



Australian Government
Australian Industrial Registry

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

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

Dear Mr Cameron,

Attention: Mr Warren Soos

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Financial Reports - year ended 30 September 2004 - Schedule 1B - Workplace
Relations Act 1996 (RAO Schedule)**

| | |
|-------------------|------------|
| National Council | FR2004/620 |
| Victoria | FR2004/625 |
| New South Wales | FR2004/621 |
| Queensland | FR2004/622 |
| Tasmania | FR2004/624 |
| South Australia | FR2004/623 |
| Western Australia | FR2004/626 |

I refer to the financial reports lodged under s268 of the RAO Schedule for the above-mentioned organisation and its branches for the financial year ending 30 September 2004, lodged in the Industrial Registry on 1 April 2005.

The financial reports have been filed and are available for viewing at www.e-airc.gov.au/188v/.

Further information required - Grants and Donations

The Statement of Loans, Grants and Donations lodged by the National Office on 1 December 2004 under s237 of the RAO Schedule disclosed a total for grants and donations made by the National and State Offices during the financial year of \$178,736, whereas the aggregate of donations according to the financial returns listed above totals \$58,460. The reports for the National and State Offices do not appear to disclose separately any expenditure relating to grants.

In the light of this apparent inconsistency, could you provide further information regarding the above issue by Friday 6 May 2005. The inconsistency may relate to donations made by a Fund of the National Office. For example, in previous financial years the National Office has lodged a separately audited return for the Political Fund which has disclosed an amount in respect of donations.

The Reporting Guidelines require each reporting entity to identify the amount expended on grants and donations in the General Purpose Financial Report (GPFR) - see Item 11(f) at Attachment A. This obligation is in addition to the requirement to notify the details of grants

and donations under s237 of the RAO Schedule. It should be borne in mind that the words 'grant' and 'donation' have the same meaning for the purpose of the GPFR as for s237 of the RAO Schedule - see the Glossary of the Reporting Guidelines.

Comments to assist future financial reports

The comments below may assist you when you prepare financial reports in future financial years. These comments chiefly concern the correct disclosure of expenditure as required by Item 11 of the Reporting Guidelines.

'Delegation Expenses'

Many of the branches have disclosed significant amounts of expenditure as '*delegation expenses*'. While the Reporting Guidelines do not specifically require the disclosure of delegation expenses there are express mandatory requirements to disclose, amongst other things, the following items:

- 11 (g) *employee benefits to holders of office of the reporting unit;*
- (h) *employee benefits to employees (other than holders of office) of the reporting unit;*
- (i) *fees or allowances (other than any amount included in an amount referred to in subparagraphs (g) or (h) of this paragraph) to persons in respect of their attendance as representatives of the reporting unit at conferences or other meetings;....*
- (k) *expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible*

Accordingly, in future financial years please ensure that any 'delegation expenses' that relate to any of the above expenditure items (or to any other expenditure items specified in paragraph 11 of the Reporting Guidelines) are separately disclosed in the accounts.

Tasmanian Branch - 'Employee Expenses'

The Tasmanian Branch accounts disclose an amount for Employee Expenses of \$132,556. This would appear to be inconsistent with Note 1(e) of the Notes to the Branch Accounts which states:

No provisions is made for benefits accruing to employees in respect of wages and salaries, annual leave, long services leave and sick leave at the Branch level.

In future financial years this apparent inconsistency should be clarified - again, please refer to Item 11 of the Reporting Guidelines for a list of mandatory expenditure requirements.

Victorian Branch - Legal Expenses

While the accounts for the Victorian Branch disclosed an amount for Professional Services of \$195,840 there was no separate disclosure regarding '*legal costs and other expenses related to litigation or other legal matters*' as required under item 11(j) of the Reporting Guidelines.

Statement of Accounting Policies - consistency between branches

The RAO Schedule requires the financial records for each of the reporting units of an organisation to be kept, as far as practicable, on a consistent basis - see s252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines.

With respect to the above, I note that the 'Statement of Accounting Policies' of many of the branches appear to vary on a number of issues. For example, while most of the branches generally affirm that 'Salaries and Employee Entitlements' are paid by the National Council rather than the branches, the South Australian and Western Australian accounts vary as follows:

- South Australia - the relevant Note only refers to annual leave and long service leave,
- Western Australia - there is no Note regarding this issue

There are similar variations of wording between the branches regarding other issues such as Receivables, Fixed Assets, Depreciation Charges and Goods and Services Tax.

In the light of the above the branches should, to the extent that it is practicable, adopt a consistent approach and consistent wording in their respective Statement of Accounting Policies.

If you have any queries please contact Andrew Schultz at this Registry on (03) 8661 7799.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A. O'Brien', with a stylized flourish at the end.

Andrew O'Brien
Principal Registry
Statutory Services Branch

12 April 2005

RECEIVED

21 MAR 2005

BY FINANCE DEPT

APPENDIX 2

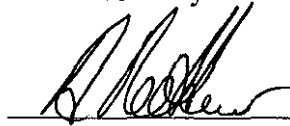
AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND
KINDRED INDUSTRIES UNION

CERTIFICATE OF STATE SECRETARY

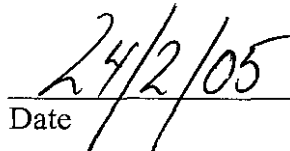
I *Andrew Dettmer*, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union *Qld* State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- that the Full Report was provided to members in the month of January 2005; 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 *Qld* State Council on *24th February, 2005* in accordance with section 266 of the ROA Schedule.

State Secretary



Signature



Date

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

OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2004

Review of the Branch's Principal Activities

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Qld Branch 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

The statement of financial performance for the year shows the deficit of \$97,340. This is a non recurring deficit resulting from GST repayments by National Office deducted from Revenue Remittances.

The Right of Members to Resign

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

A notice of resignation from membership takes effect:

(a) where the member ceases to be eligible to become a member of the organisation:

- (i) on the day on which the notice is received by the organisation; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

(b) in any other case:

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

whichever is later.

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

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 of the Workplace Relations Act 1996.

State Officers or Members who are Trustees of a Superannuation Entity

- Mr David Harrison Director Sun Super held the position from 1.10.2003 to the date he resigned from the AMWU on 10 November 2003.
- Mr Ian McComb Director of AUST Q held the position from 1.10.2003 to 30.09.2004.

Other Relevant Information

David Harrison resigned as State Secretary on 10 November 2003. Andrew Dettmer was appointed State Secretary on 11 November 2003. Mr Dettmer's appointment by ballot of Rank & File occurred on 1 July 2004.

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

(a) The number of persons that were recorded in the register of members on 30 September 2004 was 17652

(b) The number of persons who were employees of the reporting unit on 30 September 2004 was 31, 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 the committee of management of the State at any time during the reporting period, and the period for which he or she held such a position is as follows:

| <u>Name</u> | <u>Period Position Held</u> |
|--------------------------|--|
| <i>Robert Allen</i> | <i>1 October 2003 – 30 September 2004</i> |
| <i>Terrance Chandler</i> | <i>1 October 2003 – 30 September 2004</i> |
| <i>Kelvin Creedy</i> | <i>1 October 2003 – 30 September 2004</i> |
| <i>Andrew Dettmer</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Daniel Dougherty</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Patric Elliot</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Marcus Evans</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Michael Forman</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>David Fyffe</i> | <i>1 October 2003 – 30 September, 2004</i> |

| | |
|------------------------|--|
| <i>Chris Harper</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Anthony Head</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Gavin Janes</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Peter Lees</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Bernard Misztal</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Brendan Muller</i> | <i>7 May 2004 – 30 September, 2004</i> |
| <i>Rodney Orr</i> | <i>7 May 2004 – 30 September, 2004</i> |
| <i>Denise Perry</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>John Ryan</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>Rohan Webb</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>David Weder</i> | <i>1 October 2003 – 30 September, 2004</i> |
| <i>David Harrison</i> | <i>1 October 2003 – 7 November 2003</i> |
| <i>Bob Jones</i> | <i>1 October 2003 – 31 December 2003</i> |
| <i>Brian McCann</i> | <i>1 October 2003 – 7 May 2004</i> |
| <i>Jack Vizer</i> | <i>1 October 2003 – 7 May 2004</i> |
| <i>Glenn May</i> | <i>1 October 2003 – 7 May 2004</i> |
| <i>Ross Daniel</i> | <i>1 October 2003 – 7 May 2004</i> |
| <i>Velko Mlakar</i> | <i>1 October 2003 – 31 December 2003</i> |
| <i>Holly Patterson</i> | <i>1 October 2003 – 28 November 2003</i> |


.....
SIGNATURE

18/11/04
.....
DATE

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND
KINDRED INDUSTRIES UNION – QUEENSLAND STATE COUNCIL**

For the Year Ended 30th September 2004

COMMITTEE OF MANAGEMENT STATEMENT

On the 24th November 2004 the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Queensland State Council General Fund passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 September 2004:

The Committee of Management 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 the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - iv. as the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - v. no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule during the period; and
 - vi. no orders have been made by the Commission for inspection of financial records under section 273 of the RAO Schedule during the period.

For Committee of Management

Signature: _____

Andrew Dettmer
State Secretary

Date: _____

18/11/04

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2004**

| | Note | 2004 \$ | 2003 \$ |
|--------------------------------|------|----------------------|-----------------------|
| ACCUMULATED FUNDS | | | |
| Balance at beginning of year | | 136 252 | 68 608 |
| Surplus (Deficit) for year | | <u>(97 340)</u> | <u>67 644</u> |
| Balance at end of year | | <u>38 912</u> | <u>136 252</u> |
| Represented By: | | | |
| CURRENT ASSETS | | | |
| Cash at Bank | | 2 746 | 13 257 |
| Receivables | 2 | <u>36 166</u> | <u>123 108</u> |
| TOTAL ASSETS | | <u>38 912</u> | <u>136 365</u> |
| CURRENT LIABILITIES | | | |
| Sundry Creditors | | <u>-</u> | <u>113</u> |
| NET ASSETS | | <u>38 912</u> | <u>136 252</u> |

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2004**

| | Note | 2004 \$ | 2003 \$ |
|---|----------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Remittances from National Council | | 1 000 436 | 885 536 |
| Remittances - Other | | 5 298 | - |
| Interest Received | | 543 | 317 |
| Payments to Suppliers and Employees | | <u>(1 016 788)</u> | <u>(874,909)</u> |
| Net Cash From Operating Activities | 4 | (10 511) | 10 944 |
| CASH AT BEGINNING OF FINANCIAL YEAR | | <u>13 257</u> | <u>2 313</u> |
| CASH AT END OF FINANCIAL YEAR | | <u>2 746</u> | <u>13 257</u> |

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL
ACCOUNTS FOR THE YEAR ENDED
30 SEPTEMBER 2004**

1. STATEMENT OF ACCOUNTING POLICIES

The accounts are prepared as a general purpose financial report on the cash basis and in accordance with Statements of Accounting Concepts, applicable Accounting Standards and the Australian Workplace Relations Act, 1996. The accounts have also been prepared on the basis of historical costs and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the accounts.

- (a) All membership contributions and entrance fees are paid direct to the National Council.
- (b) Provision for employee benefits in the form of long service leave and accrued annual leave has been made in the accounts of the National Council for the estimated accrued entitlements of all employees on the basis of their terms of employment.
- (c) All non current assets are recorded in the accounts of the National Council and the depreciation of those assets is charged in the National Council Accounts.
- (d) No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act.
- (e) Where necessary, comparative figures have been adjusted to conform with the changes in presentation in the current year.
- (f) 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 Taxation 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.
- (g) Remuneration of officers and employees of the Union is recorded in the financial statements of the National Council.

2. RECEIVABLES

| | 2004 | 2003 |
|--|---------------|----------------|
| | \$ | \$ |
| Net GST Receivable from National Council | 36 012 | 123 108 |
| Other Debtors | 154 | - |
| | <u>36 166</u> | <u>123 108</u> |

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL
ACCOUNTS FOR THE YEAR ENDED
30 SEPTEMBER 2004**

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

4. CASH FLOW INFORMATION

Reconciliation of net cash provided by operating activities to surplus/(deficit) from ordinary activities:

| | 2004 | 2003 |
|---|-----------------|---------------|
| | \$ | \$ |
| Surplus/(Deficit) for year from ordinary activities | (97 340) | 67 644 |
| Changes in assets and liabilities | | |
| Increase/(decrease) in receivables | 86 942 | (56 813) |
| Increase/(decrease) in sundry creditors | (113) | 113 |
| | <u>(10 511)</u> | <u>10 944</u> |

5. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal commercial terms no more favourable than those available to other parties unless otherwise stated.

The ultimate controlling entity of the State Council is the Automotive, Food, Metals, Engineering, Printing And Kindred Industries Union, National Council.

Transactions with ultimate controlling entity:

- (a) Remittances from National Council are disclosed in the Statement of Financial Performance.

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**NOTES TO AND FORMING PART OF THE FINANCIAL
ACCOUNTS FOR THE YEAR ENDED
30 SEPTEMBER 2004 (con't)**

6. AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

Commencing with the year ending on 30 September 2006, the State Council's financial reports will be required to comply with Australian Equivalents to International Financial Reporting Standards (IFRSs) instead of Australian Accounting Standards presently in issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRSs for the year ending 30 September 2006.

The Committee of Management considers that no key account policy changes will arise out of this transition to IFRSs. A more detailed review will be conducted during the year ending 30 September 2005.

7. SEGMENT REPORTING

The entity operates as a union for Automotive, Food, Metals, Engineering, Printing And Kindred Industry employees throughout Queensland and the Northern Territory.

8. UNION DETAILS

The principal place of business of the union is Level 1, 366 Upper Roma Street, Brisbane.

Branches operate also in Mackay, Rockhampton, Townsville and Darwin.

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED
30 SEPTEMBER 2004**

| | 2004 | 2003 |
|---|----------------|----------------|
| | \$ | \$ |
| REVENUE FROM ORDINARY ACTIVITIES | | |
| Remittances from National Council | | |
| - General | 833 594 | 880 000 |
| - Local Purpose | 5 436 | 5 536 |
| Interest Received | 543 | 317 |
| | <hr/> | <hr/> |
| TOTAL REVENUE | 839 573 | 885 853 |

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

QUEENSLAND STATE COUNCIL GENERAL FUND

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED
30 SEPTEMBER 2004**

| | 2004 | 2003 |
|--|-----------------|----------------|
| | \$ | \$ |
| EXPENSES FOR YEAR | | |
| Employee Expenses | | |
| Payroll Tax | 89 529 | 99 453 |
| Salaries Employees | 190 | 378 |
| Other Expenses | | |
| Affiliation Fees | 92 543 | 60 221 |
| Bank Charges | 1 442 | 946 |
| Data Processing | 605 | 393 |
| Delegation Expenses | 274 807 | 240 639 |
| Freight | - | 2 236 |
| Fringe Benefits Tax | - | 41 289 |
| General Office Expenses | 39 403 | 28 678 |
| Donations | 3 272 | 1 653 |
| Insurance | 9 753 | 12 269 |
| Library and Research | 3 242 | 4 641 |
| Motor Vehicle Expenses | 77 648 | 77 425 |
| Postage | 26 822 | 26 085 |
| Printing & Stationery | 43 210 | 49 270 |
| Professional Services | | |
| Audit Fees | 11 750 | 9 990 |
| Legal Fees | 104 704 | 9 738 |
| Newsletter and Publicity | 62 920 | 53 623 |
| Telephone and Facsimile | 95 073 | 99 282 |
| TOTAL EXPENSES | 936 913 | 818 209 |
| SURPLUS/(DEFICIT) FOR YEAR FROM ORDINARY ACTIVITIES | (97 340) | 67 644 |

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

QUEENSLAND STATE COUNCIL GENERAL FUND

INDEPENDENT AUDIT REPORT

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

Scope

The Financial Report and the Responsibility of Committee of Management and Branch Secretary.

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the state council's statement for the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Queensland State Council General Fund, for the year ended 30 September 2004.

The state council and branch secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

We have conducted an independent audit in order to express an opinion to the members of the State Council. Our Audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the State Council's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- (a) examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- (b) assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the State Council and its secretary.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

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

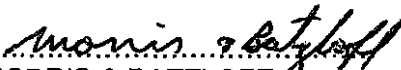
QUEENSLAND STATE COUNCIL GENERAL FUND

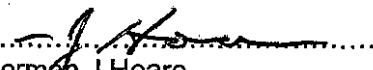
INDEPENDENT AUDIT REPORT (con't)

Audit Opinion

In our opinion the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Queensland State Council is in accordance with:

- (a) The Workplace Relations Act 1996, including:
 - (i) giving a true and fair view of the State Council's financial position as at 30 September 2004 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
 - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) Other mandatory professional reporting requirements in Australia.


.....
MORRIS & BATZLOFF
Chartered Accountants


.....
Norman J Hoare
Registered Company Auditor
96 Lytton Road, East Brisbane

18 - 11 - ,2004