's Principal Activities**

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

**Significant Changes in Principal Activities**

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

**Results of Principal Activities**

During the year to 30 September 2015 the AFMEPKIU negotiated and registered 319 enterprise bargaining agreements nationally.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2015 the National Office improved award minimum rates for all workers and was actively participating in the Fair Work Commission's review of Modern Awards. The State Branches are responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU National Council General Fund principal activities resulted in a net surplus for the financial year of \$5,831,479 (2014: net surplus of \$6,466,271).

**Significant Changes in Financial Affairs**

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

**The Right of Members to Resign**

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

A notice of resignation from membership takes effect:

- (a) Where the member ceases to be eligible to become a member of the organisation:
  - (i) On the day on which the notice is received by the organisation; or

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

**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

- (i) 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.

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

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

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

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

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

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

Level	Position	Per Annum
5	Officer	\$84,708.00
6	Senior Officer	\$88,977.20
7	Assistant Federal Secretary/National Department Heads/Assistant State Secretary	\$95,178.20
8	Assistant National Secretary / National Executive Officer/State Secretary	\$100,755.20
9	National Secretary/National President	\$108,500.60

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

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

**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

The identity of the officers of the AFMEPKIU who are the five highest paid in terms of relevant remuneration for the year ended 30 September 2015, are as follows:

Position	Name	Salary, Super & Service Increment	Travel & Other Allowances	Non-Cash Benefits
National President	Andrew Dettmer	\$ 127,417.77	\$3,860.16	Provision of a Motor Vehicle
National Secretary	Paul Bastian	\$ 123,797.43	\$3,116.16	Provision of a Motor Vehicle
Queensland State Secretary	Rohan Webb	\$117,680.33	\$5,251.52	Provision of a Motor Vehicle
Tasmania State Secretary	John Short	\$118,538.45	\$3,669.06	Provision of a Motor Vehicle
National Assistant Secretary	Glenn Thompson	\$117,949.38	\$4,184.00	Provision of a Motor Vehicle

The following Officers left the employment of the AFMEPKIU during the year ended 30 September 2015 and, in addition to their base salary and allowances for the period worked, they received payment for their accrued Long Service Leave and/or Annual Leave entitlements and/or a separation package consistent with National Council policy:

Position	Name	Relevant Remuneration	Non-Cash Benefits
Organiser	Greg Warren	\$220,984.61	Provision of a Motor Vehicle (during employment)
Organiser	Mark Solly	\$213,745.10	Provision of a Motor Vehicle (during employment)
Organiser	Ian Thomas	\$183,536.43	Provision of a Motor Vehicle (during employment)
Victorian Assistant Secretary	Charlie Pandolfo	\$165,060.18	Provision of a Motor Vehicle (during employment)

Board Fees

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

Organisation	Amount received
Australian Super	\$73,200.00
Construction & Building Industry Super	\$141,026.94
Motor Trades Association of Australia Superannuation Fund	\$30,000.00
Industry Capability Network Limited	\$10,615.00
Media Super	\$109,448.16
Publicity Works	\$12,000.00
Australian Construction Industry Redundancy Trust	\$19,500.00



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

**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

Associated Entities & Principal Relationships

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

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

It is the policy of the AFMEPKIU that all Director/Sitting Fees payable to AFMEPKIU employees are to be paid directly to the AFMEPKIU.

The National Council also has a principal relationship with the Workers' Health Centre.

Key Relationships

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

<b>Supplier</b>	
<b>Building Services</b>	<b>Legal Services</b>
CBD MECHANICAL ELECTRICAL	MAURICE BLACKBURN PTY LTD
ENERGY AUSTRALIA	TAYLOR & SCOTT
GLOBE CLEANING SERVICES P/L	<b>Printing &amp; Publicity Services</b>
OTIS ELEVATOR COMPANY P/L	STAPLES AUSTRALIA PTY LIMITED
NEWSOUND FIRE SERVICES P/L	DCMC DESIGN PTY LTD
SIMPLY ENERGY	ESSENTIAL MEDIA COMMUNICATIONS
TOOGOODS CLEANING SERVICE	G & G TRADE PUBLISHING & DISTRIBUTION
KNIGHT FRANK AUSTRALIA P/L	QUALITOPS PTY LTD
MCGEES PROPERTY	MOUNTAIN MEDIA
<b>Financial Services</b>	REPUBLIC OF EVERYONE P/L
BDO EAST COAST PARTNERSHIP	VISIBILITY CONSULTING P/L
COVERFORCE INSURANCE BROKING	LIFESTYLE AUSTRALIA P/L
GIO GENERAL LTD(NSW WORKCOVER)	<b>Travel Services</b>
NATIONAL AUSTRALIA BANK	AMERICAN EXPRESS
<b>IT &amp; Communications Services</b>	QANTAS
CANON AUSTRALIA P/L	CARSON WAGONLIT
GENISYST PTY LTD	
IBM AUSTRALIA LTD	

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

**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

Key Relationships (Cont'd)

INFOR GLOBAL SOLUTIONS(ANZ)P/L	Vehicle Services
INSIGHT ENTERPRISES AUSTRALIA	FLEET SYSTEMS PTY LIMITED
IT INTEGRITY	GILLEN MOTORS PTY LTD
NATIONAL TELECOMMUNICATION SOLUTIONS	HEARTLAND MOTORS
NELLER PTY LTD	SUMMIT FLEET LEASING
TELSTRA	KLOSTER FORD
OPTUS	BLUE MOBILE PHONE INSATLLATION
EXETEL	Direct Membership Services
APPLE STORE	ON THE LINE AUSTRALIA INC
MICROSOFT AUSTRALIA	
NORTHERN MANAGED FINANCE P/L	
MESSAGENET P/L	
COTEL	

Officers' Material Personal Interests

For the year ended 30 September 2015, the Officers of the AFMEPKIU have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2015, the AFMEPKIU has made no reportable payments to any related party or declared person or body of the Union.

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

**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

**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
Paul Bastian	Australian Super	Member Director
Nixon Apple	Australian Super	Member Director-Alternate
Paul Bastian	Australian Super	Member of the Audit Compliance and Risk Management Committee
Mike Nicolaides	Australian Super	Member Non-Director of the Member and Employer Services Committee
Glenn Thompson	C+BUS	Member Director
Anne Donnellan	C+BUS	Member Director-Alternate
Dave Smith	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

**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 2015 was 83,771.
- (b) The number of persons who were employees of the reporting unit on 30 September 2015 was 271.3, 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
Tim Ayres	1 October 2014 to 30 September 2015
Paul Bastian	1 October 2014 to 30 September 2015
Courtney Borg	1 October 2014 to 30 September 2015
Terry Bradley	1 October 2014 to 30 September 2015
Warren Butler	1 October 2014 to 30 September 2015
John Camillo	1 October 2014 to 30 September 2015

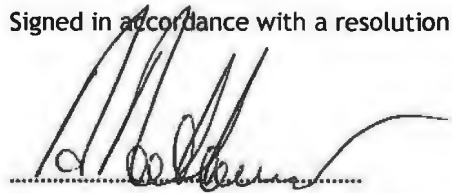
**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
PRINTING AND KINDRED INDUSTRIES UNION**

**NATIONAL COUNCIL**

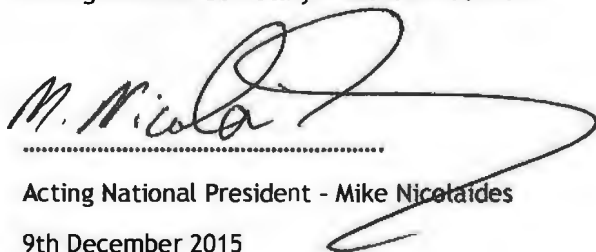
**OPERATING REPORT (Cont'd)**

Lorraine Cassin	1 October 2014 to 30 September 2015
Frank Cherry	1 October 2014 to 30 September 2015
Sue Creed	1 October 2014 to 30 September 2015
Andrew Currie	1 October 2014 to 31 December 2014
Steve Dargavel	1 October 2014 to 30 September 2015
Andrew Dettmer	1 October 2014 to 30 September 2015
Paul Difelice	1 October 2014 to 30 September 2015
Anne Donnellan	1 October 2014 to 30 September 2015
Danny Dougherty	1 October 2014 to 30 September 2015
Colin Fenney	1 October 2014 to 30 September 2015
Thomas Hale	1 October 2014 to 30 September 2015
Margaret Hay	1 October 2014 to 30 September 2015
Heinz Joham	1 October 2014 to 30 September 2015
Craig Kelly	1 October 2014 to 30 September 2015
Craig Lerner	1 October 2014 to 30 September 2015
Steve McCartney	1 October 2014 to 30 September 2015
Ian Mortimer	1 October 2014 to 30 September 2015
Steve Murphy	1 October 2014 to 30 September 2015
Mike Nicolaides	1 October 2014 to 30 September 2015
Tony Piccolo	1 October 2014 to 30 September 2015
Vanessa Seagrove	1 January 2015 to 30 September 2015
John Short	1 October 2014 to 30 September 2015
Dave Smith	1 October 2014 to 30 September 2015
Glenn Thompson	1 October 2014 to 30 September 2015
Rohan Webb	1 October 2014 to 30 September 2015

Signed in accordance with a resolution of National Council



Acting National Secretary - Andrew Dettmer



Acting National President - Mike Nicolaides

9th December 2015

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

**NATIONAL COUNCIL**

**COMMITTEE OF MANAGEMENT'S STATEMENT**

On 9th December 2015 the National Council 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 2015.

The National Council 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;
- (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 2015;
- (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 2015 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 RO Act; and
  - (iv) the financial records of the National Council have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request by a member of the National Council or the General Manager duly made under section 272 of the RO Act; and
  - (vi) no orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.
- (f) during the financial year ended 30 September 2015 the National Council did not participate in any recovery of wages activity.

For the National Council:



.....

Acting National Secretary - Andrew Dettmer

9th December 2015

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

**NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015	2014
		\$	\$
<b>INCOME</b>			
Capitation Fees		-	-
Contributions	4A	41,930,315	42,874,219
Distribution from Available-for-Sale Financial Assets		1,171,246	1,222,965
Share of net profit from associates accounted for using the equity method		6,978	41,176
Donations		-	-
Interest Received		1,736,579	2,197,655
Levies		-	-
Grant Income		932,236	1,264,678
Rent Received	4B	2,467,035	2,590,560
Sundry Income (including Board fees)	5	5,372,499	5,064,757
<b>TOTAL INCOME</b>		<b><u>53,616,888</u></b>	<b><u>55,256,010</u></b>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Depreciation - investment property	15	432,094	19,555
Buildings - owner occupied	15	795,739	1,185,318
Computer Installation	15	226,887	212,394
Furniture & Fittings	15	80,833	86,765
Motor Vehicles	15	<u>1,277,158</u>	<u>1,255,266</u>
Total Depreciation Property Plant and equipment	15	<u>2,812,711</u>	<u>2,759,298</u>
<b>Employee Benefits Expense</b>			
Salaries		21,540,533	22,081,345
Accrued Annual Leave		(167,356)	165,206
Long Service Leave		124,672	27,965
Redundancies		1,198,977	588,573
Superannuation		<u>2,295,796</u>	<u>2,253,592</u>
Sub total	6	24,992,622	25,116,681
Fringe Benefits Tax		459,214	713,903
Payroll Tax		<u>315,287</u>	<u>355,497</u>
		<u>25,767,123</u>	<u>26,186,081</u>
<b>State Branch Expenditure</b>	9A	<u>6,194,342</u>	<u>6,549,063</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	Note	2015	2014
		\$	\$
<b>EXPENDITURE (Cont'd)</b>			
<b>Other Expenses</b>			
Affiliation Fees	7A	494,751	546,122
Bank and Government Charges		197,037	198,798
Building Expenses		2,199,953	2,236,729
Capitation Fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory Levies		-	-
Collectors Expenses		502	(76)
Computing		892,660	836,069
Conference and Meeting Expenses		147,913	53,801
Delegation/Employee Expenses	8	813,623	798,355
Donations and Grants	7B	63,893	45,547
Fees/allowances - meeting and conferences		-	-
Freight		13,962	32,568
Fund Expenses			
Political Fund Expenditure		554,219	624,784
Hardship Fund Expenditure		118,960	96,457
Education Fund Expenditure		310,181	465,578
Campaign & Organising Fund Expenditure		2,918,441	2,420,528
Funeral Benefits		74,300	87,991
General Office Expenses		143,382	174,585
Insurance		629,317	368,880
Membership Printing		743,940	685,568
MISTAS		221,670	261,496
Motor Vehicle Expenses		221,612	179,396
Penalties imposed under the RO Act		-	-
Postage		11,686	18,754
Printing and Distribution - AMWU News		259,047	242,293
Printing and Distribution - Newsletters		81,381	62,762
Printing and Stationery		334,575	334,154
Professional Services	18	182,646	262,375
Publicity		238,830	214,090
Rent Paid		462,645	503,392
Research		122,226	145,600
Telephone		512,500	511,361
		<u>12,965,852</u>	<u>12,407,957</u>
<b>TOTAL EXPENDITURE</b>		<u>47,740,028</u>	<u>47,902,399</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015 \$	2014 \$
<b>OPERATING SURPLUS FOR YEAR</b>	<b>5,876,860</b>	<b>7,353,611</b>
Loss on Disposal of Assets	(186,858)	(136,966)
Gain/(Loss) on Disposal of Investments	<u>141,477</u>	<u>(750,374)</u>
<b>NET SURPLUS FOR YEAR</b>	<b><u>5,831,479</u></b>	<b><u>6,466,271</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net Decrease in Value of Available-for-Sale Financial Assets	<u>(798,549)</u>	<u>(18,757)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>(798,549)</u></b>	<b><u>(18,757)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>5,032,930</u></b>	<b><u>6,447,514</u></b>
<b>LESS NET TRANSFER TO OTHER FUNDS</b>		
Net transfers to National Council Political Fund	(102,236)	(121,957)
Net transfers to Education Fund	(665,010)	(581,302)
Net transfers to Vehicle Division Education Fund	(4,102)	(5,737)
Net transfers to Campaign and Organising Fund	1,117,880	386,779
Net transfers to Fairfax Chapel Dispute fund	-	-
Total Net Transfers to Other Funds	<u>346,532</u>	<u>(322,217)</u>
<b>TOTAL AVAILABLE FUNDS LESS NET TRANSFERS TO OTHER COMPREHENSIVE INCOME AND OTHER FUNDS</b>	<b><u>5,379,462</u></b>	<b><u>6,125,297</u></b>
Add back Net Decrease in Value of Available-for-Sale Financial Assets	<u>798,549</u>	<u>18,757</u>
<b>NET SURPLUS FOR YEAR - GENERAL FUND</b>	<b><u>6,178,011</u></b>	<b><u>6,144,054</u></b>

(The attached Notes form part of these Accounts)



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

**NATIONAL COUNCIL**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2015**

	Note	2015	2014
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	10	2,328,766	1,944,657
Receivables	11	5,951,837	5,481,946
Other Financial Assets	12	77,929,995	75,140,108
<b>Total Current Assets</b>		<u>86,210,598</u>	<u>82,566,711</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	15	39,346,507	37,910,865
Investment Property	15	573,685	984,818
Investments	13	369,712	362,734
Other Financial Assets	12	46,670	46,670
Receivables	11	534,696	534,696
<b>Total Non-Current Assets</b>		<u>40,871,270</u>	<u>39,839,783</u>
<b>TOTAL ASSETS</b>		<u>127,081,868</u>	<u>122,406,494</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	692,641	924,163
Provisions	17	8,169,780	8,168,253
<b>Total Current Liabilities</b>		<u>8,862,421</u>	<u>9,092,416</u>
<b>Non Current Liabilities</b>			
Provisions	17	203,791	331,352
<b>Total Non-Current Liabilities</b>		<u>203,791</u>	<u>331,352</u>
<b>TOTAL LIABILITIES</b>		<u>9,066,212</u>	<u>9,423,768</u>
<b>NET ASSETS</b>		<u>118,015,656</u>	<u>112,982,726</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Available-for-Sale Investment Reserve		(948,699)	(150,150)
Accumulated Funds	20	118,964,355	113,132,876
<b>TOTAL ACCUMULATED FUNDS AND RESERVES</b>		<u>118,015,656</u>	<u>112,982,726</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Accumulated Funds	Available-for- Sale Investment Reserve	Total
	\$	\$	\$
<b>Balance at 30 September 2013</b>	<b>106,666,605</b>	<b>(131,393)</b>	<b>106,535,212</b>
Net Surplus for the Year	6,466,271	-	6,466,271
<b>Other comprehensive income:</b>			
Decrease in value of			
Available-for-Sale financial assets	-	(18,757)	(18,757)
Total Comprehensive Income	<u>6,466,271</u>	<u>(18,757)</u>	<u>6,447,514</u>
<b>Balance at 30 September 2014</b>	<b><u>113,132,876</u></b>	<b><u>(150,150)</u></b>	<b><u>112,982,726</u></b>
<b>Balance at 30 September 2014</b>	<b>113,132,876</b>	<b>(150,150)</b>	<b>112,982,726</b>
Net Surplus for the Year	5,831,479	-	5,831,479
<b>Other comprehensive income:</b>			
Decrease in value of			
Available-for-Sale financial assets	-	(798,549)	(798,549)
Total Comprehensive Income	<u>5,831,479</u>	<u>(798,549)</u>	<u>5,032,930</u>
<b>Balance at 30 September 2015</b>	<b><u>118,964,355</u></b>	<b><u>(948,699)</u></b>	<b><u>118,015,656</u></b>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributions Received		41,921,275	47,175,951
Receipts from other Reporting Units		-	-
Payments to other Reporting Units	9B	(6,452,318)	(6,352,727)
Payments to Suppliers and Employees		(39,533,237)	(42,927,715)
Distributions Received		1,171,246	292,394
Interest Received		2,066,119	2,244,087
Rent Received		2,467,035	2,590,560
Grant Income		842,527	1,264,678
Sundry Income		<u>5,372,498</u>	<u>4,665,711</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	19(b)	<u>7,855,145</u>	<u>8,952,939</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		573,553	209,747
Net Proceeds from Investments		-	(6,399,580)
Payments for Property, Plant and Equipment & Investment property		(4,597,630)	(1,938,178)
Net Payments for Investments		<u>(38,686,224)</u>	<u>(423,860)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(42,710,301)</u>	<u>(8,551,871)</u>
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		(34,855,156)	401,068
Cash at Beginning of Year		<u>61,143,190</u>	<u>60,742,122</u>
<b>CASH AT END OF YEAR</b>	19(a)	<u>26,288,034</u>	<u>61,143,190</u>

(The attached Notes form part of these Accounts)

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

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

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

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009.

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

Change in basis of reporting

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

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

Further information on the State branch expenditure can be obtained by reference to the individual state branch financial reports.

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**a) Financial assets and Liabilities**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**Fair value through profit or loss**

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**Held-to-maturity investments**

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**Available-for-sale**

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares, and managed funds that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established.

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Receivables**

Trade receivables, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**Impairment of financial assets**

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

For certain categories of financial asset, such as receivables from member contributions that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the payment due, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets such as the investments of liquid funds which are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**Financial Liabilities**

Financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**b) Cash and cash equivalents**

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

**c) Revenue**

All membership contributions are paid directly to the National Council and are accounted for on an accruals basis.

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

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

Board fees are fees received where union officers are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised when received.

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**Government grants**

Government grants are not recognised until there is reasonable assurance that the *reporting unit* will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Union recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Union should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

**d) Property, Plant and Equipment**

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

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% - 33%
Furniture and Fittings	10% - 20%
Motor Vehicles	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

**Investment property**

The property held solely for rental purposes the Union applies the Cost model of measurement.

The depreciation rate used for investment property Buildings is 2%



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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**e) Leases expenses**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**f) 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.

Employees also receive an entitlement based on the years of service to the Union. In prior years the entitlement has been expensed in the year the entitlement is due to be paid, resulting in any advance payment being treated as a prepayment. In 2014 the policy has been amended to recognise the entitlement in the period that the benefit accrues to the employee. This change in policy has necessitated a restatement of the prior period retained earnings to reflect the correct period of recognition under the revised policy- refer to Note 1.n

**g) 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.

**h) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables as appropriate.

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

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i) 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 statement of comprehensive income.

**Investments in associates and joint ventures**

The investments in Industry Printing and Publishing (IPP) Pty Ltd and Ucover both represent more than 20% of the equity in the company. Associates are those entities over which the Union is able to exert significant influence but which are not subsidiaries.

Investments in associates and joint ventures are accounted for using the equity method.

Any goodwill or fair value adjustment attributable to the Union's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Union's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Union.

Unrealised gains and losses on transactions between the Union and its associates and joint ventures are eliminated to the extent of the Union's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) New Australian Accounting Standards

*Adoption of New Australian Accounting Standard requirements*

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

- AASB 11 Joint Arrangements sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation.
- AASB 12 Disclosures of Interests in Other Entities is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities.

*Accounting Standards Issued But Not yet Effective*

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

k) Going concern support

The National Council is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis.

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

The National Council supports the branches through

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

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

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (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 assets and liabilities.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION**

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:

- (a)** A member of a reporting unit, or the General Manager of Fair Work Commission, 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.
- (b)** 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.
- (c)** A reporting unit must comply with an application made under subsection (1)

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015 \$	2014 \$
<b>4A. CONTRIBUTIONS</b>		
Gross Contributions	41,930,315	42,874,219
Comprises the following various funds:		
Political Fund	656,455	746,741
Hardship Fund	118,960	96,457
Education Fund	981,438	1,046,028
Vehicle Division Education Fund	4,102	6,589
Campaign & Organising Fund	1,898,882	2,033,730
General Fund	<u>38,270,478</u>	<u>38,944,674</u>
	<u>41,930,315</u>	<u>42,874,219</u>
<b>4B. RENT RECEIVED</b>		
Electricity Recovered	77,432	91,736
Tenant Items Recovered	2,313	1,088
Rent Received - investment property	2,180,328	2,156,726
Rent Outgoings Received	71,290	142,754
Car Parking	131,672	157,080
Other Rent	4,000	-
Union House	-	41,176
	<u>2,467,035</u>	<u>2,590,560</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015	2014
	\$	\$
<b>5. SUNDRY INCOME</b>		
Capitation Fees	-	-
Dividend Received	675	112,480
Income from Associate - U-Cover Pty Ltd	4,096,254	3,867,116
Training course fees	345,019	260,503
Promotional income - advertising	144,000	275,818
Board Fees	395,790	373,426
Miscellaneous Income	390,761	175,414
	<u>5,372,499</u>	<u>5,064,757</u>
<b>6. EMPLOYEE BENEFITS EXPENSE</b>		
<b>Holders of office:</b>		
Wages and salaries	6,083,272	5,908,869
Superannuation	648,357	645,132
Leave and other entitlements	(12,054)	52,405
Separation and redundancies	322,797	214,709
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>7,042,372</u>	<u>6,821,115</u>
<b>Employees other than office holders:</b>		
Wages and salaries	15,457,262	16,172,476
Superannuation	1,647,439	1,608,460
Leave and other entitlements	(30,630)	140,766
Separation and redundancies	876,179	373,864
Other employee expenses	-	-
	<u>17,950,250</u>	<u>18,295,566</u>
<b>Total employee expenses</b>	<u>24,992,622</u>	<u>25,116,681</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015 \$	2014 \$
<b>7A Affiliations</b>		
Australian Council of Trade Union	330,465	336,171
Australia Fair Trade & Investment Network	116	-
Australian People for Health, Education & Development Abroad	23,900	27,530
Responsible Forest Management	1,267	-
Registered Workers Club Holiday Centre	3,669	4,329
Welcome to Australia	5,000	5,000
IndustriALL	57,637	106,124
International Union of Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	43,374	38,784
Australian Palestine Advocacy Network	300	565
Australasian Railway Association	1,155	176
Philippines Australia Union Link	50	37
Union Network International	27,743	27,406
Zimbabwe Information Centre	75	-
	<u>494,751</u>	<u>546,122</u>
<b>7B. GRANTS OR DONATIONS \$ 1000 OR LESS</b>		
Grants	-	-
Donations	3,393	2,393
	<u>3,393</u>	<u>2,393</u>
<b>GRANTS OR DONATIONS OVER \$1000</b>		
Grants	-	-
Donations	60,500	43,154
	<u>60,500</u>	<u>43,154</u>
<b>Total</b>	<u>63,893</u>	<u>45,547</u>
<b>8 DELEGATION/EMPLOYEE EXPENSES</b>		
Employees - Office Holders	303,317	123,603
Employees - Other	265,366	303,993
Members	111,899	132,575
	<u>680,582</u>	<u>560,171</u>
International - Office Holders	71,424	188,969
International - Other	61,617	49,215
	<u>133,041</u>	<u>238,184</u>
<b>Total</b>	<u>813,623</u>	<u>798,355</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015	2014
	\$	\$
<b>9A STATE BRANCH EXPENDITURE</b>		
State branch expenditure is broken down amongst the state branches as follows:		
New South Wales branch	1,061,767	1,270,164
Queensland branch	1,415,891	1,480,656
South Australia branch	489,899	545,292
Tasmania branch	228,415	210,850
Victoria branch	1,767,257	1,962,253
Western Australia branch	1,231,113	1,079,848
	<u>6,194,342</u>	<u>6,549,063</u>

**9B PAYMENTS TO OTHER REPORTING UNITS**

Payments to other reporting units are broken down amongst the state branches as follows:

New South Wales branch	1,114,382	1,243,891
Queensland branch	1,420,993	1,433,468
South Australia branch	504,368	545,292
Tasmania branch	228,415	210,851
Victoria branch	1,917,473	1,873,794
Western Australia branch	1,266,687	1,045,431
	<u>6,452,318</u>	<u>6,352,727</u>



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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015	2014
	\$	\$
<b>10. CASH AND CASH EQUIVALENTS</b>		
Advances and Floats	23,470	24,480
Bank Accounts		
National Council General Fund	2,295,219	1,908,501
National Council Political Fund	-	177
Recoverable Deposits	10,077	11,499
	<u>2,328,766</u>	<u>1,944,657</u>
<b>11. RECEIVABLES</b>		
<b>Current</b>		
Accrued Interest	275,421	604,961
Membership in Arrears	291,670	282,630
National Entitlement Security Trust (NEST) *	4,307,085	3,940,768
Prepayments	643,332	386,762
Receivable from another reporting unit	-	62,403
Sundry Debtors	434,329	523,412
Trust - Grants	-	(318,990)
	<u>5,951,837</u>	<u>5,481,946</u>
<b>Non-Current</b>		
IPP Property Trust - Distribution Receivable	534,696	534,696
	<u>534,696</u>	<u>534,696</u>
<p>*the National Council has transferred monies to NEST in order to secure the current provision of long service leave entitlements for its employees, officers and officials.</p>		
<b>12. OTHER FINANCIAL ASSETS</b>		
<i>Held-to-maturity financial assets carried at amortised cost:</i>		
Short-Term Deposits	23,959,268	59,198,533
<i>Available-for-sale financial assets carried at fair value:</i>		
Managed Funds	53,970,727	15,941,575
Foundation Units	46,670	46,670
Total Other Financial Assets	<u>77,976,665</u>	<u>75,186,778</u>
Current	77,929,995	75,140,108
Non-Current	46,670	46,670
	<u>77,976,665</u>	<u>75,186,778</u>

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

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

	2015	2014
	\$	\$
<b>13. INVESTMENTS</b>		
Investments in equity instruments	21,104	21,104
Investments in associates accounted for using the equity method	348,608	341,630
	<u>369,712</u>	<u>362,734</u>

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

2015	Balance	Level 1	Level 2	Level 3
Available-for-sale financial assets - Units in managed funds	53,970,727	-	53,970,727	-
Available for sale financial assets - Unquoted Foundation units	46,670	-	-	46,670
Investments in equity instruments	21,104	4,519	-	16,585
Investments in associates accounted for using the equity method	348,608	-	-	348,608

2014	Balance	Level 1	Level 2	Level 3
Available-for-sale financial assets - Units in managed funds	15,941,575	-	15,941,575	-
Available for sale financial assets - Unquoted Foundation units	46,670	-	-	46,670
Investments in equity instruments	21,104	4,519	-	16,585
Investments in associates accounted for using the equity method	341,630	-	-	341,630

**Level 1** - Investments in equity instruments are assets with available quoted prices (unadjusted) in active markets.

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

**Units in managed funds** are carried at fair value based on the current unit price for redemption of those units within the funds. The Unit prices are obtained from the trustees annually.

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

**Investments in Foundation Units \$46,670:** management believe that cost best represents the fair value. These units are not tradeable or redeemable at a value other than the costs.

**Investments in equity instruments \$16,585:** comprise of shares in companies which are not traded in an active market. The shares are not held for trading but held to maintain an interest in the affairs of selected employers. The shares are held at cost, as cost is believed to appropriately represent fair value.

**Investments in equity instruments - accounted for using the equity accounting method \$348,608:** shares in Industrial Printing and Publishing Pty Ltd (IPP) (a private company) and Ucover are held at cost plus the share of the entities net earnings under the equity method of accounting.

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**14(a). For Assets measured at fair value based on Level 3 in the Statement of Financial Position.**

	Investments in associates	Equity investments	Foundation Units
Opening balance - 2013	300,454	16,585	46,670
Total gains or losses			
- in profit or loss	41,176	-	-
- in other comprehensive income	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Opening balance - 2014	341,630	16,585	46,670
Total gains or losses			
- in profit or loss	6,978	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Issues	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Closing balance 2015	348,608	16,585	46,670
Total gains or losses for the period included in profit or loss			
2015	6,978	-	-
2014	41,176	-	-

**14(b). Associated entities disclosures**

The Industrial Printing and Publishing Pty Ltd (IPP) financial reporting date is the 30 June 2015. As a private company the company has no published price quotations. The audited financial information as at the 30 September is not readily available. Accordingly the 30 June 2015 amounts are applied to represent the gains or losses.

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

	2015 \$	2014 \$
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Computer Equipment</b>		
Cost	3,335,527	3,244,540
Less Accumulated Depreciation	<u>(2,869,882)</u>	<u>(2,754,838)</u>
	<u>465,645</u>	<u>489,702</u>
<b>Furniture and Fittings</b>		
Cost	5,692,269	5,688,039
Less Accumulated Depreciation	<u>(5,249,076)</u>	<u>(5,168,243)</u>
	<u>443,193</u>	<u>519,796</u>
<b>Motor Vehicles</b>		
Cost	6,331,267	6,694,910
Less Accumulated Depreciation	<u>(2,566,943)</u>	<u>(2,513,070)</u>
	<u>3,764,324</u>	<u>4,181,840</u>
<b>Properties held for own use - at Cost</b>		
Land	3,955,000	3,955,000
Buildings	48,307,100	48,283,424
Buildings - Work in progress	<u>2,759,332</u>	<u>33,452</u>
	55,021,432	52,271,876
Less Accumulated Depreciation on Buildings	<u>(20,348,087)</u>	<u>(19,552,349)</u>
	<u>34,673,345</u>	<u>32,719,527</u>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<u>39,346,507</u>	<u>37,910,865</u>

**MOVEMENTS IN CARRYING AMOUNTS**

**2015**

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
<b>Balance at</b>					
<b>1 October 2014</b>	489,702	519,796	4,181,840	32,719,527	37,910,865
Additions	204,298	4,230	1,618,584	2,749,557	4,576,669
Disposals	(1,468)	-	(758,942)	-	(760,410)
Depreciation	<u>(226,887)</u>	<u>(80,833)</u>	<u>(1,277,158)</u>	<u>(795,739)</u>	<u>(2,380,617)</u>
<b>Balance at</b>					
<b>30 September 2015</b>	<u>465,645</u>	<u>443,193</u>	<u>3,764,324</u>	<u>34,673,345</u>	<u>39,346,507</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

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

2014

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings (amended) \$	Total \$
<b>Balance at 1 October 2013</b>	641,143	410,241	5,235,951	33,427,001	39,714,336
Additions	72,876	196,320	1,109,320	477,844	1,856,360
Disposals	(11,923)	-	(908,165)	-	(920,088)
Depreciation	<u>(212,394)</u>	<u>(86,765)</u>	<u>(1,255,266)</u>	<u>(1,185,318)</u>	<u>(2,739,743)</u>
<b>Balance at 30 September 2014</b>	<u>489,702</u>	<u>519,796</u>	<u>4,181,840</u>	<u>32,719,527</u>	<u>37,910,865</u>

**Investment Property**

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

	2015 \$	2014 \$
<b>Investment property</b>		
Land	375,000	375,000
Rented Property - at Cost	1,069,972	1,049,011
Accumulated Depreciation	<u>(871,287)</u>	<u>(439,193)</u>
Net Book Value	<u>573,685</u>	<u>984,818</u>

	2015 \$	2014 \$
Balance at start of year	984,818	922,555
Additions	20,961	81,818
Disposals	-	-
Depreciation	<u>(432,094)</u>	<u>(19,555)</u>
Balance at end of year	<u>573,685</u>	<u>984,818</u>

The investment properties are commercial office buildings with operating leases related to service entities. The union applies the cost model to avoid the costs needed to undertake regular fair value assessment. The future lease rental returns are set out in Note 24.

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

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

	2015 \$	2014 \$
<b>16. Trade and Other Payables</b>		
Other Payables - Legal Costs - litigation	-	86,259
Other Payables - Legal Costs - other legal matters	-	-
Other Payables - Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	320,379
Sundry Creditors, Trade and other payables	<u>692,641</u>	<u>517,525</u>
	<u>692,641</u>	<u>924,163</u>
<b>17. Provisions</b>		
<u>Current</u>		
Services	-	-
Annual Leave Entitlements	3,314,965	3,562,568
Long Service Leave Entitlements	<u>4,854,815</u>	<u>4,605,685</u>
	<u>8,169,780</u>	<u>8,168,253</u>
<u>Non-Current</u>		
Long Service Leave Entitlements	<u>203,791</u>	<u>331,352</u>
<b>17A Employee Provisions</b>		
<i>Office Holders:</i>		
Annual leave	892,341	966,489
Long service leave	1,793,679	1,789,237
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<u>2,686,020</u>	<u>2,755,726</u>
<i>Employees other than office holders:</i>		
Annual leave	2,422,624	2,596,079
Long service leave	3,264,927	3,147,800
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>5,687,551</u>	<u>5,743,879</u>
<b>Total employee provisions</b>	<u>8,373,571</u>	<u>8,499,605</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

<b>18. PROFESSIONAL SERVICES</b>	<b>Note</b>	<b>2015 \$</b>	<b>2014 \$</b>
<b>Auditors</b>			
Audit Fees		62,500	71,650
Other Services		9,000	8,500
		<u>71,500</u>	<u>80,150</u>
<b>Legal Expenses</b>			
Litigation		55,814	120,953
Other Legal Matters		55,332	61,272
		<u>111,146</u>	<u>182,225</u>
		<u>182,646</u>	<u>262,375</u>
<b>19. CASH FLOW INFORMATION</b>			
<b>a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.</b>			
Cash and Bank Balances	10	2,328,766	1,944,657
Short Term Deposits	12	<u>23,959,268</u>	<u>59,198,533</u>
		<u>26,288,034</u>	<u>61,143,190</u>
<b>b) Reconciliation of Cash Flow from Operations with Net Surplus</b>			
Net Surplus		5,831,479	6,466,271
<b>Non-Cash Flows in Net Surplus</b>			
Depreciation		2,812,710	2,759,298
Loss on Disposal of Fixed Assets		186,858	136,966
(Gain) Loss on Disposal of Managed Funds		(141,477)	750,374
Reinvestment of Income from Managed Funds		-	(971,747)
Share of Net Profit of Associates		(6,978)	-
<b>Changes in Assets and Liabilities</b>			
<b>Increase in Sundry Debtors &amp; Membership in Arrears</b>			
Arrears		(223,871)	(18,712)
Decrease in Accrued Interest		329,540	46,432
(Increase) Decrease in Prepayments		(256,570)	793,048
Increase in Sundry Creditors		(460,803)	(667,107)
Increase (Decrease) in Trust Grants		(89,709)	(72,016)
Increase in Employee Entitlements		<u>(126,034)</u>	<u>(269,868)</u>
<b>CASH FLOWS FROM OPERATIONS</b>		<u>7,855,145</u>	<u>8,952,939</u>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**20. ACCUMULATED FUNDS SUMMARY**

<b>Funds</b>	<b>Opening Balance 1 Oct 2014</b>	<b>Contributions into Funds</b>	<b>Net Expenditure and transfers of funds</b>	<b>Profit and Loss of General Fund</b>	<b>Closing Balance 30 Sep 2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
National Council Political	1,997,975	656,455	(554,219)	-	2,100,211
Education	6,457,850	981,438	(316,428)	-	7,122,860
Hardship	7,847,332	118,960	(118,960)	-	7,847,332
Vehicle Division Education	313,055	4,102	-	-	317,157
Campaign and Organising	5,620,100	1,898,882	(3,016,762)	-	4,502,220
Fairfax Chapel Dispute	50,953	-	-	-	50,953
Australian Printing Federation	33,023	-	-	-	33,023
York Endowment	46,313	-	-	-	46,313
General	90,766,275	-	-	6,178,011	96,944,286
	<b>113,132,876</b>	<b>3,659,837</b>	<b>(4,006,369)</b>	<b>6,178,011</b>	<b>118,964,355</b>

**FUNDS**

**THE SPECIFIC PURPOSE OF THE FUND**

National Council Political	Established under Rule to further the political objectives of the Union amongst the membership and the wider community.
Education	Established to assist members and employees to gain knowledge and skills which strengthen their participation in Union activities.
Hardship	Established for the welfare of Union members who require relief from hardship.
Vehicle Division Education	Established to assist members and employees to gain knowledge and skills which strengthen their participation in the Union's activities.
Campaign and Organising	Established to strengthen the Union's core campaign and organising objectives and to represent the interests of members and influence broader policy and debate.
Fairfax Chapel Dispute	Established during a major industrial dispute at Fairfax Chullora that commenced in 1976, contributions were received to support the families of the workers involved.
Australian Printing Federation	Established to promote the industries and occupations of our members in printing.
York Endowment	The late Eric Percival York bequeathed his estate to the AMF&SU to be invested for the benefit of the Union.
General	The working account of the AFMEPKIU National Office.



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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**21. 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:

	2015	2014
	\$	\$
<b>Receivables</b>		
National Entitlement Security Trust	4,307,085	3,940,768
Sundry Debtors	726,005	523,412
	<u>5,033,090</u>	<u>4,464,180</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,  
PRINTING AND KINDRED INDUSTRIES UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**21. 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 2015 it had \$2,328,766 (2014: \$1,944,657) of cash and cash equivalents to meet its obligations as they fall due, and a further \$23,959,268 (2014: \$59,198,533) held in short term deposits. The Financial liabilities recorded in the financial statements at 30 September 2015 were \$9,007,639 (2014: \$9,423,767). The National Council manages liquidity risk by monitoring cash flows.

*(d) Market Risk*

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

*(e) Interest Rate Risk*

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

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

<b>30 September 2015</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	2,295,219	-	33,547	2,328,766
Receivables	-	4,307,085	434,329	4,741,414
Managed Funds	53,970,727	-	-	53,970,727
Short term deposits	-	23,959,268	-	23,959,268
	<u>56,265,946</u>	<u>28,266,353</u>	<u>467,876</u>	<u>85,000,175</u>
Weighted average Interest rate	1.50%	2.92%		
<b>Financial Liabilities</b>				
Payables	-	-	(692,641)	(692,641)
	<u>-</u>	<u>-</u>	<u>(692,641)</u>	<u>(692,641)</u>
<b>Net Financial Assets / (Liabilities)</b>	<u>56,265,946</u>	<u>28,266,353</u>	<u>(224,765)</u>	<u>84,307,534</u>

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

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

21. FINANCIAL RISK MANAGEMENT (Cont'd)

30 September 2014	Floating interest rate	Fixed interest rate	Non- interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$	\$
Cash Assets	1,908,678	-	35,979	1,944,657
Receivables	-	3,940,768	523,412	4,464,180
Managed Funds	15,941,575	-	-	15,941,575
Short term deposits	-	59,198,533	-	59,198,533
	<u>17,850,253</u>	<u>63,139,301</u>	<u>559,391</u>	<u>81,848,945</u>
Weighted average Interest rate	0.83%	3.51%		
<b>Financial Liabilities</b>				
Payables	-	-	(924,162)	(924,162)
	<u>-</u>	<u>-</u>	<u>(924,162)</u>	<u>(924,162)</u>
<b>Net financial assets (liabilities)</b>	<u>17,850,253</u>	<u>63,139,301</u>	<u>364,771</u>	<u>80,624,783</u>

Sensitivity Analysis

2015	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	2,295,219	22,952	(22,952)
Receivables	4,307,085	43,071	(43,071)
Short Term Deposits	23,959,268	239,593	(259,593)
2014	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	1,908,678	19,087	(19,087)
Receivables	3,940,768	39,408	(39,408)
Short Term Deposits	59,198,533	591,985	(591,985)

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**21. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(f) Other Price Risks*

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

**Sensitivity Analysis - Managed Funds (external)**

	2015	2014		2015	2014
<b>Fund Allocation (%):</b>			<b>Fund Allocation (\$):</b>		
Domestic Shares	12.67%	44.38%	Domestic Shares	6,839,650	7,074,762
International Shares	10.54%	27.30%	International Shares	5,688,462	4,351,370
Domestic Listed Property	8.74%	6.17%	Domestic Listed Property	4,717,427	984,221
Domestic Fixed Interest	31.27%	6.58%	Domestic Fixed Interest	16,878,857	1,048,734
International Fixed Interest			International Fixed Interest		
Other	22.03%	4.24%	Other	11,887,550	675,534
Cash	0.02%	0.02%	Cash	8,477	4,124
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>Total</b>	<b>53,970,727</b>	<b>15,941,575</b>

2015	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	7,950,304	79,503	(79,503)

	Carrying Amount	+ 10.00 % (1000 basis points) Other Equity Profit	- 10.00 % (1000 basis points) Other Equity Loss
	\$	\$	\$
Domestic Shares	6,839,650	683,965	(683,965)
International Shares	5,688,462	568,846	(568,846)
Domestic Listed Property	4,717,427	471,743	(471,743)
Domestic Fixed Interest	16,878,857	1,687,886	(1,687,886)
International Fixed Interest	11,887,550	1,188,755	(1,188,755)
Other	8,477	848	(848)
<b>Total</b>	<b>53,970,727</b>	<b>4,681,545</b>	<b>(4,681,545)</b>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**21. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(f) Other Price Risks (Cont'd)*

2014	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	1,802,830	18,028	(18,028)
	Carrying Amount	+ 10.00 % (1000 basis points) Other Equity Profit	- 10.00 % (1000 basis points) Other Equity Loss
	Amount \$	\$	\$
Domestic Shares	7,074,762	707,476	(707,476)
International Shares	4,351,370	435,137	(435,137)
Domestic Listed Property	984,221	98,422	(98,422)
Domestic Fixed Interest	1,048,734	104,873	(104,873)
International Fixed Interest	675,534	67,553	(67,553)
Other	4,124	412	(412)
Total	<u>15,941,575</u>	<u>1,431,903</u>	<u>(1,431,903)</u>

*(g) Foreign Exchange Risk*

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

**22. 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,  
PRINTING AND KINDRED INDUSTRIES UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**23. RELATED PARTIES**

- (i) The aggregate amount of remuneration paid to office holders during the financial year is disclosed in the statement of comprehensive income under Salaries Officials as disclosed at note 6 to the accounts.
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of office holders was \$648,357 (2014: \$645,132).
- (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.
- (iv) The National Council received income of \$4,096,254 (2014: \$3,867,116) from its associate, U Cover Pty Ltd during the year.

**24. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

	2015	2014
Short-term employee benefits	\$	\$
Salary (including annual leave taken)	1,600,476	1,480,633
Annual leave accrued	116,244	116,542
Service entitlement/performance bonus accrued	56,000	53,500
<b>Total short-term employee benefits</b>	<b>1,772,720</b>	<b>1,650,675</b>
Post-employment benefits:		
Superannuation	182,255	159,236
<b>Total post-employment benefits</b>	<b>182,255</b>	<b>159,236</b>
Other long-term benefits:		
Long-service leave	37,779	37,876
<b>Total other long-term benefits</b>	<b>37,779</b>	<b>37,876</b>
Termination benefits	91,100	-
<b>Total</b>	<b>2,083,854</b>	<b>1,847,787</b>

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

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**25. CONTINGENT LIABILITIES**

The National Council is not aware of any significant contingent liabilities that would require disclosure in this financial report.

**26. OPERATING LEASE COMMITMENTS - AS LESSOR**

Future minimum rentals receivable under non-cancellable operating leases as at 30 September 2015 are as follows:

	2015	2014
	\$	\$
(i) not later than one year;	2,004,372	2,529,749
(ii) later than one year and not later than five years;	5,287,380	6,200,063
(iii) later than five years;	185,658	1,264,480
	<u>7,477,410</u>	<u>9,994,292</u>
<b>(b) total contingent rents recognised as income in the period;</b>	<u>-</u>	<u>-</u>

**General description of the lessor's leasing arrangements**

The operating leases applicable to the buildings owned for use by the Union and its branches are in part leased under operating leases of between 3 and 5 years. One lease has a term of 9 years. The leases are subject to annual lease reviews with increases based on varying levels of 3% to 4%, subject to varying conditions and inflation.

**27. OPERATING LEASE COMMITMENTS - AS LESSEE**

Future minimum rentals payable under non-cancellable operating leases as at 30 September 2015 are as follows:

	2015	2014
	\$	\$
(i) not later than one year;	79,748	102,574
(ii) later than one year and not later than five years;	82,838	162,586
(iii) later than five years;	-	-
	<u>162,586</u>	<u>265,160</u>

**28. ADDITIONAL INFORMATION**

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

Level 4, 133 - 137 Parramatta Road, Granville NSW 2142

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Report**

We have audited the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council, which comprises the Statement of Financial Position as at 30 September 2015, the Statement of Comprehensive Income, Statement of Changes in Accumulated Funds and Reserves, and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management Statement.

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

The Committee of Management and National Secretary are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009* and is appropriate to meet the needs of the members.

The Committee of Management and National Secretary's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### **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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view 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 Accounting Professional and Ethical Standards Board as well as the *Fair Work (Registered Organisations) Act 2009*.

### Opinion

In our opinion:

- (a) the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
  - (i) presenting fairly the entity's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisations) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council is appropriate.

### Report on the recovery of wages activity

The Committee of management and the National Secretary are responsible for the preparation and presentation of the recovery of wages activity in accordance with section 253(2)(c) of the *Fair Work (Registered Organisations) Act 2009*. Our responsibility is to express an opinion on the recovery of wages activity within the financial report, based on our audit conducted in accordance with Australian Accounting Standards.

We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management and National Secretary to include within the scope of the audit any recovery of wages activity.

### Auditor's qualification

We confirm that Grant Saxon:

- (a) is an approved auditor;
- (b) is a person who is a member of The Institute of Chartered Accountants in Australia; and
- (c) holds a current Public Practice Certificate.

BDO East Coast Partnership



Grant Saxon  
Partner

Sydney, 9 December 2015

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

**NATIONAL COUNCIL POLITICAL FUND**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	2015	2014
	\$	\$
<b>INCOME</b>		
Contributions	656,455	680,379
Interest Received	<u>58,578</u>	<u>66,363</u>
<b>TOTAL INCOME</b>	<u>715,033</u>	<u>746,742</u>
<b>EXPENDITURE</b>		
Affiliation Fees	3 466,276	444,811
Audit and Accountancy Fees	3,300	6,999
Bank and Government Charges	240	272
Consultancy	20,000	-
Election Expenses-Advert	-	24,099
Delegation Expenses - Employees	1,612	-
Donations - over \$1000	44,000	155,590
Donations - \$1000 or less	500	109
General Office	6,514	-
Legal Expenses	-	-
Marginal seat election expenses	-	-
Postage, Printing & Stationery	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>	<u>542,442</u>	<u>631,880</u>
<b>(DEFICIT)/SURPLUS FOR YEAR</b>	<u>172,591</u>	<u>114,862</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME</b>	<u>172,591</u>	<u>114,862</u>

(The attached Notes form part of these Accounts)

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

	2015	2014
	\$	\$
<b>ASSETS</b>		
Cash at Bank	37	177
Receivable from: Cash Investments National Council	2,129,613	1,968,799
Prepayments	33,820	25,253
<b>TOTAL ASSETS</b>	<u>2,163,470</u>	<u>1,994,229</u>
<b>LIABILITIES</b>		
Sundry Creditors	-	3,350
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>3,350</u>
<b>NET ASSETS</b>	<u>2,163,470</u>	<u>1,990,879</u>
<b>ACCUMULATED FUNDS</b>		
Accumulated Funds	<u>2,163,470</u>	<u>1,990,879</u>
<b>TOTAL ACCUMULATED FUNDS</b>	<u>2,163,470</u>	<u>1,990,879</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  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	<b>Accumulated Funds</b>
	\$
<b>Balance at 30 September 2013</b>	<b>1,876,017</b>
<b>Total comprehensive loss for the year</b>	<b>114,862</b>
<b>Balance at 30 September 2014</b>	<b>1,990,879</b>
<b>Total comprehensive income for the year</b>	<b>172,591</b>
<b>Balance at 30 September 2015</b>	<b>2,163,470</b>

(The attached Notes form part of these Accounts)

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015	2014
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Contributions		495,641	558,422
Interest Received		58,578	66,363
Payments to Suppliers		(554,359)	(631,696)
		<hr/>	<hr/>
<b>NET CASH USED IN BY OPERATING ACTIVITIES</b>	4(b)	(140)	(6,911)
		<hr/>	<hr/>
<b>NET DECREASE IN CASH HELD</b>		(140)	(6,911)
Cash at Beginning of Year		177	7,088
		<hr/>	<hr/>
<b>CASH AT END OF YEAR</b>	4(a)	37	177
		<hr/>	<hr/>

(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 2015**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the National Council have prepared a full set of financial statements with all disclosures requirements.

**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.

**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 2015 (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 recognised as income when National council transfers the monies it receives from members for the Political Fund.
- (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 statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the Australian Tax Office is included as part of receivables or payables as appropriate.

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

**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 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 2015 (Cont'd)**

**3. AFFILIATION FEES**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Australian Labor Party NSW	89,054	92,791
Australian Labor Party Victoria	144,559	152,724
Australian Labor Party Queensland	115,202	96,775
Australian Labor Party Northern Territory	2,385	2,493
Australian Labor Party South Australia	38,625	38,143
Australian Labor Party Western Australia	69,507	54,948
Australian Labor Party Tasmania	6,944	6,937
	<b><u>466,276</u></b>	<b><u>444,811</u></b>

**4. CASH FLOW INFORMATION**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash and Bank Balances	<u>37</u>	<u>177</u>
(b) <b>Reconciliation of Cash Flow from Operations with Surplus</b>		
Surplus	114,013	114,862
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Prepayments	(8,567)	7,093
Increase in National Council General Fund	(102,236)	(121,957)
Decrease in Sundry Creditors	<u>(3,350)</u>	<u>(6,909)</u>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b><u>(140)</u></b>	<b><u>(6,911)</u></b>

**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 2015 (Cont'd)**

**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.

*(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:

	2015	2014
	\$	\$
Cash and cash equivalents	37	177
	<hr/>	<hr/>
National Council General Fund	2,129,613	1,968,799
	<hr/>	<hr/>

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

**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 2015 (Cont'd)**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

**(b) Credit Risk (Cont'd)**

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 2015 it had \$37 (2014: \$177) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2015 and 30 September 2014 were \$nil and \$3,350 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 cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk).

**(e) Interest Rate Risk**

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(e) Interest Rate Risk (Cont'd)*

<b>30 September 2015</b>	<b>Floating/fixed interest rate</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	37	-	37
Receivable	<u>2,129,613</u>	<u>-</u>	<u>2,129,613</u>
	<u>2,129,650</u>	<u>-</u>	<u>2,129,650</u>
Weighted average Interest rate	2.92%		
<b>Financial Liabilities</b>			
Payables	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-
<b>Net Financial Assets</b>	<u>2,129,650</u>	<u>-</u>	<u>2,129,650</u>
<b>30 September 2014</b>	<b>Floating/fixed interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	177	-	177
Receivable	<u>1,968,799</u>	<u>-</u>	<u>1,968,799</u>
	<u>1,968,976</u>	<u>-</u>	<u>1,968,976</u>
Weighted average Interest rate	3.54%		
<b>Financial Liabilities</b>			
Payables	<u>-</u>	<u>3,350</u>	<u>3,350</u>
	-	3,350	3,350
<b>Net Financial Assets / (Liabilities)</b>	<u>1,968,976</u>	<u>(3,350)</u>	<u>1,965,626</u>

**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 2015 (Cont'd)**

**5. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(e) Interest Rate Risk (Cont'd)*

**Sensitivity Analysis**

<b>2015</b>	<b>Carrying Amount</b>	<b>+0.50% (50 basis points) Profit</b>	<b>-0.50% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>37</u>	<u>-</u>	<u>-</u>

<b>2015</b>	<b>Carrying Amount</b>	<b>+0.50% (50 basis points) Profit</b>	<b>-0.50% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivable	<u>2,129,650</u>	<u>10,648</u>	<u>(10,648)</u>

<b>2014</b>	<b>Carrying Amount</b>	<b>+0.50% (50 basis points) Profit</b>	<b>-0.50% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>177</u>	<u>1</u>	<u>(1)</u>

<b>2014</b>	<b>Carrying Amount</b>	<b>+0.50% (50 basis points) Profit</b>	<b>-0.50% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivable	<u>1,968,799</u>	<u>9,844</u>	<u>(9,844)</u>

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Report**

We have audited the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund, which comprises the Statement of Financial Position as at 30 September 2015, the Statement of Comprehensive Income, Statement of Changes in Accumulated Funds, and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

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

The Committee of Management and National Secretary are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009* and is appropriate to meet the needs of the members.

The Committee of Management and National Secretary's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### **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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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 Accounting Professional and Ethical Standards Board as well as the *Fair Work (Registered Organisations) Act 2009*.

### **Opinion**

In our opinion:

- (a) the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
  - (i) presenting fairly the entity's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisations) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund is appropriate.

### **Report on the recovery of wages activity**

The Committee of management and the National Secretary are responsible for the preparation and presentation of the recovery of wages activity in accordance with section 253(2)(c) of the *Fair Work (Registered Organisations) Act 2009*. Our responsibility is to express an opinion on the recovery of wages activity within the financial report, based on our audit conducted in accordance with Australian Accounting Standards.


We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management and National Secretary to include within the scope of the audit any recovery of wages activity.

### **Auditor's qualification**

We confirm that Grant Saxon:

- (a) is an approved auditor;
- (b) is a person who is a member of The Institute of Chartered Accountants in Australia; and
- (c) holds a current Public Practice Certificate.

**BDO East Coast Partnership**



Grant Saxon  
Partner

Sydney, 9 December 2015



28 October 2015

Mr Paul Bastian  
National Secretary

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

Sent via email: [national.secretary@amwu.asn.au](mailto:national.secretary@amwu.asn.au)

Dear Mr Bastian,

**Re: Lodgement of Financial Report - [FR2015/356]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU) (the reporting unit) ended on 30 September 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 April 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,

Sam Gallichio  
Adviser  
Regulatory Compliance Branch

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)



## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /	As soon as practicable after end of financial year
(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).		
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement)
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,  or  (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.