



FAIR WORK  
COMMISSION

26 April 2017

Mr Paul Bastian  
National Secretary,  
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as  
the Australian Manufacturing Workers’ Union (AMWU)

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

Dear Mr Bastian

**Re: Lodgement of Financial Statements and Accounts – “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (AMWU), National Council - for year ended 30 September 2016 (FR2016/329)**

I refer to the financial report for the National Council of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (AMWU). The report was lodged with the Fair Work Commission on 30 March 2017.

The financial report has been filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in relation to the report lodged but I make the following comments to assist when preparing the next report. Please note that the next financial report for the year ending 30 September 2017 may be subject to an advanced review.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires any payables in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 requires that if any activities identified in item 20 have not occurred in the reporting period, a statement to this effect<sup>1</sup> must be included in the GPFR. I note that no such disclosure was made.

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 *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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<sup>1</sup> Or a nil balance, as per the model financial statements

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979.

Yours sincerely

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal line extending to the right from the end of the name.

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

**From:** KELLETT, Stephen  
**Sent:** Wednesday, 26 April 2017 2:58 PM  
**To:** national.secretary@amwu.asn.au  
**Cc:** 'warren.soos@amwu.asn.au'  
**Subject:** Financial reporting - y/e 30 Sept 2016 - filing

Dear Mr Bastian,

Please see attached my letter in relation to the above.

Yours faithfully

**STEPHEN KELLETT**  
Regulatory Compliance Branch  
**FAIR WORK COMMISSION**

80 William Street  
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283  
(mob.) 0429 462 979  
(email) [stephen.kellett@fwc.gov](mailto:stephen.kellett@fwc.gov)



AMWU FR2016 329  
(primary final).pdf

**From:** Warren Soos [<mailto:warren.soos@amwu.asn.au>]  
**Sent:** Thursday, 30 March 2017 2:58 PM  
**To:** Orgs; FENWICK, Joanne  
**Subject:** ON CMS FR2016/329 FR2016/325 AFMEPKIU National & WA Financial Reports 30 September 2016 and CONS/COSS

FWC,

Please find attached the Full Reports for the National AFMEPKIU for the year ended 30 September 2016, together with the relevant Certificate of National Secretary.

Also find attached the Full Reports for the Western Australia AFMEPKIU for the year ended 30 September 2016, together with the relevant Certificate of State Secretary.

Should you have any queries on the documents, please feel free to contact me.

Thanks and regards,

Warren Soos



**AMWU**

National Operations Co-ordinator  
Australian Manufacturing Workers' Union  
Ph: 02 8868 1539  
Fax: 02 9897 9274  
Mob: 0418 960 895  
Add: PO Box 844, Granville NSW 2142  
Email: [warren.soos@amwu.asn.au](mailto:warren.soos@amwu.asn.au)



Certificate of State Secretary SA.pdf



2016 Financials SA.pdf



Certificate of National Secretary.pdf



2016 Financials NAT Political Fund.pdf



2016 Financials NAT.pdf



21 March, 2017

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**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 2016 was provided to members on the AMWU website on 21 December 2016, and an article in the AMWU News advising the membership of the Full Report's availability was sent to members between the dates 9 to 13 January 2017.; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union National Council on 21 March 2017 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

PAUL BASTIAN  
NATIONAL SECRETARY

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

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**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**NATIONAL COUNCIL**

**OPERATING REPORT**

The National Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AFMEPKIU), National Council for the financial year ended 30 September 2016.

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 2016 the AFMEPKIU negotiated and registered 250 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 2016 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 \$3,614,568 (2015: net surplus of \$5,831,479).

**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



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**OPERATING REPORT (Cont'd)**

- (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (b) In any other case:

- (i) At the end of two weeks, after the notice is received by the organisation; or  
(ii) On the day specified in the notice;

whichever is later.

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

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:

<b>Level</b>	<b>Position</b>	<b>Per Annum</b>
5	Officer	\$87,609.60
6	Senior Officer	\$92,024.40
7	Assistant Federal Secretary/National Department Heads/Assistant State Secretary	\$98,438.60
8	Assistant National Secretary / National Executive Officer/State Secretary	\$104,205.40
9	National Secretary/National President	\$112,216.00

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

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**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 2016, are as follows:

<b>Position</b>	<b>Name</b>	<b>Salary, Super &amp; Service Increment</b>	<b>Travel &amp; Other Allowances</b>	<b>Non-Cash Benefits</b>
National President	Andrew Dettmer	\$126,221	\$9,841	Provision of a Motor Vehicle
National Secretary	Paul Bastian	\$120,181	\$6,000	Provision of a Motor Vehicle
National Assistant Secretary	Glenn Thompson	\$114,165	\$8,507	Provision of a Motor Vehicle
Tasmania State Secretary	John Short	\$115,200	\$3,250	Provision of a Motor Vehicle
Victorian State Secretary	Steve Dargavel	\$114,990	\$5,148	Provision of a Motor Vehicle

The following Officers left the employment of the AFMEPKIU during the year ended 30 September 2016 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:

<b>Position</b>	<b>Name</b>	<b>Relevant Remuneration</b>	<b>Non-Cash Benefits</b>
Organiser	Richard Finch	\$172,728	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:

<b>Organisation</b>	<b>Amount received</b>
Australian Super	\$60,625
Construction & Building Industry Super	\$121,394
Motor Trades Association of Australia Superannuation Fund	\$10,649
Industry Capability Network Limited	\$4,000
Media Super	\$112,403
Publicity Works	\$12,000
Australian Construction Industry Redundancy Trust	\$15,000
Office of the Training and Skills Commission	\$2,064

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**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.

The rules of the AFMEPKIU provide 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
CONSOLIDATED PROPERTY SERVICES	G & G TRADE PUBLISHING & DISTRIBUTION
KNIGHT FRANK AUSTRALIA P/L	QUALITOPS PTY LTD
MCGEES PROPERTY	MOUNTAIN MEDIA
DAIKIN AUSTRALIA P/L	REPUBLIC OF EVERYONE P/L
J HUTCHISON P/L	VISIBILITY CONSULTING P/L
STEMAR GROUP P/L	LIFESTYLE AUSTRALIA P/L
<b>Financial Services</b>	<b>Travel Services</b>
BDO EAST COAST PARTNERSHIP	AMERICAN EXPRESS
COVERFORCE INSURANCE BROKING	QANTAS
GIO GENERAL LTD(NSW WORKCOVER)	FCM TRAVEL SOLUTIONS
NATIONAL AUSTRALIA BANK	
INDUSTRY FUNDS SERVICES	

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**OPERATING REPORT (Cont'd)**

<b>CANON AUSTRALIA P/L</b>	<b>Vehicle Services</b>
KONICA MINOLTA BUSINESS SOLUTIONS	FLEET SYSTEMS PTY LIMITED
IBM AUSTRALIA LTD	GILLEN MOTORS PTY LTD
INFOR GLOBAL SOLUTIONS(ANZ)P/L	HEARTLAND MOTORS
SOFTWARE ONE	SUMMIT FLEET LEASING
IT INTEGRITY	KLOSTER FORD
NATIONAL TELECOMMUNICATION SOLUTIONS	BLUE MOBILE PHONE INSATLLATION
NELLER PTY LTD	<b>Direct Membership Services</b>
TELSTRA	ON THE LINE AUSTRALIA INC
OPTUS	
EXETEL	
APPLE STORE	
MICROSOFT AUSTRALIA	
NORTHERN MANAGED FINANCE P/L	
MESSAGENET P/L	
CORE TECHNOLOGY PARTNERS	

Officers' Material Personal Interests

For the year ended 30 September 2016, the Officers of the AFMEPKIU have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2016, the AFMEPKIU has made no reportable payments to any related party or declared person or body of the Union.

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**NATIONAL COUNCIL**

**OPERATING REPORT (Cont'd)**

**National Officers or Members who are Trustees of a Superannuation Entity**

The details of each member, or officer 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
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
Gary Callaghan	Media Super	Member Representative Alternate Director

**Other Relevant Information**

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

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

- (a) The number of persons who were recorded in the register of members on 30 September 2016 was 76,428.
- (b) The number of persons who were employees of the reporting unit on 30 September 2016 was 267.1, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
- (c) The name of each person who has been a member of National Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

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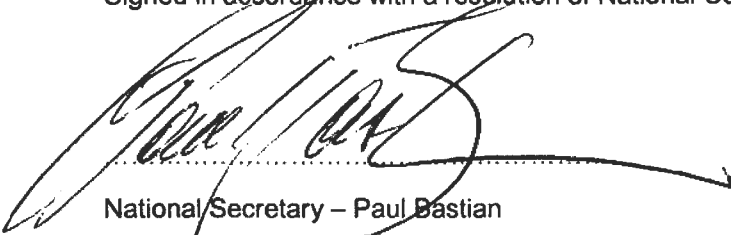
**NATIONAL COUNCIL**

<b>Name</b>	<b>Period Position Held</b>
Tim Ayres	1 October 2015 to 30 September 2016
Paul Bastian	1 October 2015 to 30 September 2016
Courtney Borg	1 October 2015 to 28 July 2016
Terry Bradley	1 October 2015 to 30 September 2016
Warren Butler	1 October 2015 to 30 September 2016
John Camillo	1 October 2015 to 30 September 2016
Lorraine Cassin	1 October 2015 to 30 September 2016
Frank Cherry	1 October 2015 to 30 September 2016
Sue Creed	1 October 2015 to 28 July 2016
Steve Dargavel	1 October 2015 to 30 September 2016
Tracey Davis	29 July 2016 to 30 September 2016
Andrew Dettmer	1 October 2015 to 30 September 2016
Paul Difelice	1 October 2015 to 30 September 2016
Anne Donnellan	1 October 2015 to 30 September 2016
Danny Dougherty	1 October 2015 to 30 September 2016
Colin Fenney	1 October 2015 to 30 September 2016
Thomas Hale	1 October 2015 to 30 September 2016
Margaret Hay	1 October 2015 to 28 July 2016
Heinz Joham	1 October 2015 to 28 July 2016
Craig Kelly	1 October 2015 to 30 September 2016
Craig Lerner	1 October 2015 to 28 July 2016
Alan Lindsey	29 July 2016 to 30 September 2016
David Lonsdale	29 July 2016 to 30 September 2016
Steve McCartney	1 October 2015 to 30 September 2016
Ian Mortimer	1 October 2015 to 30 September 2016
Steve Murphy	1 October 2015 to 30 September 2016
Mike Nicolaides	1 October 2015 to 30 September 2016
Allan Pearce	29 July 2016 to 30 September 2016
Tony Piccolo	1 October 2015 to 30 September 2016
Vanessa Seagrove	1 October 2015 to 30 September 2016
John Short	1 October 2015 to 30 September 2016
Dave Smith	1 October 2015 to 30 September 2016
Glenn Thompson	1 October 2015 to 30 September 2016
Rohan Webb	1 October 2015 to 30 September 2016
Glenn Wilcox	29 July 2016 to 30 September 2016

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**NATIONAL COUNCIL**

Signed in accordance with a resolution of National Council

A large, stylized handwritten signature in black ink, written over a horizontal dotted line. The signature is highly cursive and appears to read 'Paul Bastian'.

National Secretary – Paul Bastian

A smaller, more legible handwritten signature in black ink, written over a horizontal dotted line. The signature appears to read 'Andrew Dettmer'.

National President – Andrew Dettmer

6<sup>th</sup> December 2016

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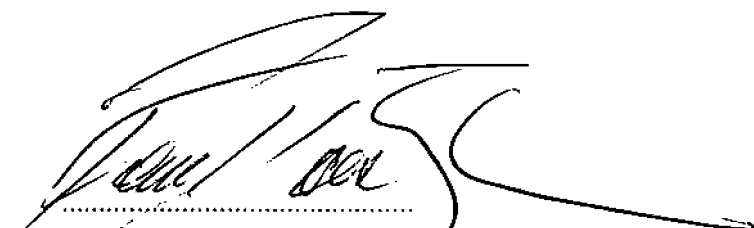
**COMMITTEE OF MANAGEMENT'S STATEMENT**

On 6<sup>th</sup> December 2016 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council General Fund for the year ended 30 September 2016.

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 2016;
- (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 2016 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) no revenue has been derived from undertaking recovery of wages activity during the financial year ended 30 September 2016.

For the National Council:



.....  
National Secretary – Paul Bastian

6<sup>th</sup> December 2016



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**NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Capitation Fees		-	-
Contributions	4A	40,098,542	41,930,315
Distribution from Available-for-Sale Financial Assets		2,842,254	1,171,246
Share of net profit from associates accounted for using the equity method		9,617	6,978
Interest Received		652,137	1,736,579
Grant Income		813,879	932,236
Rent Received	4B	2,540,157	2,467,035
Sundry Income (including Board fees)	5	<u>5,119,900</u>	<u>5,372,499</u>
<b>TOTAL INCOME</b>		<b><u>52,076,486</u></b>	<b><u>53,616,888</u></b>
<b>EXPENDITURE</b>			
<b>Depreciation</b>			
Depreciation – investment property	15	217,869	432,094
Buildings – owner occupied	15	966,150	795,739
Computer Installation	15	241,931	226,887
Furniture & Fittings	15	66,928	80,833
Motor Vehicles	15	<u>1,136,541</u>	<u>1,277,158</u>
Total Depreciation Property Plant and equipment	15	<b><u>2,629,419</u></b>	<b><u>2,812,711</u></b>
<b>Employee Benefits Expense</b>			
Salaries		20,819,334	21,540,533
Accrued Annual Leave		(51,772)	(167,356)
Long Service Leave		461,712	124,672
Redundancies		2,020,932	1,198,977
Superannuation		<u>2,227,763</u>	<u>2,295,796</u>
Sub total	6	25,477,969	24,992,622
Fringe Benefits Tax		530,084	459,214
Payroll Tax		<u>318,825</u>	<u>315,287</u>
		<b><u>26,326,878</u></b>	<b><u>25,767,123</u></b>
<b>State Branch Expenditure</b>	9A	<b><u>5,541,920</u></b>	<b><u>6,194,342</u></b>

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

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**NATIONAL COUNCIL**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

	Note	2016	2015
		\$	\$
<b>EXPENDITURE (Cont'd)</b>			
<b>Other Expenses</b>			
Affiliation Fees	7A	539,278	494,751
Bank and Government Charges		211,308	197,037
Building Expenses		2,742,730	2,199,953
Collectors Expenses		1,062	502
Computing		601,276	892,660
Conference and Meeting Expenses		373,469	147,913
Delegation/Employee Expenses	8	949,876	813,623
Donations and Grants	7B	36,409	63,893
Freight		11,107	13,962
Fund Expenses			
Political Fund Expenditure		1,187,078	554,219
Hardship Fund Expenditure		266,496	118,960
Vehicle Education Fund Expenditure		26,872	-
Education Fund Expenditure		336,709	310,181
Campaign & Organising Fund Expenditure		2,382,280	2,918,441
Funeral Benefits		73,170	74,300
General Office Expenses		97,273	143,382
Insurance		768,128	629,317
Membership Printing		682,621	743,940
MISTAS		312,061	221,670
Motor Vehicle Expenses		160,781	221,612
Postage		11,856	11,686
Printing and Distribution - AMWU News		250,905	259,047
Printing and Distribution – Newsletters		26,213	81,381
Printing and Stationery		293,222	334,575
Professional Services	18	445,350	182,646
Publicity		164,588	238,830
Rent Paid		360,468	462,645
Research		152,332	122,226
Telephone		445,825	512,500
		<b>13,910,743</b>	<b>12,965,852</b>
<b>TOTAL EXPENDITURE</b>		<b>48,408,960</b>	<b>47,740,028</b>

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

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATING SURPLUS FOR YEAR</b>	<b>3,667,526</b>	<b>5,876,860</b>
(Loss) on Disposal of Assets	(52,958)	(186,858)
Gain/(Loss) on Disposal of Investments	<u>-</u>	<u>141,477</u>
<b>NET SURPLUS FOR YEAR</b>	<b><u>3,614,568</u></b>	<b><u>5,831,479</u></b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Net Increase / (Decrease) in Value of Available-for-Sale Financial Assets	<u>2,244,492</u>	<u>(798,549)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>2,244,492</u></b>	<b><u>(798,549)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>5,859,060</u></b>	<b><u>5,032,930</u></b>

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

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2016**

	Note	2016	2015
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	10	2,447,447	2,328,766
Receivables	11	4,894,085	4,874,176
Other Assets	11	1,210,979	1,077,661
Other Financial Assets	12	84,041,812	77,929,995
<b>Total Current Assets</b>		<u>92,594,323</u>	<u>86,210,598</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	15	41,104,207	39,346,507
Investment Property	15	375,000	573,685
Investments	13	313,001	369,712
Other Financial Assets	12	46,670	46,670
Receivables	11	534,696	534,696
<b>Total Non-Current Assets</b>		<u>42,373,574</u>	<u>40,871,270</u>
<b>TOTAL ASSETS</b>		<u>134,967,897</u>	<u>127,081,868</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	16	612,258	692,641
Provisions	17	10,253,837	8,169,780
<b>Total Current Liabilities</b>		<u>10,866,095</u>	<u>8,862,421</u>
<b>Non Current Liabilities</b>			
Provisions	17	227,086	203,791
<b>Total Non-Current Liabilities</b>		<u>227,086</u>	<u>203,791</u>
<b>TOTAL LIABILITIES</b>		<u>11,093,181</u>	<u>9,066,212</u>
<b>NET ASSETS</b>		<u>123,874,716</u>	<u>118,015,656</u>
<b>ACCUMULATED FUNDS AND RESERVES</b>			
Available-for-Sale Investment Reserve		1,295,793	(948,699)
Accumulated Funds	20	122,578,923	118,964,355
<b>TOTAL ACCUMULATED FUNDS AND RESERVES</b>		<u>123,874,716</u>	<u>118,015,656</u>

(The above statement of financial position should be read in conjunction with the accompanying notes)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Accumulated Funds	Available-for- Sale Investment Reserve	Total
	\$	\$	\$
<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>
 <b>Balance at 30 September 2015</b>			
Net Surplus for the Year	3,614,568	-	3,614,568
<b>Other comprehensive income:</b>			
Increase in value of			
Available-for-Sale financial assets	-	2,244,492	2,244,492
Total Comprehensive Income	<u>3,614,568</u>	<u>2,244,493</u>	<u>5,859,061</u>
<b>Balance at 30 September 2016</b>	<b><u>122,578,923</u></b>	<b><u>1,295,793</u></b>	<b><u>123,874,716</u></b>

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

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributions Received		40,203,562	41,921,275
Receipts from other Reporting Units			-
Payments to other Reporting Units	9B	(5,541,920)	(6,452,318)
Payments to Suppliers and Employees		(38,808,226)	(39,533,237)
Distributions Received		2,842,254	1,171,246
Interest Received		919,323	2,066,119
Rent Received		2,540,157	2,467,035
Grant Income		813,879	842,527
Sundry Income		<u>5,119,899</u>	<u>5,372,498</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	19(b)	<u>8,088,928</u>	<u>7,855,145</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		629,240	573,553
Net Proceeds from Investments		66,328	-
Payments for Property, Plant and Equipment & Investment property		(4,798,490)	(4,597,630)
Net Payments for Investments		<u>(24,145,103)</u>	<u>(38,686,224)</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(28,248,025)</u>	<u>(42,710,301)</u>
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		(20,159,097)	(34,855,156)
Cash at Beginning of Year		<u>26,288,034</u>	<u>61,143,190</u>
<b>CASH AT END OF YEAR</b>	19(a)	<u>6,128,937</u>	<u>26,288,034</u>

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

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

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

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

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

Change in basis of reporting

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

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

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**a) Investment and other financial assets**

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassifications to other categories are restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership.

**Fair value through profit or loss**

Financial assets at fair value through profit or loss are either;

- held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or
- designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch, Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss when the asset is derecognised or impaired.

**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**

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available for sale reserve in equity. Cumulative gain or loss previously reported in available-for-sale reserves is recognised in profit or loss when the asset is derecognised or impaired.

**Impairment of financial assets**

Financial assets are assessed at the end of each reporting period whether there is any objective evidence that a financial asset or group of assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as a default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it become probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measureable decrease in estimated future cash flows.



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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**a) Investment and other financial assets**

The amount of the impairment allowance for financial assets carried at cost is 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.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

**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.

**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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**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**

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the reporting unity. Investment properties are recognised under the cost model of measurement.

The depreciation rate used for investment property Buildings is 2%

**e) Leases expense**

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.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**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, recognised in the period that the benefit accrues to the employee.

**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.

**i) Associates**

Associates are entities over which the reporting unit has significant influence but not control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profit or losses of the associate is recognised in profit or loss and the share of movements in the equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the entities share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested or tested for impairment. Dividends received or receivable from associates reduce the carrying value of the investment.

The investments in Industry Printing and Publishing (IPP) Pty Ltd and Ucover are deemed to be associates.

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**i) Associates (Cont'd)**

The reporting unit discontinues the use of the equity method upon the loss of significant influence over the associate and recognised any retained investment at its fair value. Any difference between the associate's carrying value amount, fair value or the retained investment and proceeds from disposal is recognised in profit and loss.

**j) New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 September 2016. These are outlined in the table below.

<b>Reference</b>	<b>Title</b>	<b>Summary</b>	<b>Application date of standard</b>	<b>Impact on financial report</b>	<b>Application date for the company</b>
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2018	The company is yet to assess its full impact.	1 July 2017
AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.	For financial years commencing on or after 1 January 2019.	The company is yet to assess its full impact.	1 July 2018

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**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.

**k) Going concern support (Cont'd)**

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.

**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.

**(c) Estimation of useful life of assets**

The reporting unit's assumptions about the useful life of assets are set out in item Note 1(d) of this note.

**(d) Long service leave provision**

The reporting unit's assumptions in determining the provision for long service leave are set out in Note 1(f) of this note.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**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)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>4A. CONTRIBUTIONS</b>		
Gross Contributions	40,098,542	41,930,315
Comprises the following various funds:		
Political Fund	666,855	656,455
Hardship Fund	266,496	118,960
Education Fund	820,860	981,438
Vehicle Division Education Fund	3,319	4,102
Campaign & Organising Fund	1,653,184	1,898,882
General Fund	<u>36,687,828</u>	<u>38,270,478</u>
	<u>40,098,542</u>	<u>41,930,315</u>
<b>4B. RENT RECEIVED</b>		
Electricity Recovered	62,950	77,432
Tenant Items Recovered	13,142	2,313
Rent Received – investment property	2,263,416	2,180,328
Rent Outgoings Received	81,559	71,290
Car Parking	119,090	131,672
Other Rent	-	4,000
	<u>2,540,157</u>	<u>2,467,035</u>
<b>5. SUNDRY INCOME</b>		
Dividend Received	569	675
Income from Associate – U-Cover Pty Ltd	3,606,425	4,096,254
Training course fees	240,773	345,019
Promotional income – advertising	262,273	144,000
Board Fees	338,135	395,790
Miscellaneous Income	<u>671,725</u>	<u>390,761</u>
	<u>5,119,900</u>	<u>5,372,499</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>6. EMPLOYEE BENEFITS EXPENSE</b>		
<b>Holders of office:</b>		
Wages and salaries	6,620,655	6,083,272
Superannuation	716,718	648,357
Leave and other entitlements	585,129	(12,054)
Separation and redundancies	50,544	322,797
<b>Subtotal employee expenses holders of office</b>	<u>7,973,046</u>	<u>7,042,372</u>
<b>Employees other than office holders:</b>		
Wages and salaries	14,198,679	15,457,262
Superannuation	1,511,045	1,647,439
Leave and other entitlements	(175,189)	(30,630)
Separation and redundancies	1,970,388	876,179
	<u>17,504,923</u>	<u>17,950,250</u>
<b>Total employee expenses</b>	<u>25,477,969</u>	<u>24,992,622</u>
<b>7A Affiliations</b>		
Australian People for Health, Education & Development Abroad	23,240	23,900
Australasian Railway Association	782	1,155
Australia Fair Trade & investment Network	201	116
Australian Council of Trade Unions	308,420	330,465
Australian Institute of Employment Rights	2,000	
Australian Palestine Advocacy Network	401	300
IndustriALL	118,314	57,637
International Union of Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	45,529	43,374
Phillipines Australia Union Link	50	50
Registered Workers Club Holiday Centre	4,014	3,669
Responsible Forest Management	433	1,267
Union Network International	29,354	27,744
Welcome to Australia	6,514	5,000
Zimbabwe Information Centre	26	75
	<u>539,278</u>	<u>494,751</u>



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**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

	2016 \$	2015 \$
<b>7B. GRANTS OR DONATIONS \$1000 OR LESS</b>		
Grants	-	-
Donations	1,000	3,393
	<u>1,000</u>	<u>3,393</u>
<b>GRANTS OR DONATIONS OVER \$1000</b>		
Grants		
Donations	35,409	60,500
	<u>35,409</u>	<u>60,500</u>
Total	<u>36,409</u>	<u>63,893</u>
<b>8 DELEGATION/EMPLOYEE EXPENSES</b>		
Employees - Office Holders	366,268	303,317
Employees – Other	255,249	265,366
Members	154,259	111,899
	<u>775,776</u>	<u>680,582</u>
International - Office Holders	128,392	71,424
International – Other	45,708	61,617
	<u>174,100</u>	<u>133,041</u>
Total	<u>949,876</u>	<u>813,623</u>
<b>9A STATE BRANCH EXPENDITURE</b>		
State branch expenditure is broken down amongst the state branches as follows:		
New South Wales branch	955,983	1,061,767
Queensland branch	1,212,645	1,415,891
South Australia branch	400,751	489,899
Tasmania branch	243,278	228,415
Victoria branch	1,628,718	1,767,257
Western Australia branch	1,100,545	1,231,113
	<u>5,541,920</u>	<u>6,194,342</u>
<b>9B PAYMENTS TO OTHER REPORTING UNITS</b>		
Payments to other reporting units are broken down amongst the state branches as follows:		
New South Wales branch	955,983	1,114,382
Queensland branch	1,212,645	1,420,993
South Australia branch	400,751	504,368
Tasmania branch	243,278	228,415
Victoria branch	1,628,718	1,917,473
Western Australia branch	1,100,545	1,266,687
	<u>5,541,920</u>	<u>6,452,318</u>



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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>12. OTHER FINANCIAL ASSETS</b>		
<i>Financial assets carried at amortised cost:</i>		
Short-Term Deposits	3,681,490	23,959,268
 <i>Available-for-sale financial assets carried at fair value:</i>		
Managed Funds	80,360,322	53,970,727
Foundation Units	46,670	46,670
 Total Other Financial Assets	<u>84,088,482</u>	<u>77,976,665</u>
 Current	84,041,812	77,929,995
Non-Current	<u>46,670</u>	<u>46,670</u>
	<u>84,088,482</u>	<u>77,976,665</u>
 <b>13. INVESTMENTS</b>		
Investments in equity instruments	-	21,104
Investments in associates accounted for using the equity method	<u>313,001</u>	<u>348,608</u>
	<u>313,001</u>	<u>369,712</u>

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

<b>2016</b>	<b>Balance</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Available-for-sale financial assets - Units in managed funds	80,360,322	-	80,360,322	-
Available for sale financial assets – Unquoted Foundation units	46,670	-	-	46,670
Investments in associates accounted for using the equity method	313,001	-	-	313,001

<b>2015</b>	<b>Balance</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
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

**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 b

ased 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 \$46,470:** 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 \$nil:** 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 \$313,001:** 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.

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**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 - 2014	341,630	16,585	46,670
Total gains or losses			
- in profit or loss	6,978	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Opening balance - 2015	348,608	16,585	46,670
Total gains or losses			
- in profit or loss	(9,617)	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Disposals	(25,990)	(16,585)	-
Transfers out of Level 3	-	-	-
Closing balance 2016	313,001	-	46,670
Total gains or losses for the period included in profit or loss			
2016	(9,617)	-	-
2015	6,978	-	-

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

Name of entity	Principal Activity	Ownership	
		2016 %	2015 %
Ucover	Ucover provides the income protection insurance cover known as WageGuard. The FMEPKIU has an interest in the company to ensure that members receive the best possible income protection products through their Enterprise Agreements and all income derived from this activity is reinvested in membership Services and support	49%	49%
Industry Printing and Publishing Pty Limited (IPP)	IPP is a print and design company which the AFMEPKIU has a long standing interest. As a private company it has no published price quotations. The audited financial information as at the 30 September is not readily available. Accordingly, the 30 June 2016 amounts are applied to represent the gains or losses.	24%	24%

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**14(b). Associated entities disclosures (cont'd)**

**Summary financial information of associates**

<b>Ucover – year ended 30 June 2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of financial position:</b>		
Assets	<b>6,084,790</b>	7,260,581
Liabilities	<b>(6,084,790)</b>	(7,260,581)
Net assets	-	-
<b>Statement of comprehensive income:</b>		
Income	<b>8,204,452</b>	8,847,344
Expenses	<b>(554,051)</b>	(548,903)
Net surplus/(deficit)	<b>7,650,401</b>	8,298,441
<b>Share of net surplus/(deficit):</b>		
Share of net surplus/(deficit) before tax	<b>3,748,696</b>	4,066,236
Income tax expense	-	-
<b>Share of net surplus/(deficit) after tax</b>	<b>3,748,696</b>	4,066,236

**Summary financial information of associates**

<b>Industry Printing and Publishing Pty Limited – year ended 30 June 2016</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Statement of financial position:</b>		
Assets	<b>5,985,995</b>	6,114,687
Liabilities	<b>(4,494,107)</b>	(4,324,249)
Net assets	<b>1,491,888</b>	1,790,438
<b>Statement of comprehensive income:</b>		
Income	<b>3,840,801</b>	4,221,062
Expenses	<b>(4,241,419)</b>	4,149,910
Net surplus/(deficit)	<b>(400,618)</b>	71,152
<b>Share of net surplus/(deficit):</b>		
Share of net surplus/(deficit) before tax	<b>(96,148)</b>	17,076
Income tax expense	-	(748)
<b>Share of net surplus/(deficit) after tax</b>	<b>(96,148)</b>	16,328

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

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	2016 \$	2015 \$
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Computer Equipment</b>		
Cost	3,384,090	3,335,527
Less Accumulated Depreciation	<u>(3,093,467)</u>	<u>(2,869,882)</u>
	<u>290,623</u>	<u>465,645</u>
<b>Furniture and Fittings</b>		
Cost	5,702,575	5,692,269
Less Accumulated Depreciation	<u>(5,298,551)</u>	<u>(5,249,076)</u>
	<u>404,024</u>	<u>443,193</u>
<b>Motor Vehicles</b>		
Cost	5,559,747	6,331,267
Less Accumulated Depreciation	<u>(2,635,647)</u>	<u>(2,566,943)</u>
	<u>2,924,100</u>	<u>3,764,324</u>
<b>Properties held for own use – at Cost</b>		
Land	3,955,000	3,955,000
Buildings	54,835,928	48,307,100
Buildings – Work in progress	<u>880,056</u>	<u>2,759,332</u>
	59,670,984	55,021,432
Less Accumulated Depreciation on Buildings	<u>(22,185,524)</u>	<u>(20,348,087)</u>
	<u>37,485,460</u>	<u>34,673,345</u>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<u>41,104,207</u>	<u>39,346,507</u>

**MOVEMENTS IN CARRYING AMOUNTS**

**2016**

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
<b>Balance at</b>					
<b>1 October 2015</b>	465,645	443,193	3,764,324	34,673,345	39,346,507
Additions	69,185	31,819	919,221	3,778,265	4,798,490
Disposals	(2,276)	(4,060)	(622,904)	-	(629,240)
Depreciation	<u>(241,931)</u>	<u>(66,928)</u>	<u>(1,136,541)</u>	<u>(966,150)</u>	<u>(2,411,550)</u>
<b>Balance at</b>					
<b>30 September 2016</b>	<u>290,623</u>	<u>404,024</u>	<u>2,924,100</u>	<u>37,485,460</u>	<u>41,104,207</u>

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

2015

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings (amended) \$	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>

**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

	2016 \$	2015 \$
<b>Investment property</b>		
Land	375,000	375,000
Rented Property - at Cost	1,089,158	1,069,972
Accumulated Depreciation	<u>(1,089,158)</u>	<u>(871,287)</u>
Net Book Value	<u>375,000</u>	<u>573,685</u>

	2016 \$	2015 \$
Balance at start of year	573,685	984,818
Additions	19,184	20,961
Disposals	-	-
Depreciation	<u>(217,869)</u>	<u>(432,094)</u>
Balance at end of year	<u>375,000</u>	<u>573,685</u>

The investment properties are commercial office buildings with operating leases related to service entities. The future lease rental returns are set out in Note 26.



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	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>16. Trade and Other Payables</b>		
Sundry Creditors, Trade and other payables	<u>612,258</u>	<u>692,641</u>
	<u>612,258</u>	<u>692,641</u>
<b>17. Provisions</b>		
<b><i>Current</i></b>		
Annual Leave Entitlements	3,263,193	3,314,965
Long Service Leave Entitlements	5,293,233	4,854,815
Provision for Redundancy	1,326,111	-
Provision for Bonus	<u>371,300</u>	<u>-</u>
	<u>10,253,837</u>	<u>8,169,780</u>
<b><i>Non-Current</i></b>		
Long Service Leave Entitlements	<u>227,086</u>	<u>203,791</u>
<b>17A Employee Provisions</b>		
Office Holders:		
Annual leave	958,430	892,341
Long service leave	<u>2,052,544</u>	<u>1,793,679</u>
Subtotal employee provisions—office holders	<u>3,010,974</u>	<u>2,686,020</u>
Employees other than office holders:		
Annual leave	2,304,763	2,422,624
Long service leave	3,467,775	3,264,927
Provision for Redundancy	1,326,111	-
Provision for Bonus	<u>371,300</u>	<u>-</u>
Subtotal employee provisions—employees other than office holders	<u>7,469,949</u>	<u>5,687,551</u>
Total employee provisions	<u>10,480,923</u>	<u>8,373,571</u>

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<b>18. PROFESSIONAL SERVICES</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
Auditors			
Audit Fees		63,000	62,500
Preparation of financial statements		<u>5,000</u>	<u>9,000</u>
		<u>68,000</u>	<u>71,500</u>
Legal Expenses			
Litigation		247,576	55,814
Other Legal Matters		<u>129,774</u>	<u>55,332</u>
		<u>377,350</u>	<u>111,146</u>
		<u>445,350</u>	<u>182,646</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	2,447,447	2,328,766
Short Term Deposits	12	<u>3,681,490</u>	<u>23,959,268</u>
		<u>6,128,937</u>	<u>26,288,034</u>
 <b>b) Reconciliation of Cash Flow from Operations with Net Surplus</b>			
Net Surplus		3,614,568	5,831,479
 <b>Non-Cash Flows in Net Surplus</b>			
Depreciation		2,411,550	2,812,710
Loss on Disposal of Fixed Assets		52,958	186,858
(Gain) Loss on Disposal of Managed Funds		-	(141,477)
Share of Net Profit of Associates		(9,617)	(6,978)
 <b>Changes in Assets and Liabilities</b>			
Increase in Sundry Debtors & Membership in Arrears		(19,909)	(223,871)
Increase in Accrued Interest		(97,614)	329,540
Decrease (increase) in Prepayments		133,318	(256,570)
Increase in Sundry Creditors		(80,383)	(460,803)
Increase (Decrease) in Trust Grants		-	(89,709)
Increase in Provisions		1,697,411	
Increase in Employee Entitlements		<u>386,646</u>	<u>(126,034)</u>
<b>CASH FLOWS FROM OPERATIONS</b>		<u>8,088,928</u>	<u>7,855,145</u>

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**20. ACCUMULATED FUNDS SUMMARY**

<b>Funds</b>	<b>Opening Balance 1 Oct 2015</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 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
National Council Political	2,100,211	666,855	(1,187,078)	-	1,579,988
Education	7,122,860	820,860	(336,709)	-	7,607,011
Hardship	7,847,332	266,496	(266,496)	-	7,847,332
Vehicle Division Education	317,157	3,319	(26,872)	-	293,604
Campaign and Organising	4,502,220	1,653,184	(2,382,280)	-	3,773,124
Fairfax Chapel Dispute	50,953	-	-	-	50,953
Australian Printing Federation	33,023	-	-	-	33,023
York Endowment	46,313	-	-	-	46,313
General	96,944,286	-	-	4,403,289	101,347,575
	<b>118,964,355</b>	<b>3,410,714</b>	<b>(4,199,435)</b>	<b>4,403,289</b>	<b>122,578,923</b>

**NET TRANSFER TO FUNDS**

Net transfers to National Council Political Fund	520,223
Net transfers to Education Fund	(484,151)
Net transfers to hardship	-
Net transfers to Vehicle Division Education Fund	23,553
Net transfers to Campaign and Organising Fund	729,096
Total Net Transfers to Other Funds	<u>788,721</u>
Total other comprehensive income for the year	<u>3,614,568</u>
<b>NET SURPLUS FOR YEAR – GENERAL FUND</b>	<b><u>4,403,289</u></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.

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**20. ACCUMULATED FUNDS SUMMARY (Cont'd)**

<b>FUNDS</b>	<b>THE SPECIFIC PURPOSE OF THE FUND</b>
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.

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**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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Receivables</b>		
National Entitlement Security Trust	4,708,609	4,307,085
Trade and sundry Debtors	<u>224,254</u>	<u>605,869</u>
	<u>4,932,863</u>	<u>4,912,954</u>

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

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**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 2016 it had \$2,447,447 (2015: \$2,328,766) of cash and cash equivalents to meet its obligations as they fall due, and a further \$3,681,490 (2015: \$23,959,268) held in short term deposits. The Financial liabilities recorded in the financial statements at 30 September 2016 were \$612,258 (2015: \$692,641). 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 2016</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	2,414,650	-	32,797	2,447,447
Receivables	-	4,708,609	605,869	5,314,478
Managed Funds/Other	80,360,322	-	46,670	80,406,992
Short term deposits	-	3,681,490	-	3,681,490
	<u>82,774,972</u>	<u>8,390,099</u>	<u>685,336</u>	<u>91,850,407</u>
Weighted average Interest rate	0.27%	2.55%		
<b>Financial Liabilities</b>				
Payables	-	-	(612,258)	(612,258)
	<u>-</u>	<u>-</u>	<u>(612,258)</u>	<u>(612,258)</u>
<b>Net Financial Assets / (Liabilities)</b>	<u>82,774,972</u>	<u>8,390,099</u>	<u>73,078</u>	<u>91,238,149</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

<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	355,869	4,662,954
Managed Funds	53,970,727	-	46,670	54,017,397
Short term deposits	-	23,959,268	-	23,959,268
	<u>56,265,946</u>	<u>28,266,353</u>	<u>436,086</u>	<u>84,968,385</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>(256,555)</u>	<u>84,275,744</u>

**Sensitivity Analysis**

<b>2016</b>	<b>Carrying Amount</b>	<b>+1.00% (100 basis points) Profit</b>	<b>-1.00% (100 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	2,414,650	24,146	(24,146)
Receivables	4,708,609	47,086	(47,086)
Managed Funds	80,360,322	803,603	(803,603)
Short term deposits	3,681,490	36,815	(36,815)

<b>2015</b>	<b>Carrying Amount</b>	<b>+1.00% (100 basis points) Profit</b>	<b>-1.00% (100 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	2,295,219	22,952	(22,952)
Receivables	4,307,085	43,071	(43,071)
Managed Funds	53,970,727	539,707	(539,707)
Short term deposits	23,959,268	239,593	(259,593)

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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)**

	2016	2015		2016	2015
<b>Fund Allocation (%):</b>			<b>Fund Allocation (\$):</b>		
Domestic Shares	13.23%	12.67%	Domestic Shares	10,629,004	6,839,650
International Shares	6.22%	10.54%	International Shares	4,994,659	5,688,462
Domestic Listed Property	1.57%	8.74%	Domestic Listed Property	1,258,527	4,717,427
International Listed Property	6.63%	0%	International Listed Property	5,325,854	-
Domestic Fixed Interest	38.95%	31.27%	Domestic Fixed Interest	31,308,199	16,878,857
International Fixed Interest	18.22%	22.03%	International Fixed Interest	14,645,098	11,887,550
Other	-	0.02%	Other	-	8,477
	15.18%	14.73%		12,198,973	
Cash			Cash		7,950,304
	<u>100%</u>	<u>100%</u>		<u>80,360,314</u>	<u>53,970,727</u>
<b>Total</b>			<b>Total</b>		

2016	Carrying Amount	+10.00% (1000 basis points) Other Equity Profit	- 10.00% (1000 basis points) Other Equity Loss
	\$	\$	\$
Cash & Bonds	12,198,973	1,219,897	(1,219,897)
Domestic Shares	10,629,012	1,062,900	(1,062,900)
International Shares	4,994,659	499,466	(499,466)
Domestic Listed Property	1,258,527	125,853	(125,853)
International Listed Property	5,325,854	532,585	(532,585)
Domestic Fixed Interest	31,308,199	3,130,820	(3,130,820)
International Fixed Interest	14,645,098	1,464,510	(1,464,510)
<b>Total</b>	<u>80,360,322</u>	<u>8,036,032</u>	<u>(8,036,032)</u>



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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

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

<b>2015</b>	<b>Carrying Amount</b>	<b>+1.00% (100 basis points) Other Equity Profit</b>	<b>-1.00% (100 basis points) Other Equity Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash & Bonds	7,950,304	79,503	(79,503)
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>	<u><b>53,970,727</b></u>	<u><b>5,397,073</b></u>	<u><b>(5,397,073)</b></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.

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**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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 \$716,718 (2015: \$648,357).
- (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 \$3,606,425 (2015: \$4,096,254) 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:

	<b>2016</b>	<b>2015</b>
<b>Short-term employee benefits</b>	<b>\$</b>	<b>\$</b>
Salary (including annual leave taken)	1,594,659	1,600,476
Annual leave accrued	120,224	116,244
Service entitlement/performance bonus accrued	57,500	56,000
<b>Total short-term employee benefits</b>	<u>1,772,383</u>	<u>1,772,720</u>
<b>Post-employment benefits:</b>		
Superannuation	187,955	182,255
<b>Total post-employment benefits</b>	<u>187,955</u>	<u>182,255</u>
<b>Other long-term benefits:</b>		
Long-service leave	39,073	37,779
<b>Total other long-term benefits</b>	<u>39,073</u>	<u>37,779</u>
<b>Termination benefits</b>	-	91,100
<b>Total</b>	<u>1,999,411</u>	<u>2,083,854</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**25. CONTINGENT LIABILITIES**

As at balance date the property located at 136 Chalmers St, Surry Hills had significant remediation work required to repair the floor subsidence. The National Council has elected to have the repair work completed in the near future and is estimated to cost \$1,030,000 to repair.

As at the balance sheet, there were a number of ongoing legal disputes in relation to the tenants and sub tenants of 136 Chalmers St, Surry Hills. The total costs of such disputes and the related legal expenditure could not be accurately determined at the balance sheet date as there is still a high degree of uncertainty over the size of the claims and the probability of payment in regards to such disputes.

Other than the disclosure above 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 2016 are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
(i) not later than one year;	829,192	2,004,372
(ii) later than one year and not later than five years;	981,995	5,287,380
(iii) later than five years;	35,274	185,658
	<u>1,846,461</u>	<u>7,477,410</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 2016 are as follows:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
(i) not later than one year;	91,003	79,748
(ii) later than one year and not later than five years;	47,071	82,838
(iii) later than five years;	-	-
	<u>138,074</u>	<u>162,586</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 2016, 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 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards 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.

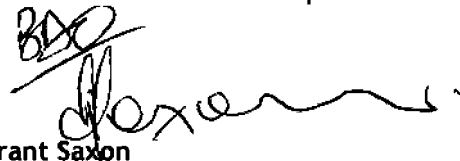
We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management and National Secretary to include within the scope of the audit any recovery of wages activity.

### Auditor's qualification

We confirm that Grant Saxon:

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

BDO East Coast Partnership



Grant Saxon  
Partner

Sydney, 6 December 2016

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

**NATIONAL COUNCIL POLITICAL FUND**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Contributions	619,806	597,877
Interest Received	<u>47,049</u>	<u>58,578</u>
<b>TOTAL INCOME</b>	<u>666,855</u>	<u>656,455</u>
<b>EXPENDITURE</b>		
Affiliation Fees	3 423,875	466,276
Audit and Accountancy Fees	4,750	3,300
Bank and Government Charges	241	240
Consultancy	-	20,000
Delegation Expenses – Employees	-	1,612
Donations – over \$1000	569,687	44,000
Donations – \$1000 or less	2,374	500
General Office	1,600	18,291
Marginal seat election expenses	81,895	-
Postage, Printing & Stationery	<u>102,656</u>	<u>-</u>
<b>TOTAL EXPENDITURE</b>	<u>1,187,078</u>	<u>554,219</u>
<b>(DEFICIT)/SURPLUS FOR YEAR</b>	<u>(520,223)</u>	<u>102,236</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Other Comprehensive Income for the year	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME</b>	<u>(520,223)</u>	<u>102,236</u>

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

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

NATIONAL COUNCIL POLITICAL FUND

STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2016

	2016	2015
	\$	\$
		(Restated)
<b>ASSETS</b>		
Cash at Bank	97	37
Receivable from: Cash Investments National Council	1,553,721	2,066,354
Prepayments	26,170	33,820
<b>TOTAL ASSETS</b>	<u>1,579,988</u>	<u>2,100,211</u>
<b>LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>NET ASSETS</b>	<u>1,579,988</u>	<u>2,100,211</u>
<b>ACCUMULATED FUNDS</b>		
Accumulated Funds	1,579,988	2,100,211
<b>TOTAL ACCUMULATED FUNDS</b>	<u>1,579,988</u>	<u>2,100,211</u>

(The above statement of financial position should be read in conjunction with the  
accompanying notes)



**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 2016**

	<b>Accumulated Funds (Restated)</b>
	\$
<b>Balance at 30 September 2014</b>	1,997,975
Total comprehensive income for the year	102,236
<b>Balance at 30 September 2015</b>	<u>2,100,211</u>
Total comprehensive loss for the year	(520,223)
<b>Balance at 30 September 2016</b>	<u>1,579,988</u>

Refer to Note 6 for details of the restatement of prior year accumulated funds

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

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Contributions		619,806	597,877
Interest Received		47,049	58,578
Payments to Suppliers		(666,795)	(656,595)
		<hr/>	<hr/>
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	4(b)	60	(140)
		<hr/>	<hr/>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		60	(140)
Cash at Beginning of Year		37	177
		<hr/>	<hr/>
<b>CASH AT END OF YEAR</b>	4(a)	97	37
		<hr/>	<hr/>

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

**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 2016**

**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* require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards.

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

**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.

**Cash and cash equivalents**

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

**Revenue**

Contributions are recognised as income when National council transfers the monies it receives from members for the Political Fund.

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

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

**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.

**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.

**New Australian Accounting Standards**

***Adoption of New Australian Accounting Standard requirements***

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 September 2016. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2018	The company is yet to assess its full impact.	1 July 2017
AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted .	For financial years commencing on or after 1 January 2019.	The company is yet to assess its full impact.	1 July 2018

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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 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.

**3. AFFILIATION FEES**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Australian Labor Party NSW	82,757	89,054
Australian Labor Party Victoria	132,974	144,559
Australian Labor Party Queensland	92,523	115,202
Australian Labor Party Northern Territory	2,399	2,385
Australian Labor Party South Australia	36,978	38,625
Australian Labor Party Western Australia	69,528	69,507
Australian Labor Party Tasmania	6,716	6,944
	<b><u>423,875</u></b>	<b><u>466,276</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 2016 (Cont'd)**

**4. CASH FLOW INFORMATION**

	<b>2016</b>	<b>2015</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>97</u>	<u>37</u>
<b>(b) Reconciliation of Cash Flow from Operations with (Deficit)/Surplus</b>		
(Deficit)/Surplus	(520,223)	102,236
<b>Changes in Assets and Liabilities</b>		
(Increase)/Decrease in Prepayments	7,650	(8,567)
(Increase)/Decrease in National Council General Fund	<u>512,633</u>	<u>(93,809)</u>
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<u>60</u>	<u>(140)</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	97	37
	<hr/>	<hr/>
National Council General Fund	1,553,721	2,066,354
	<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 2016 (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 2016 it had \$97 (2015: \$37) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2016 and 30 September 2015 was nil and nil respectively.

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

*(d) Market Risk*

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

*(e) Interest Rate Risk*

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



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

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

5. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2016	Floating/ixed interest rate	Non-interest bearing	Total
<b>Financial Assets</b>	\$	\$	\$
Cash and cash equivalents	97	-	97
Receivable	1,553,721	-	1,553,721
	<u>1,553,818</u>	<u>-</u>	<u>1,553,818</u>
Weighted average Interest rate	2.52%	-	
<b>Financial Liabilities</b>			
Payables	-	-	-
<b>Net Financial Assets</b>	<u>1,553,818</u>	<u>-</u>	<u>1,553,818</u>
30 September 2015	Floating/ixed interest rate	Non-interest bearing	Total
<b>Financial Assets</b>	\$	\$	\$
Cash and cash equivalents	37	-	37
Receivable	2,066,354	-	2,066,354
	<u>2,066,391</u>	<u>-</u>	<u>2,066,391</u>
Weighted average Interest rate	2.92%		
<b>Financial Liabilities</b>			
Payables	-	-	-
<b>Net Financial Assets</b>	2,066,391		2,066,391

**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 2016 (Cont'd)**

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

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

**Sensitivity Analysis**

<b>2016</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	97	-	-

<b>2016</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	1,553,721	7,768	(7,768)

<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	37	-	-

<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	2,066,354	10,331	(10,331)

**6. RESTATEMENT OF OPENING BALANCES**

Following a review of the prior year financial statements, the Fair Work Commission noted that there was a variance between the closing accumulated fund balance per the National Council Political Fund financial statements versus the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union (AFMEPKU) National Council financial statements. This has been corrected in the current year by restating the opening accumulated fund balance to align with the closing balance per the AFMEPKU National Council financial statements.



## 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 2016, 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 2016 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards 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.

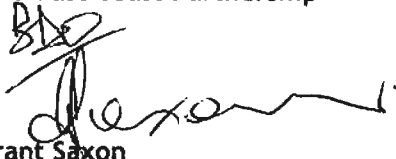
We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management and National Secretary to include within the scope of the audit any recovery of wages activity.

### 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, 6 December 2016





4 October 2016

Mr Paul Bastian  
National Secretary

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

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

Dear Mr Bastian,

**Re: Lodgement of Financial Report - [FR2016/329]  
*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 2016.

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, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

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, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission (FWC) website. This includes a model set of financial statements which have been developed by the FWC. 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, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Running a Registered Organisation section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 30 December 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

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)



It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

### **Civil penalties may apply**

**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 \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Contact**

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

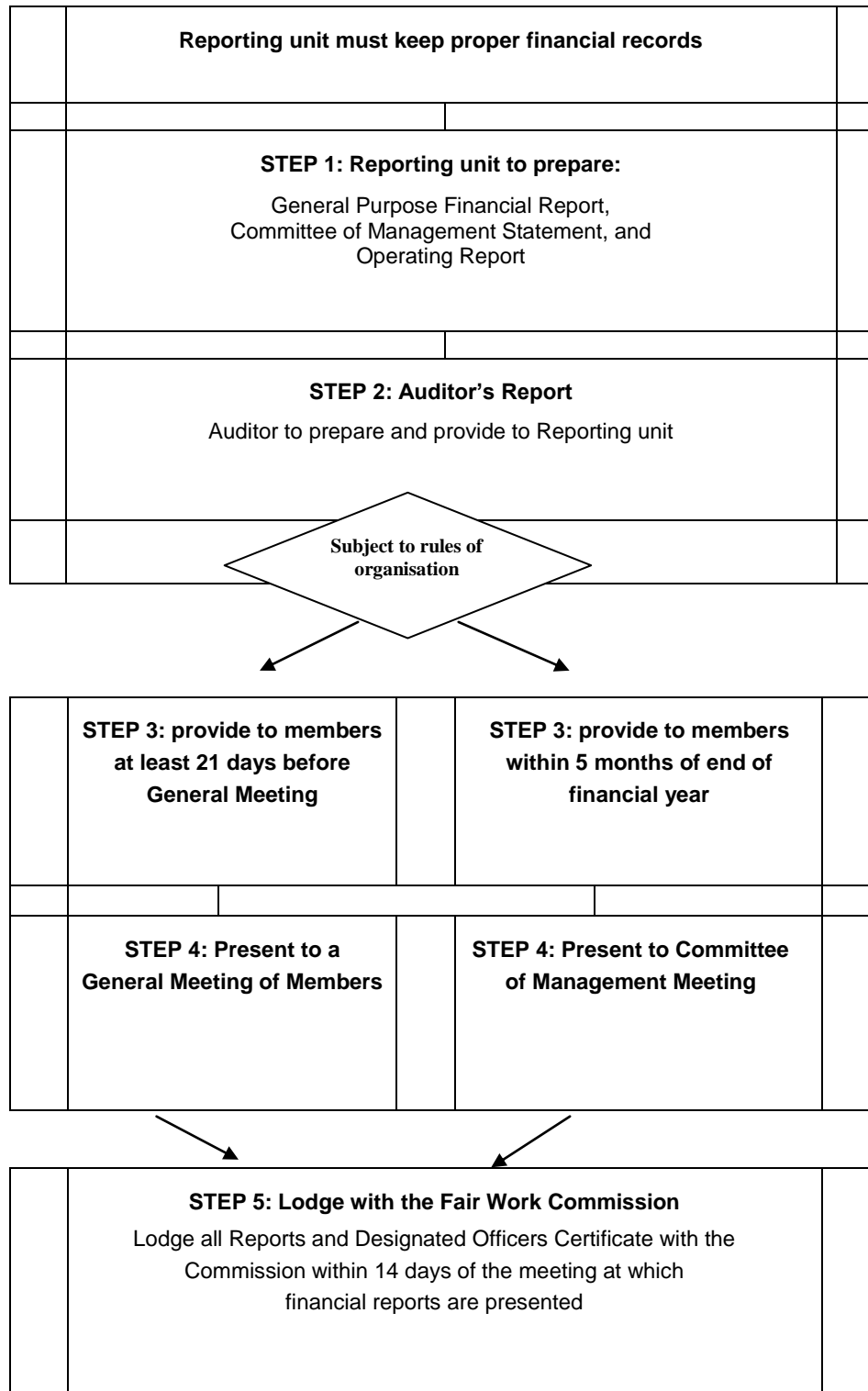


Anastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)