



Australian Government
Registered Organisations Commission

10 April 2019

National Secretary
National Council
Australian Manufacturing Workers' Union

Dear National Secretary

Re: – Financial reporting – Australian Manufacturing Workers' Union, National Council - for year ending 30 September 2018 (FR2018/289)

I refer to the financial report of the National Council of the Australian Manufacturing Workers' Union in respect of the year ending 30 September 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 28 March 2019.

The financial report has been filed. The financial report was 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 respect of the report lodged. However I make the following comments to assist when preparing the next report.

Auditor's declaration

The auditor's statement included a declaration reflecting RG38 of the superseded (4th ed.) reporting guidelines. RG29(a) in the current (5th ed.) reporting guidelines sets out a different declaration. Please see attached an illustrative extract of the model auditor's statement for comparison.

If you have any queries regarding this letter, please contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission



28 March, 2019

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

NATIONAL COUNCIL

CERTIFICATE OF NATIONAL SECRETARY

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

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members on the AMWU website on 21 December 2018; 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 28 March 2019 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
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Granville NSW 2142
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND KINDRED
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NATIONAL COUNCIL

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

NATIONAL COUNCIL

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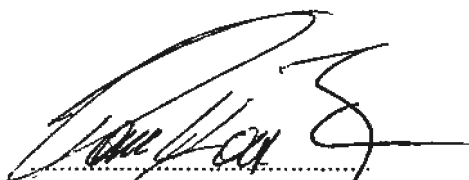
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NATIONAL COUNCIL

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The National Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council for the year ended 30 September 2018.

Categories of expenditures	2018	2017
	\$	\$
Remuneration and other employment-related costs and expenses – employees	26,960,089	26,976,237
Advertising	902,217	338,009
Operating costs	14,779,792	15,350,671
Donations to political parties	-	-
Legal costs	236,022	291,339
Other Costs	5,875,845	6,318,939



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National Secretary – Paul Bastian
11 December 2018

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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 2018.

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 2018 the AFMEPKIU negotiated and registered 288 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 2018 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 \$34,141,924 (2017: net loss of \$1,290,473).

Significant Changes in Financial Affairs

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

The Right of Members to Resign

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

A notice of resignation from membership takes effect:

- (a) where the member ceases to be eligible to become a member of the organisation:
 - (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when whichever is later; or
- (a) In any other case:
 - (i) At the end of two weeks, after the notice is received by the organisation; or
 - (ii) On the day specified in the notice;whichever is later.

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

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

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

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

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

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

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

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

Level	Position	Per Annum
5	Officer	\$92,560.00
6	Senior Officer	\$97,224.40
7	Assistant Federal Secretary/Assistant State Secretary	\$104,002.60
8	Assistant National Secretary / National Executive Officer/State Secretary	\$110,094.40
9	National Secretary/National President	\$118,557.40

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

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

Board Fees

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

Organisation	Amount received
Australian Super	\$53,675.00
Construction & Building Industry Super	\$69,591.67
Motor Trades Association of Australia Superannuation Fund	\$30,000.00
Australian Construction Industry Redundancy Trust	\$8,000.00
Media Super	\$118,259.15
Publicity Works	\$12,000.00
Department of State Development - SA	\$15,000.00
Industry Capability Network Ltd	\$8,000.00
Coal Mining Industry (Long Service Leave Funding) Corporation	\$14,951.00
Department of Health & Human Services - VIC	\$2,056.00

Associated Entities & Principal Relationships

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

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

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

Key Relationships

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

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

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

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

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

OPERATING REPORT (Cont'd)

Officers' Material Personal Interests

For the year ended 30 September 2018, the Officers of the AFMEPKIU have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2018, the AFMEPKIU has made no reportable payments to any related party or declared person or body of the Union.

National Officers or Members who are Trustees of a Superannuation Entity

The details of each member, or officer of the National Council who at 30 September 2018 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
Katrina Ford	Media Super	Member Representative Director
Stuart Gordon	Media Super	Member Representative Director
Gary Callaghan	Media Super	Member Representative Director
Ian Mortimer	Media Super	Member Representative Alternate Director

Other Relevant Information

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

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

- (a) The number of persons who were recorded in the register of members on 30 September 2018 was 64,016.
- (b) The number of persons who were employees of the reporting unit on 30 September 2018 was 241, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
- (c) The name of each person who has been a member of National Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

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NATIONAL COUNCIL

OPERATING REPORT (Cont'd)

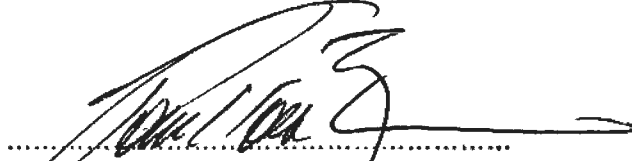
Name	Period Position Held
Paul Bastian	1 October 2017 to 30 September 2018
Peter Bauer	1 October 2017 to 30 September 2018
Warren Butler	1 October 2017 to 2 July 2018
John Camillo	1 October 2017 to 30 September 2018
Lorraine Cassin	1 October 2017 to 30 September 2018
Frank Cherry	1 October 2017 to 30 September 2018
Steve Dargavel	1 October 2017 to 29 September 2018
Tracey Davis	1 October 2017 to 30 September 2018
Andrew Dettmer	1 October 2017 to 30 September 2018
Paul Difelice	1 October 2017 to 30 September 2018
Anne Donnellan	1 October 2017 to 30 September 2018
Danny Dougherty	1 October 2017 to 30 September 2018
Thomas Hale	1 October 2017 to 2 July 2018
Craig Kelly	1 October 2017 to 2 July 2018
Alan Lindsey	1 October 2017 to 30 September 2018
David Lonsdale	1 October 2017 to 30 September 2018
Steve McCartney	1 October 2017 to 30 September 2018
Tony Mavromatis	30 September 2018 to 30 September 2018
Ian Mortimer	1 October 2017 to 30 September 2018
Steve Murphy	1 October 2017 to 30 September 2018
Mike Nicolaidis	1 October 2017 to 30 September 2018
Allan Pearce	1 October 2017 to 30 September 2018
Tony Piccolo	1 October 2017 to 30 September 2018
Vanessa Seagrove	1 October 2017 to 30 September 2018
John Short	1 October 2017 to 30 September 2018
Dave Smith	1 October 2017 to 30 September 2018
Glenn Thompson	1 October 2017 to 30 September 2018
Rohan Webb	1 October 2017 to 30 September 2018
Glenn Wilcox	1 October 2017 to 30 September 2018
Cory Wright	23 February 2018 to 30 September 2018

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

OPERATING REPORT (Cont'd)

Signed in accordance with a resolution of National Council



.....
National Secretary – Paul Bastian



.....
National President – Andrew Dettmer

11th December 2018

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

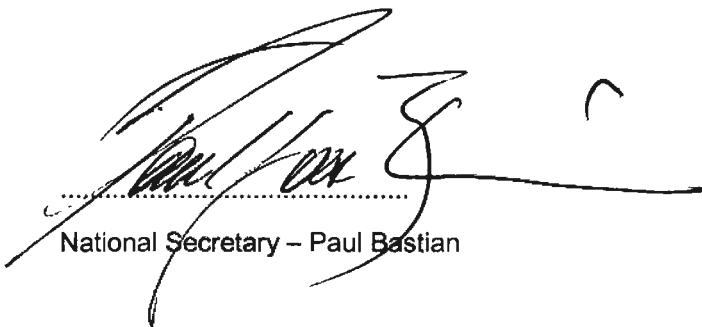
COMMITTEE OF MANAGEMENT'S STATEMENT

On 11th December 2018 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council for the year ended 30 September 2018.

The National Council declares in relation to the GPFR that in its opinion:

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

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



.....
National Secretary – Paul Bastian

11th December 2018

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	Restated 2018 \$	2017 \$
INCOME			
Contributions	4A	34,330,048	37,159,694
Distribution from Available-for-Sale Financial Assets		2,241,471	4,093,334
Interest Received		380,754	601,773
Grant Income		496,527	677,943
Rent Received	4B	3,390,365	1,378,067
Sundry Income (including Board fees)	5	<u>4,586,460</u>	<u>4,001,347</u>
TOTAL INCOME		<u>45,425,625</u>	<u>47,912,158</u>
EXPENDITURE			
Depreciation			
Depreciation – investment property	15	627,613	472,486
Buildings – owner occupied	15	891,018	841,829
Computer Installation	15	234,322	202,586
Furniture & Fittings	15	75,516	70,323
Motor Vehicles	15	<u>858,321</u>	<u>981,968</u>
Total Depreciation Property Plant and equipment	15	<u>2,686,790</u>	<u>2,569,192</u>
Employee Benefits Expense			
Salaries		20,787,755	21,141,830
Accrued Annual Leave		(96,797)	(162,079)
Long Service Leave		128,794	(222,335)
Redundancies		1,913,481	2,231,299
Superannuation		<u>2,236,730</u>	<u>2,200,283</u>
Sub total	6	24,969,963	25,188,998
Fringe Benefits Tax		415,207	531,100
Payroll Tax		<u>322,503</u>	<u>331,889</u>
		<u>25,707,673</u>	<u>26,051,987</u>
State Branch Expenditure	9A	<u>5,875,845</u>	<u>6,318,939</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,
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NATIONAL COUNCIL

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

	Note	Restated 2018	2017
		\$	\$
EXPENDITURE (Cont'd)			
Other Expenses			
Affiliation Fees	7A	477,187	518,674
Bank and Government Charges		190,880	195,421
Building Expenses		3,132,118	3,163,384
Collectors Expenses		-	192
Computing		625,115	534,194
Conference and Meeting Expenses		488,139	171,709
Delegation/Employee Expenses	8	1,252,416	924,251
Donations and Grants	7B	29,479	59,853
Freight		15,083	20,726
Fund Expenses			
Political Fund Expenditure		624,421	562,913
Hardship Fund Expenditure		725,940	670,788
Vehicle Education Fund Expenditure		105,961	85,250
Education Fund Expenditure		365,183	356,027
Campaign & Organising Fund Expenditure		1,888,146	2,391,925
Strategic Plan Fund Expenditure		79,884	-
Funeral Benefits		66,065	53,695
General Office Expenses	7C	169,737	393,008
Insurance		1,000,336	1,265,290
Membership Printing		446,887	711,813
Motor Vehicle Expenses		168,417	175,486
Postage		11,364	9,648
Printing and Distribution - AMWU News		134,437	269,081
Printing and Distribution – Newsletters		17,067	31,387
Printing and Stationery		355,236	305,506
Professional Services	18	437,789	291,339
Publicity		902,217	338,009
Rent Paid		251,511	251,777
Research		76,997	132,460
Telephone		445,644	451,271
		14,483,657	14,335,077
TOTAL EXPENDITURE		48,753,965	49,275,195

(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 2018 (Cont'd)**

	Restated 2018 \$	2017 \$
OPERATING (DEFICIT) FOR YEAR	(3,328,340)	(1,363,037)
Gain on Disposal of Assets	127,696	72,564
Gain on Revaluation of Investment Properties	<u>37,342,568</u>	<u>-</u>
NET SURPLUS / (DEFICIT) FOR YEAR	<u>34,141,924</u>	<u>(1,290,473)</u>
OTHER COMPREHENSIVE INCOME		
Net Increase / (Decrease) in Value of Available-for-Sale Financial Assets	684,558	(2,748,889)
Gain on Revaluation of Land and Buildings	<u>25,717,598</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>26,402,156</u>	<u>(2,748,889)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>60,544,080</u>	<u>(4,039,362)</u>

During the year a change in accounting policy was adopted for investment properties. This has been disclosed at Note 15B

(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 2018**

	Note	Restated 2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	10	2,599,705	2,017,040
Receivables	11	5,750,591	5,348,308
Other Assets	11	895,609	1,004,866
Other Financial Assets	12	69,789,687	72,742,947
Total Current Assets		<u>79,035,592</u>	<u>81,113,161</u>
Non-Current Assets			
Property, Plant and Equipment	15A	60,037,115	39,224,339
Investment Property	15B	49,930,000	7,969,810
Investments	13	313,001	313,001
Other Financial Assets	12	46,670	46,670
Receivables	11	534,696	534,696
Total Non-Current Assets		<u>110,861,482</u>	<u>48,088,516</u>
TOTAL ASSETS		<u>189,897,074</u>	<u>129,201,677</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	16	760,369	615,451
Provisions	17	8,367,628	8,549,271
Total Current Liabilities		<u>9,127,997</u>	<u>9,164,722</u>
Non-Current Liabilities			
Provisions	17	389,643	201,601
Total Non-Current Liabilities		<u>389,643</u>	<u>201,601</u>
TOTAL LIABILITIES		<u>9,517,640</u>	<u>9,366,323</u>
NET ASSETS		<u>180,379,434</u>	<u>119,835,354</u>
ACCUMULATED FUNDS AND RESERVES			
Available-for-Sale Investment Reserve		(768,538)	(1,453,096)
Revaluation Reserve		25,717,598	-
Accumulated Funds	20	155,430,374	121,288,450
TOTAL ACCUMULATED FUNDS AND RESERVES		<u>180,379,434</u>	<u>119,835,354</u>

During the year a change in accounting policy was adopted for investment properties. This has been disclosed at Note 15B.

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

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Restated Accumulated Funds	Available-for- Sale Investment Reserve	Revaluation Reserve	Total
	\$	\$	\$	\$
Balance at 30 September 2016	122,578,923	1,295,793	-	123,874,716
Net deficit for the Year	(1,290,473)	-	-	(1,290,473)
Other comprehensive income:				
Increase in value of				
Available-for-Sale financial assets	-	(2,748,889)	-	(2,748,889)
Total Comprehensive Income	(1,290,473)	(2,748,889)	-	(4,039,362)
Balance at 30 September 2017	121,288,450	(1,453,096)	-	119,835,354
Net surplus for the Year	34,141,924	-	-	34,141,924
Other comprehensive income:				
Increase in value of				
Available-for-Sale financial assets	-	684,558	-	684,558
Revaluation surplus	-	-	25,717,598	25,717,598
Total Comprehensive Income	34,141,924	684,558	25,717,598	60,544,080
Balance at 30 September 2018	155,430,374	(768,538)	25,717,598	180,379,434

During the year a change in accounting policy was adopted for investment properties. This has been disclosed at Note 15B.

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

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 \$	2017 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions Received		34,335,096	37,177,605
Receipts from other Reporting Units			
Payments to other Reporting Units	9B	(5,875,845)	(6,318,939)
Payments to Suppliers and Employees		(40,812,706)	(42,485,517)
Distributions Received		2,241,471	4,093,334
Interest Received		399,795	582,125
Rent Received		3,390,365	1,378,067
Grant Income		496,527	677,943
Sundry Income		<u>4,393,098</u>	<u>4,126,570</u>
NET CASH USED IN OPERATING ACTIVITIES	19B	<u>(1,432,199)</u>	<u>(768,812)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		569,981	553,235
Net Proceeds from Investments		11,357,108	10,380,450
Payments for Property, Plant and Equipment		(1,613,590)	(8,669,057)
Payments for Investment property		(579,347)	(95,748)
Net Payments for Investments		<u>(9,662,052)</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>72,100</u>	<u>2,168,880</u>
NET (DECREASE)/INCREASE IN CASH HELD		(1,360,099)	1,400,068
Cash at Beginning of Year	19A	<u>7,529,005</u>	<u>6,128,937</u>
CASH AT END OF YEAR	19A	<u>6,186,906</u>	<u>7,529,005</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 2018**

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 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the National Council's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

Held-to-maturity investments

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

Available-for-sale

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

Dividends on available-for-sale equity instruments are recognised in profit or loss when the National Council right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

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

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the National Council's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

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

Derecognition of financial assets

The National Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

a) Financial instruments (Cont'd)

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the National Council's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

The National Council derecognises financial liabilities when, and only when, the National Council's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Cash and cash equivalents

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

c) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of debts is no longer probable.

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 National Council will comply with the conditions attaching to them and that the grants will be received.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

c) Revenue (Cont'd)

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 National Council should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

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.

Property, Plant and Equipment held at Fair Value

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

Revaluations

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are to be conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Land and buildings are revalued every 3 years. A revaluation of land and buildings was conducted as at 31 October 2018, and was based upon the assessment of an independent valuation expert.

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

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Property, Plant and Equipment held at Cost

All other classes of property, plant and equipment are 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.

e) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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

f) Impairment of non-financial assets

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

g) 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.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

h) Employee Benefits

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

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

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

h) Employee Benefits

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

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i) Income Tax

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

j) 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.

k) Contingent Liabilities and Contingent Assets

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

l) Associates

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

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

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

l) Associates (Cont'd)

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

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

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

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

m) Going concern support

The National Council is not reliant on the financial support of any other reporting units to ensure they can continue on a going concern basis. No financial support has been received in the year to 30 September 2018.

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

The National Council supports the branches through:

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

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) 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 2018. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and b. The receipt of volunteer services.	For financial years commencing after 1 January 2019	The National Council is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 2018)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) New Australian Accounting Standards

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 2019	The National Council is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 2018)
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 National Council is not expected to be impacted by this standards as it holds no operating leases at year end.	1 October 2019* *(comparatives from 1 October 2018)

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FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

n) New Australian Accounting Standards

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 9	Financial Instruments	This standard changes the classification of financial assets – these will be measured at either amortised cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL). Other changes likely to affect AMWU include the measurement of equity instruments, which will be measured at fair value and, if not held for trading, there is an irrevocable election to present gains/losses on OCI.	For financial years commencing on or after 1 January 2018.	The company is yet to assess its full impact.	1 October 2018* *(comparatives from 1 October 2017)

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

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

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

- (1) A member of an organisation of the Industrial Registrar, may apply to the organization for specified information prescribed by the regulations in relation of the organisation;
- (2) The organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within such time, as prescribed by the regulations; and
- (3) A reporting unit must comply with an application made under subsection (1).

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	2018	2017
	\$	\$
4A. CONTRIBUTIONS		
Gross Contributions	34,330,048	37,159,694
Comprises the following various funds:		
Political Fund	555,196	606,191
Hardship Fund	725,940	670,788
Education Fund	270,073	523,372
Vehicle Division Education Fund	-	698
Campaign & Organising Fund	937,572	1,268,292
Strategic Plan Resource Fund	398,837	-
General Fund	<u>31,442,430</u>	<u>34,090,353</u>
	<u>34,330,048</u>	<u>37,159,694</u>
	2018	2017
	\$	\$
4B. RENT RECEIVED		
Electricity Recovered	86,861	84,653
Tenant Items Recovered	3,671	1,445
Rent Received – investment property	3,154,491	1,123,547
Rent Outgoings Received	74,086	77,912
Car Parking	<u>71,256</u>	<u>90,510</u>
	<u>3,390,365</u>	<u>1,378,067</u>
	2018	2017
	\$	\$
5. SUNDRY INCOME		
Dividend Received	875	429
Income from Associate – U-Cover Pty Ltd	2,694,184	2,689,087
Training course fees	166,320	237,832
Promotional income – advertising	275,909	275,909
Board Fees	331,533	418,971
Miscellaneous Income	<u>1,117,639</u>	<u>379,119</u>
	<u>4,586,460</u>	<u>4,001,347</u>

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	2018	2017
	\$	\$
6. EMPLOYEE BENEFITS EXPENSE		
 Holders of office:		
Wages and salaries	6,300,241	5,804,922
Superannuation	693,696	654,375
Leave and other entitlements	365,993	257,709
Separation and redundancies	<u>1,468,269</u>	<u>1,831,727</u>
 Subtotal employee expenses holders of office	<u>8,828,199</u>	<u>8,548,733</u>
 Employees other than office holders:		
Wages and salaries	14,487,514	15,336,909
Superannuation	1,543,034	1,545,908
Leave and other entitlements	(333,996)	220,865
Separation and redundancies	<u>445,212</u>	<u>399,572</u>
	<u>16,141,764</u>	<u>17,503,254</u>
Total employee expenses	<u>24,969,963</u>	<u>26,051,987</u>
7A AFFILIATIONS		
Australian People for Health, Education & Development	24,840	24,640
Australasian Railway Association	998	1,212
Australia Fair Trade & investment Network	239	223
Australian Council of Trade Unions	278,056	290,537
Australian Palestine Advocacy Network	399	400
First Nations Workers Alliance	113	500
IndustriALL	111,771	119,165
International Union of Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations	29,836	44,526
Phillipines Australia Union Link	100	13
Registered Workers Club Holiday Centre	3,989	4,000
Responsible Forest Management	(5)	2,972
Union Network International	26,851	28,726
Welcome to Australia	<u>-</u>	<u>1,760</u>
Total affiliations	<u>477,187</u>	<u>518,674</u>

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	2018	2017
	\$	\$
7B. GRANTS OR DONATIONS \$1000 OR LESS		
Grants	-	-
Donations	3,070	1,944
	<u>3,070</u>	<u>1,944</u>
GRANTS OR DONATIONS OVER \$1000		
Grants	-	-
Donations	26,409	57,909
	<u>26,409</u>	<u>57,909</u>
Total	<u>29,479</u>	<u>59,853</u>
7C. GENERAL OFFICE EXPENSES		
Total paid to employers for payroll deductions of membership subscriptions	42,959	-
Other	126,778	393,008
Total	<u>169,737</u>	<u>393,008</u>
8 DELEGATION/EMPLOYEE EXPENSES		
Employees - Office Holders	622,963	478,316
Employees - Other	259,091	242,604
Members	146,951	77,240
	<u>1,029,005</u>	<u>798,160</u>
International - Office Holders	101,852	103,405
International - Other	121,559	22,686
	<u>223,411</u>	<u>126,091</u>
Total	<u>1,252,416</u>	<u>924,251</u>

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FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

9A STATE BRANCH EXPENDITURE	2018	2017
	\$	\$
State branch expenditure is broken down amongst the state branches as follows:		
New South Wales branch	898,070	987,500
Queensland branch	1,487,475	1,361,149
South Australia branch	306,989	317,029
Tasmania branch	178,352	205,416
Victoria branch	1,849,217	2,236,416
Western Australia branch	<u>1,155,742</u>	<u>1,211,429</u>
	<u>5,875,845</u>	<u>6,318,939</u>
 9B PAYMENTS TO OTHER REPORTING UNITS		
Payments to other reporting units are broken down amongst the state branches as follows:		
New South Wales branch	898,070	987,500
Queensland branch	1,487,475	1,361,149
South Australia branch	306,989	317,029
Tasmania branch	178,352	205,416
Victoria branch	1,849,217	2,236,416
Western Australia branch	<u>1,155,742</u>	<u>1,211,429</u>
	<u>5,875,845</u>	<u>6,318,939</u>
 10. CASH AND CASH EQUIVALENTS		
Advances and Floats	19,470	22,720
Bank Accounts:		
National Council General Fund	2,563,700	1,982,094
National Council Political Fund	-	2,276
Recoverable Deposits	<u>16,535</u>	<u>9,950</u>
	<u>2,599,705</u>	<u>2,017,040</u>

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	2018	2017
	\$	\$
11. RECEIVABLES		
<i>Current</i>		
Trade receivables	377,854	85,216
Accrued Interest	8,842	27,883
Membership in Arrears	191,014	196,062
Provision for bad debts	(38,778)	(38,778)
National Entitlement Security Trust (NEST) *	<u>5,211,659</u>	<u>5,077,925</u>
	<u>5,750,591</u>	<u>5,348,308</u>
<i>*the National Council has transferred monies to NEST in order to secure the current provision of long service leave entitlements for its employees, officers and officials</i>		
<i>Non-Current</i>		
IPP Property Trust - Distribution Receivable	<u>534,696</u>	<u>534,696</u>
	<u>534,696</u>	<u>534,696</u>
OTHER ASSETS		
<i>Current</i>		
Prepayments	700,535	710,516
Sundry Debtors	<u>195,074</u>	<u>294,370</u>
	<u>895,609</u>	<u>1,004,886</u>
12. OTHER FINANCIAL ASSETS	2018	2017
	\$	\$
<i>Financial assets carried at amortised cost:</i>		
Short-Term Deposits	3,569,201	5,511,965
<i>Available-for-sale financial assets carried at fair value:</i>		
Managed Funds	66,220,486	67,230,982
Foundation Units	46,670	46,670
	<u>69,836,357</u>	<u>72,789,617</u>

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12. OTHER FINANCIAL ASSETS (Cont'd)

	2018	2017
	\$	\$
Current	69,789,687	72,742,947
Non-Current	<u>46,670</u>	<u>46,670</u>
	<u>69,836,357</u>	<u>72,789,617</u>

13. INVESTMENTS

Investments in associates accounted for using the equity method

<u>313,001</u>	<u>313,001</u>
<u>313,001</u>	<u>313,001</u>

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

2018	Balance	Level 1	Level 2	Level 3
Available-for-sale financial assets - Units in managed funds	66,220,486	-	66,220,486	-
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

2017	Balance	Level 1	Level 2	Level 3
Available-for-sale financial assets - Units in managed funds	67,230,982	-	67,230,982	-
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

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

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

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

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

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

Investments in equity instruments – 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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**14A. 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 - 2017	313,001	-	46,670
Total gains or losses			
- in profit or loss	-	-	-
- in other comprehensive income	-	-	-
Purchases	-	-	-
Disposals	-	-	-
Transfers out of Level 3	-	-	-
Closing balance 2018	313,001	-	46,670
Total gains or losses for the period included in profit or loss			
2018	-	-	-
2017	-	-	-

14B. ASSOCIATED ENTITIES DISCLOSURES

Name of entity	Principal Activity	Ownership	
		2018	2017
Ucover	Ucover provides the income protection insurance cover known as WageGuard. The AFMEPKIU has an interest in the company to ensure that members receive the best possible income protection products through their Enterprise Agreements and all income derived from this activity is reinvested in membership Services and support	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 2017 amounts are applied to represent the gains or losses.	24%	24%

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14B. ASSOCIATED ENTITIES DISCLOSURES (CONT'D)

Summary financial information of associates

Ucover – year ended 30 June 2018	2018	2017
	\$	\$
Statement of financial position:		
Assets	4,670,299	5,468,125
Liabilities	(4,670,299)	(5,468,125)
Net assets	-	-
Statement of comprehensive income:		
Income	6,210,391	6,821,765
Expenses	(486,587)	(555,757)
Net surplus/(deficit)	5,723,804	6,266,008
Share of net surplus/(deficit):		
Share of net surplus/(deficit) before tax	2,804,664	3,070,344
Income tax expense	-	-
Share of net surplus/(deficit) after tax	2,804,664	3,070,344

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

Summary financial information of associates

Industry Printing and Publishing Pty Limited – year ended 30 June 2018	2018	2017
	\$	\$
Statement of financial position:		
Assets	5,783,024	5,900,915
Liabilities	(4,641,380)	(4,722,182)
Net assets	1,141,644	1,178,733
Statement of comprehensive income:		
Income	4,241,876	4,709,236
Expenses	(4,690,763)	(4,625,865)
Net surplus/(deficit)	(448,887)	83,371
Share of net surplus/(deficit):		
Share of net surplus/(deficit) before tax	(107,733)	20,009
Income tax expense	-	-
Share of net surplus/(deficit) after tax	(107,733)	20,009

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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	2018 \$	2017 \$
15A. PROPERTY, PLANT AND EQUIPMENT		
Computer Equipment		
Cost	1,962,976	4,175,708
Less Accumulated Depreciation	<u>(518,285)</u>	<u>(3,250,729)</u>
	<u>1,444,691</u>	<u>924,979</u>
Furniture and Fittings		
Cost	5,862,296	5,845,911
Less Accumulated Depreciation	<u>(5,444,407)</u>	<u>(5,368,391)</u>
	<u>417,889</u>	<u>477,520</u>
Motor Vehicles		
Cost	5,068,687	5,653,987
Less Accumulated Depreciation	<u>(2,229,152)</u>	<u>(2,644,075)</u>
	<u>2,839,535</u>	<u>3,009,911</u>
Properties held for own use – at Valuation		
Land	28,402,598	2,685,000
Buildings	26,932,402	27,461,062
Buildings – Work in progress	<u>-</u>	<u>4,665,866</u>
	<u>55,335,000</u>	<u>34,811,929</u>
TOTAL PROPERTY PLANT & EQUIPMENT	<u>60,037,115</u>	<u>39,224,339</u>

MOVEMENTS IN CARRYING AMOUNTS 2018

	Computer Equipment \$	Furniture and Fittings \$	Motor Vehicles \$	Land and Buildings \$	Total \$
Balance at					
1 Oct 2017	924,979	477,520	3,009,911	34,811,929	39,224,339
Additions	1,424,842	15,885	1,108,363	362,379	2,911,469
Disposals	(670,808)	-	(420,418)		(1,091,226)
Transfers	-	-		(4,665,888)	(4,665,888)
Re-valuations	-	-	-	25,717,598	25,717,598
Depreciation	<u>(234,322)</u>	<u>(75,516)</u>	<u>(858,321)</u>	<u>(891,018)</u>	<u>(2,059,177)</u>
Balance at					
30 Sept 2018	<u>1,444,691</u>	<u>417,889</u>	<u>2,839,535</u>	<u>55,335,000</u>	<u>60,037,115</u>

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

MOVEMENTS IN CARRYING AMOUNTS 2017

	Computer Equipment	Furniture and Fittings	Motor Vehicles	Restated Land and Buildings	Restated Total
	\$	\$	\$	\$	\$
Balance at					
1 Oct 2016	290,623	404,024	2,924,100	29,513,912	33,132,659
Additions	840,456	143,819	1,544,936	6,139,847	8,669,058
Disposals	(3,515)	-	(477,156)	-	(480,670)
Depreciation	<u>(202,585)</u>	<u>(70,323)</u>	<u>(981,969)</u>	<u>(841,830)</u>	<u>(2,096,706)</u>
Balance at					
30 Sept 2017	<u>924,979</u>	<u>477,520</u>	<u>3,009,911</u>	<u>34,811,929</u>	<u>39,224,339</u>

Property, Plant and Equipment

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

All land and building assets are carried at their fair value, in accordance with AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Fair value of Land and Buildings is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs.

When an item of Land and Building is revalued, the entire class of asset to which belongs shall be revalued.

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

Revaluations

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are to be conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. Land and buildings are revalued every 3 years. A revaluation of land and buildings was conducted as at 31 October 2017, and was based upon the assessment of an independent valuation expert.

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

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

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.

15B. INVESTMENT PROPERTY

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

	2018	2017
	\$	\$
Investment property		
Land	38,987,568	1,645,000
Rented Property	<u>10,942,432</u>	<u>6,324,810</u>
Net Book Value	<u>49,930,000</u>	<u>7,969,810</u>

	2018	2017
	\$	\$
Balance at start of year	7,969,810	8,346,548
Additions	579,347	95,748
Disposals	-	-
Transfers	4,665,888	-
Re-valuations	37,342,568	-
Depreciation	<u>(627,613)</u>	<u>(472,486)</u>
Balance at end of year	<u>49,930,000</u>	<u>7,969,810</u>

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15B. INVESTMENT PROPERTY (continued)

Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially and held at its cost, including transaction costs.

During the year, the Union amended its accounting policy with respect to the measurement of Investment Properties under AASB140. Investment properties are now measured initially at its cost, including transaction costs and are subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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

Depreciation

The depreciable amount of all investment properties 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 investment properties are:

Buildings	2% - 5%
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Investment properties' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Investment properties are generally commercial office buildings with operating leases in place with tenants. The future lease rental returns are set out in Note 26.

Changes in Accounting Policy

Formerly, investment properties were measured under the cost model. However, the Union has implemented a change in accounting policy whereby from 1 October 2017 all Investment Properties are measured at fair value.

The union believes the adoption of fair value as the preferred measurement of investment properties will provide more reliable and relevant information to the users of the financial statements. The measurement of investment property at a fair value is more reflective of its underlying economic value to the union and its members.

Retrospective application of this change in accounting policy is impracticable for prior periods, due to the absence of an independent valuation of investment properties prior to that received as of 31 October 2017. As such, management has applied this change in accounting policy prospectively, as of 30 September 2018.

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

15B. INVESTMENT PROPERTY (Cont'd)

	Cost Model	Restatement	Fair Value Model
	2018	2018	2018
Land	1,645,000	37,342,568	38,987,568
Buildings	22,760,218	(11,817,786)	10,942,432
Accumulated depreciation	<u>(11,817,786)</u>	<u>11,817,786</u>	<u>-</u>
Carrying value of land and buildings	<u>12,587,432</u>	<u>37,342,568</u>	<u>49,930,000</u>
Gain on Revaluation of Investment Property	<u>-</u>	<u>37,342,568</u>	<u>37,342,568</u>
Net Surplus / (Deficit) for Year	<u>(3,200,644)</u>	<u>37,342,568</u>	<u>34,141,924</u>

	2018	2017
	\$	\$
16. TRADE AND OTHER PAYABLES		
Sundry Creditors, Trade and other payables	<u>760,369</u>	<u>615,451</u>
	<u>760,369</u>	<u>615,451</u>

As at 30 September 2018, there were no payables due to the following:

- Other Branches with the AMWU;
- Members' employers in respect of payroll deductions for memberships; or
- Entities or persons in respect of legal costs or litigation matters.

17. PROVISIONS

Current

Annual Leave Entitlements	3,004,317	3,101,114
Long Service Leave Entitlements	5,037,136	5,096,382
Provision for Redundancy	-	-
Provision for Bonus	<u>326,175</u>	<u>351,775</u>
	<u>8,367,628</u>	<u>8,549,271</u>

Non-Current

Long Service Leave Entitlements	<u>389,643</u>	<u>201,601</u>
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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

17A EMPLOYEE PROVISIONS	2018	2017
	\$	\$
Office Holders:		
Annual leave	862,350	809,679
Long service leave	1,905,675	1,886,962
Subtotal employee provisions—office holders	<u>2,768,025</u>	<u>2,696,641</u>
Employees other than office holders:		
Annual leave	2,141,967	2,291,435
Long service leave	3,521,104	3,411,021
Provision for Redundancy	-	-
Provision for Bonus	326,175	351,775
Subtotal employee provisions—employees other than office holders	<u>5,989,246</u>	<u>6,054,231</u>
Total employee provisions	<u>8,757,271</u>	<u>8,750,872</u>
18. PROFESSIONAL SERVICES	2018	2017
	\$	\$
Auditors		
Audit Fees	61,750	62,100
Preparation of financial statements	5,000	5,000
Other assurance engagements	5,750	3,600
	<u>72,500</u>	<u>70,700</u>
Legal Expenses		
Litigation	151,943	110,817
Other Legal Matters	84,079	77,826
	<u>236,022</u>	<u>188,644</u>
Other professional fees	129,267	31,996
Total professional fees	<u>437,789</u>	<u>291,339</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

19. CASH FLOW INFORMATION	Note	2018	2017
		\$	\$
A			
For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.			
Cash and Bank Balances	10	2,599,705	2,017,040
Short Term Deposits	12	<u>3,569,201</u>	<u>5,511,965</u>
		<u>6,168,906</u>	<u>7,529,005</u>
B			
Reconciliation of Cash Flow from Operations with Net Surplus			
Net (Deficit) Surplus		34,141,924	(1,290,473)
Non-Cash Flows in Net Surplus			
Depreciation		2,686,790	2,569,192
(Gain) Loss on Disposal of Fixed Assets		(127,696)	(72,564)
(Gain on Revaluation of Investment Property)		(37,342,568)	-
Share of Net Profit of Associates		-	-
Changes in Assets and Liabilities			
(Increase) in Current Receivables		(941,966)	(248,111)
Increase in Trade and Other Payables		144,919	3,194
Increase (Decrease) in Trust Grants		-	-
(Decrease) Increase in Provisions		(181,643)	(1,345,636)
(Decrease) Increase in Employee Entitlements		<u>188,040</u>	<u>(384,414)</u>
CASH FLOWS FROM OPERATIONS		<u>(1,432,200)</u>	<u>(768,812)</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

20. ACCUMULATED FUNDS SUMMARY

Funds	Opening Balance 1 Oct 2017	Contributio ns into Funds	Net Expenditure and transfers of funds	Profit and Loss of General Fund	Closing Balance 30 Sep 2018
	\$	\$	\$	\$	\$
National Council Political	1,623,266	555,196	(624,422)	-	1,554,040
Education	7,774,357	270,073	(365,183)	-	7,679,247
Hardship	7,847,332	725,940	(725,940)	-	7,847,332
Vehicle Division Education	209,052	-	(105,961)	-	103,091
Campaign and Organising	2,649,490	937,572	(1,888,146)	-	1,698,916
Strategic Plan Resource	-	398,838	(79,884)	-	318,954
Fairfax Chapel Dispute	50,953	-	-	-	50,953
Australian Printing Federation	33,023	-	-	-	33,023
York Endowment	46,313	-	-	-	46,313
General	101,054,664	(2,887,619)	3,789,536	34,141,924	136,098,505
	<u>121,288,450</u>	<u>-</u>	<u>-</u>	<u>34,141,924</u>	<u>155,430,374</u>

NET TRANSFER TO FUNDS

Net transfers to National Council Political Fund	(69,226)
Net transfers to Education Fund	(95,110)
Net transfers to Hardship	-
Net transfers to Vehicle Division Education Fund	(105,961)
Net transfers to Campaign and Organising Fund	(950,574)
Net transfers to Strategic Plan Resource Fund	318,954
Total Net transfers to Other Funds	<u>(901,917)</u>
Total Other comprehensive income for the year	<u>35,043,841</u>

NET SURPLUS FOR YEAR – GENERAL FUND

34,141,924

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

20. ACCUMULATED FUNDS SUMMARY (Cont'd)

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

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

21. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

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

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

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

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

(b) Credit Risk

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

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

	2018	2017
	\$	\$
Receivables		
National Entitlement Security Trust	5,211,659	5,077,925
Trade and Sundry Debtors	<u>538,932</u>	<u>270,384</u>
	<u>5,750,591</u>	<u>5,348,309</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 2018 it had \$2,599,705 (2017: \$2,017,040) of cash and cash equivalents to meet its obligations as they fall due, and a further \$3,569,201 (2017: \$5,511,965) held in short term deposits. The Financial liabilities recorded in the financial statements at 30 September 2018 were \$760,369 (2017: \$612,451). The National Council manages liquidity risk by monitoring cash flows.

(d) Market Risk

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

(e) Interest Rate Risk

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

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

30 September 2018	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
Financial Assets	\$	\$	\$	\$
Cash Assets	2,563,700	-	36,055	2,599,705
Receivables	-	5,211,659	538,932	5,750,591
Managed Funds/Other	66,220,486	-	46,670	66,267,156
Short term deposits	-	3,569,201	-	3,569,201
	<u>68,784,186</u>	<u>8,780,860</u>	<u>621,657</u>	<u>78,186,653</u>
Weighted average Interest rate	0.20%	2.76%		
Financial Liabilities				
Payables	-	-	(760,369)	(760,369)
	<u>-</u>	<u>-</u>	<u>(760,369)</u>	<u>(760,369)</u>
Net Financial Assets	<u>68,784,186</u>	<u>8,780,860</u>	<u>(138,712)</u>	<u>77,426,284</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

21. FINANCIAL RISK MANAGEMENT (Cont'd)

30 September 2017	Floating interest rate	Fixed interest rate	Non- interest Bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash Assets	1,984,370	-	32,670	2,017,040
Receivables	-	5,077,925	270,383	5,348,308
Managed Funds	67,230,982	-	46,670	67,277,652
Short term deposits	-	5,511,965	-	5,511,965
	<u>69,215,352</u>	<u>10,589,890</u>	<u>349,724</u>	<u>80,984,011</u>
 Weighted average Interest rate	 0.52%	 2.26%		
Financial Liabilities				
Payables	-	-	(615,451)	(615,451)
	<u>-</u>	<u>-</u>	<u>(615,451)</u>	<u>(615,451)</u>
Net financial assets (liabilities)	<u>69,215,352</u>	<u>10,589,890</u>	<u>(265,727)</u>	<u>80,368,560</u>

Sensitivity Analysis

2018	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	2,563,700	256,370	(256,370)
Receivables	5,211,659	5,211,659	(5,211,659)
Managed Funds	66,220,486	66,220,486	(66,220,486)
Short term deposits	3,569,201	3,569,201	(3,569,201)

2017	Carrying Amount	+1.00% (100 basis points) Profit	-1.00% (100 basis points) Loss
	\$	\$	\$
Cash Assets	1,984,370	19,844	(19,844)
Receivables	5,077,925	50,779	(50,779)
Managed Funds	67,277,652	672,777	(672,777)
Short term deposits	5,511,966	55,120	(55,120)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (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)

	2018	2017		2018	2017
Fund Allocation (%):			Fund Allocation (\$):		
Domestic Shares	20.40%	16.36%	• Domestic Shares	13,509,590	10,996,048
International Shares	16.90%	6.88%	International Shares	11,192,047	4,628,557
Domestic Listed Property	1.24%	1.97%	Domestic Listed Property	822,407	1,324,408
International Listed Property	5.97%	5.56%	International Listed Property	3,951,303	3,739,396
Domestic Fixed Interest	24.35%	16.91%	Domestic Fixed Interest	16,127,851	11,368,954
International Fixed Interest	14.98%	19.06%	International Fixed Interest	9,917,933	12,813,243
Cash	16.16%	33.26%	Cash	10,699,355	22,360,376
Total	100%	100%	Total	66,220,486	67,230,982

2018	Carrying Amount	+10.00% (1000 basis points) Other Equity Profit	- 10.00% (1000 basis points) Other Equity Loss
	\$	\$	\$
Domestic Shares	13,509,590	1,350,959	(1,350,959)
International Shares	11,192,047	1,119,205	(1,119,205)
Domestic Listed Property	822,407	82,241	(82,241)
International Listed Property	3,951,303	395,130	(395,130)
Domestic Fixed Interest	16,127,851	1,612,785	(1,612,785)
International Fixed Interest	9,917,933	991,793	(991,793)
Cash	10,699,355	1,069,936	(1,069,936)
Total	66,220,486	6,622,049	(6,622,049)

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

21. FINANCIAL RISK MANAGEMENT (Cont'd)

(f) Other Price Risks (Cont'd)

2017	Carrying Amount	+10.00% (1000 basis points) Other Equity Profit	-10.00% (1000 basis points) Other Equity Profit
	\$	\$	\$
Cash & Bonds	22,360,376	2,236,038	(2,236,038)
Domestic Shares	10,996,048	1,099,605	(1,099,605)
International Shares	4,628,557	462,856	(462,856)
Domestic Listed Property	1,324,408	132,441	(132,441)
International Listed Property	3,739,396	373,940	(373,940)
Domestic Fixed Interest	11,368,954	1,136,895	(1,136,895)
International Fixed Interest	<u>12,813,243</u>	<u>1,281,324</u>	<u>(1,281,324)</u>
Total	<u>67,230,982</u>	<u>6,723,099</u>	<u>(6,723,099)</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

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 \$693,696 (2017: \$654,375).
- (iii) There have been no other transactions between the office holders and the union other than those relating to their membership of the union and reimbursement by the union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length. Delegation and international expenses for office holders totalled \$724,815 in the year (2017: \$543,725) as disclosed in Note 8 to the accounts.

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23. RELATED PARTIES (Cont'd)

- (iv) The National Council received income of \$2,694,184 (2017: \$2,689,087) from its associate, U Cover Pty Ltd during the year.
- (v) The National Council held amounts receivable of \$534,696 (2017: \$534,696) from its associate, Industrial Printing and Publishing Ltd as at balance date.

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:

	2018	2017
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	1,728,304	1,639,169
Annual leave accrued	127,344	124,238
Service entitlement/performance bonus accrued	60,250	59,250
Total short-term employee benefits	<u>1,915,898</u>	<u>1,822,657</u>
Post-employment benefits:		
Superannuation	215,695	186,275
Total post-employment benefits	<u>215,695</u>	<u>186,275</u>
Other long-term benefits:		
Long-service leave	41,387	40,377
Total other long-term benefits	<u>41,387</u>	<u>40,377</u>
Termination benefits	352,052	-
Total	<u>2,525,032</u>	<u>2,049,309</u>

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**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

25. CONTINGENT LIABILITIES

The National Council is not aware of any 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 2018 are as follows:

	2018	2017
	\$	\$
(i) not later than one year;	2,695,101	3,162,723
(ii) later than one year and not later than five years;	8,267,204	9,595,961
(iii) later than five years;	-	-
	<u>10,962,305</u>	<u>12,758,684</u>
(b) total contingent rents recognised as income in the period;	<u>-</u>	<u>-</u>

General description of the lessor's leasing arrangements

The operating leases applicable to the buildings owned by the Union leased under operating leases of between 1 month and 5 years. The leases are subject to annual lease reviews with increases based on varying levels, subject to varying conditions and inflation.

28. ADDITIONAL INFORMATION

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

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

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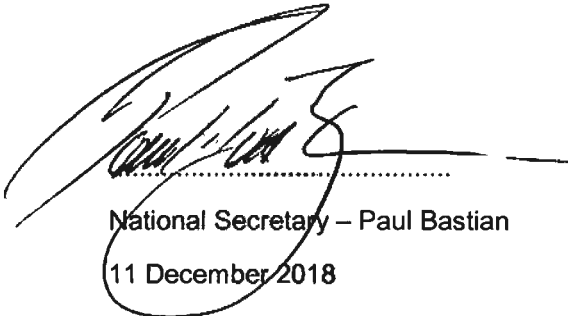
NATIONAL COUNCIL

OFFICER DECLARATION STATEMENT

I Paul Bastian, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, declare that the following did not occur during the reporting period ending 30 September 2018:

The reporting unit did not:

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



.....
National Secretary – Paul Bastian
11 December 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council (AFMEPKIU), which comprises the statement of financial position as at 30 September 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the Officer Declaration Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of AFMEPKIU, presents fairly, in all material respects the AFMEPKIU's, financial position as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

Other information

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

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



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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

This description forms part of our auditor's report.

Declaration by the auditor

I, Grant Saxon, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO East Coast Partnership

Grant Saxon
Director

Melbourne

Sydney, 11 December 2018

Registration number (as registered by the RO Commissioner under the Act): AA2017/103

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

NATIONAL COUNCIL POLITICAL FUND

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

NATIONAL COUNCIL POLITICAL FUND

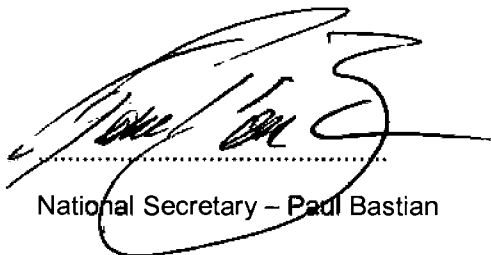
COMMITTEE OF MANAGEMENT'S STATEMENT

On 11th December 2018 the National Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council Political Fund for the year ended 30 September 2018.

The National Council declares in relation to the GPFR that in its opinion:

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

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



.....
National Secretary – Paul Bastian

11th December 2018

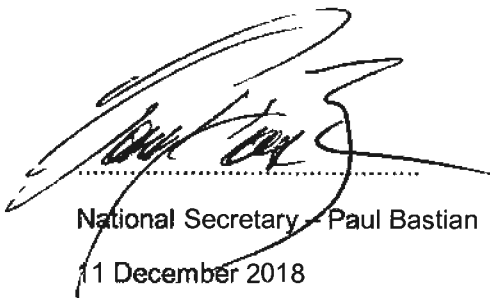
**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
PRINTING AND KINDRED INDUSTRIES UNION**

NATIONAL COUNCIL POLITICAL FUND

REPORT REQUIRED UNDER SUBSECTION 255(2A)

The National Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union National Council Political Fund for the year ended 30 September 2018.

Categories of expenditures	2018	2017
	\$	\$
Remuneration and other employment-related costs and expenses – employees	-	-
Advertising	-	-
Operating costs	390,977	462,800
Donations to political parties	233,445	100,113
Legal costs	-	-



.....
National Secretary – Paul Bastian
11 December 2018

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

NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

		2018	2017
		\$	\$
INCOME			
Contributions		518,773	568,773
Interest Received		<u>36,423</u>	<u>37,418</u>
TOTAL INCOME		<u>555,196</u>	<u>606,191</u>
EXPENDITURE			
Affiliation Fees	3	384,805	396,627
Audit and Accountancy Fees	4	5,400	19,600
Bank and Government Charges		240	240
Consultancy		-	-
Delegation Expenses – Employees		-	25,000
Donations – over \$1000		230,990	96,620
Donations – \$1000 or less		2,455	3,493
General Office		532	2,159
Marginal seat election expenses		-	3,873
Postage, Printing & Stationery		<u>-</u>	<u>-</u>
TOTAL EXPENDITURE		<u>624,422</u>	<u>562,913</u>
(DEFICIT)/SURPLUS FOR YEAR		<u>(69,226)</u>	<u>43,278</u>
OTHER COMPREHENSIVE INCOME			
Other Comprehensive Income for the year		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME		<u>(69,226)</u>	<u>43,278</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 2018

	2018	2017
	\$	\$
ASSETS		
Cash at Bank	80	2,276
Receivable from: Cash Investments National Council	1,535,169	1,602,197
Prepayments	<u>23,141</u>	<u>23,043</u>
TOTAL ASSETS	<u>1,558,390</u>	<u>1,627,516</u>
LIABILITIES		
Trade and other payable	<u>4,350</u>	<u>4,250</u>
TOTAL LIABILITIES	<u>4,350</u>	<u>4,250</u>
NET ASSETS	<u>1,554,040</u>	<u>1,623,266</u>
ACCUMULATED FUNDS		
Accumulated Funds	<u>1,554,040</u>	<u>1,623,266</u>
TOTAL ACCUMULATED FUNDS	<u>1,554,040</u>	<u>1,623,266</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 2018**

	Accumulated Funds
	\$
Balance at 30 September 2016	1,579,988
Total comprehensive profit for the year	43,278
Balance at 30 September 2017	<u>1,623,266</u>
Total comprehensive loss for the year	(69,226)
Balance at 30 September 2018	<u><u>1,554,040</u></u>

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

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

NATIONAL COUNCIL POLITICAL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		585,801	568,773
Interest Received		36,423	37,418
Payments to Suppliers		<u>(624,420)</u>	<u>(604,012)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	5(b)	<u>(2,196)</u>	<u>2,179</u>
NET INCREASE/ (DECREASE) IN CASH HELD		(2,196)	2,179
Cash at Beginning of Year		<u>2,276</u>	<u>97</u>
CASH AT END OF YEAR	5(a)	<u>80</u>	<u>2,276</u>

(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 2018**

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

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

Cash and cash equivalents

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

Revenue

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

Revenue is measured at the fair value of the consideration received of receivable.

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 2018 (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 2018. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and b. The receipt of volunteer services.	For financial years commencing after 1 January 2019	The Political Fund is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 2018)
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 2019	The Political Fund is not expected to be materially impacted by this new standard	1 October 2019* *(comparatives from 1 October 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 2018 (Cont'd)**

New Australian Accounting Standards (Cont'd)

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 Political Fund is not expected to be impacted by this standards as it holds no operating leases at year end.	1 October 2019* *(comparatives from 1 October 2018)
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2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Critical accounting estimates and assumptions

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

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

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

3. AFFILIATION FEES

	2018	2017
	\$	\$
Australian Labor Party NSW	70,300	74,744
Australian Labor Party Victoria	125,647	131,367
Australian Labor Party Queensland	80,486	76,995
Australian Labor Party Northern Territory	3,132	2,800
Australian Labor Party South Australia	33,016	34,070
Australian Labor Party Western Australia	66,409	70,457
Australian Labor Party Tasmania	5,815	6,194
	<u>384,805</u>	<u>396,627</u>

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

4. AUDIT AND ACCOUNTANCY FEES

	2018	2017
	\$	\$
Auditors		
Audit Fees	3,350	3,250
Preparation of financial statements	1,000	1,000
Other audit and accountancy services	1,050	15,350
	<u>5,400</u>	<u>19,600</u>

5. CASH FLOW INFORMATION

	2018	2017
	\$	\$
(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>80</u>	<u>2,276</u>
(b) Reconciliation of Cash Flow from Operations with (Deficit)/Surplus		
(Deficit)/Surplus	(69,226)	43,278
Changes in Assets and Liabilities		
(Increase)/Decrease in Prepayments	(98)	3,127
(Increase)/Decrease in National Council General Fund	67,028	(48,476)
Increase/(Decrease) in Trade and other payables	<u>100</u>	<u>4,250</u>
CASH FLOWS USED IN OPERATING ACTIVITIES	<u>(2,196)</u>	<u>2,179</u>

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

NATIONAL COUNCIL POLITICAL FUND

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018 (Cont'd)**

6. 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:

	2018	2017
	\$	\$
Cash and cash equivalents	80	2,276
	<hr/>	<hr/>
National Council General Fund	1,535,169	1,602,197
	<hr/>	<hr/>

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

**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 2018 (Cont'd)**

6. 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 2018 it had \$80 (2017: \$2,276) of cash and cash equivalents to meet these obligations as they fall due. The financial liabilities recorded in the financial statements at 30 September 2018 and 30 September 2017 was \$4,350 and \$4,250 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 2018 (Cont'd)**

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2018	Floating/fixed interest rate	Non-interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	80	-	80
Receivable	<u>1,535,169</u>	<u>-</u>	<u>1,535,169</u>
	<u>1,535,249</u>	<u>-</u>	<u>1,535,249</u>
Weighted average Interest rate	2.37%	0%	2.37%
Financial Liabilities			
Payables	<u>(4,350)</u>	<u>-</u>	<u>(4,350)</u>
Net Financial Assets	<u>1,530,899</u>	<u>-</u>	<u>1,530,899</u>
30 September 2017	Floating/fixed interest rate	Non-interest bearing	Total
Financial Assets	\$	\$	\$
Cash and cash equivalents	2,276	-	2,276
Receivable	<u>1,602,197</u>	<u>-</u>	<u>1,602,197</u>
	<u>1,604,473</u>	<u>-</u>	<u>1,604,473</u>
Weighted average Interest rate	2.33%	-	2.33%
Financial Liabilities			
Payables	<u>(4,250)</u>	<u>-</u>	<u>(4,250)</u>
Net Financial Assets	1,600,223	-	1,600,223

**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 2018 (Cont'd)**

6. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2018	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	<u>80</u>	<u>-</u>	<u>-</u>
2018	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	<u>1,535,169</u>	<u>7,676</u>	<u>(7,676)</u>
2017	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash and cash equivalents	<u>2,276</u>	<u>11</u>	<u>(11)</u>
2017	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Receivable	<u>1,602,197</u>	<u>8,011</u>	<u>(8,011)</u>

7. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Political Fund.

**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 2018 (Cont'd)**

8. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

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

9. RELATED PARTIES

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

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

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

Information to be provided to members or Commissioner:

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

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

Signed in accordance with a resolution of National Council



.....
National Secretary – Paul Bastian



.....
National President – Andrew Dettmer

11 December 2018

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

OFFICER DECLARATION STATEMENT

I Paul Bastian, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, declare that the following did not occur during the reporting period ending 30 September 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- Agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive any other revenue from another reporting unit
- Receive revenue via compulsory levies
- Receive donations or grants
- Receive revenue from undertaking recovery of wages activity
- Incur fees as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay any other expense to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeded \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Incur expenses due to holding a meeting as required under the rules of the organisation
- Pay legal costs relating to litigation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit

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

NATIONAL COUNCIL POLITICAL FUND



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National Secretary - Paul Bastian
11 December 2018

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council Political Fund (National Council Political Fund), which comprises the statement of financial position as at 30 September 2018, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the Officer Declaration Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of National Council Political Fund, presents fairly, in all material respects the National Council Political Fund's, financial position as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

Other information

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

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



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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists



related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

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

This description forms part of our auditor's report.

Declaration by the auditor

I, Grant Saxon, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO East Coast Partnership

Grant Saxon
Partner

Melbourne

Sydney, 11 December 2018

Registration number (as registered by the RO Commissioner under the Act): AA2017/103