



5 April 2018

Mr Rohan Webb
State Secretary
Australian Manufacturing Workers' Union
Queensland Branch

By e-mail: amwu@amwu.asn.au

Dear Mr Webb

**Australian Manufacturing Workers' Union, Queensland Branch
Financial Report for the year ended 30 September 2017 - FR2017/287**

I acknowledge receipt of the financial report for the year ended 30 September 2017 for the Australian Manufacturing Workers' Union, Queensland Branch (AMWU-QLD). The financial report was lodged with the Registered Organisations Commission (ROC) on 5 March 2018.

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

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. Committee of Management Statement

Reference to s.272

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission.

The AMWU-QLD Committee of Management statement, at reference (e)(v), refers to 'General Manager'. In future, please ensure that this reference is to the 'Commissioner'.

2. Auditor's Statement

Should be addressed to members

The Auditor's Statement was not addressed to the members of the reporting unit. Item 22 of ASA700 states "The auditor's report shall be addressed as required by the circumstances of the engagement." Item A21 of ASA700 states "Law, regulation or the terms of the engagement may specify to whom the auditor's report is to be addressed in that particular jurisdiction. The auditor's report is normally addressed to those for whom the report is prepared...".

In this instance the report is prepared for the members of the reporting unit. Accordingly, the Auditor's statement is required to be addressed to the Members of the Australian Manufacturing Workers' Union, Queensland Branch.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', written in a cursive style.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission



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CERTIFICATE OF STATE SECRETARY

I, Rohan Webb, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Queensland State 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 2017; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Queensland State Council on 22nd February 2018 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,
Rohan Webb

Signature

22nd February, 2018

Australian Manufacturing Workers' Union
Registered as AFMEPKIU
Queensland State Office
366 Upper Roma Street
BRISBANE QLD 4000
PO Box 13006
George Street QLD 4003
Telephone 07 3236 2550
Facsimile 07 3236 2089
ABN 59459725116

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QUEENSLAND BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

QUEENSLAND BRANCH

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Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Queensland Branch (the Branch), which comprises the statement of financial position as at 30 September 2017, the statement of comprehensive income, Changes in Accumulated Funds/ (Losses) and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Queensland Branch as at 30 September 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

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 Branch 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.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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 my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Committee of Management for the Financial Report

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch'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 Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the 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 Branch'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 Branch'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 our 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 Branch 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 Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

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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 we identify during our audit.

Declaration

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

M.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

16 November 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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OPERATING REPORT

The State Council, being the Committee of Management for the purposes of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Queensland Branch for the financial year ended 30 September 2017.

The operational name for the Automotive Food Metals Engineering Printing and Kindred Industries Union (AFMEPKIU) is the Australian Manufacturing Workers' Union (AMWU). The Union is a 'not for profit' entity, a registered organisation under *RO Act*.

Review of the State'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 on a wide range of political issues.

Significant Changes in Principal Activities

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

Results of Principal Activities

During the year to 30 September 2017 the AFMEPKIU negotiated and registered 223 enterprise bargaining agreements nationally, 57 of which were from Queensland.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2017 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 Branch is responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The Queensland Branch's principal activities resulted in a surplus for the financial year of \$3,687.

Significant Changes in Financial Affairs

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

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OPERATING REPORT (cont'd)

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(1) of the *RO Act*. In accordance with section 174(1) of the *RO Act* 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.

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

Salaries

The Queensland Branch's top five salary rates are as follows:

Level	Position	Per Annum
4	Organiser	\$86,008.00
5	Senior Organiser	\$90,303.20
6	Team Leader/Assistant State Secretary Level 1	\$94,853.20
7	Assistant State Secretary Level 2	\$101,465.00
8	State Secretary	\$107,408.60

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

The identity of the officers of the Queensland Branch who are the two highest paid in terms of relevant remuneration for the year ended 30 September 2017, are as follows:

Name	Office	Actual Amount of Relevant Remuneration - Salary, Super & Service Increment	Actual Amount of Relevant Remuneration - Travel & Other Allowances	Form and Value of Relevant Non-Cash Benefits
Rohan Webb	State Secretary	\$123,955.61	\$3,358.07	Provision of a Motor Vehicle - \$13,101.41
Brian Devlin	Assistant State Secretary Manufacturing (TSA)	\$109,974.07	\$2,551.16	Provision of a Motor Vehicle - \$9,865.89

The following officers left the employment of the Queensland Branch during the year ended 30 September 2017 and, in addition to their base salary and allowances for the period worked, they received payment for their accrued Long Service Leave and/or Annual Leave entitlements and/or a separation package consistent with National Council policy:

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Statement of Salaries, Board Fees, Associated Entities, Key Relationships & Disclosure Statements (cont'd)

Name	Office	Actual Amount of Relevant Remuneration	Form and Value of Relevant Non-Cash Benefits
Terry Bradley	Assistant State Secretary Manufacturing	\$268,569.69(inclusive of \$66,698.54 AL/LSL Entitlement)	Provision of a Motor Vehicle - \$1,456.75

Board Fees

Board Fees received by the Queensland Branch on behalf of employees who are members of external boards, are as follows:

Organisation	Amount received
Australian Super	\$15,500
QLeave	\$3,750
NT WorkSafe	\$190

Associated Entities

The AFMEPKIU Queensland Branch is not involved with any associated entity over which it has controlling or significant influence.

Key Relationships

The AFMEPKIU Queensland State Branch 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	
Financial Services	Printing & Publicity Services
MGI Audit Pty Ltd	OFFICEWORKS
WARREN SAUNDERS INS BROKERS	G&G TRADE PUBLISHING DISTRIBUTION
Legal Services	LIFESTYLE AUSTRALIA
MAURICE BLACKBURN LAWYERS	HOWARD WILLIAM & CO P/L
Travel Services	Vehicle Services
AMERICAN EXPRESS	SUMMIT
FCM Travel Solutions	
QANTAS	

Officers' Material Personal Interests

For the year ended 30 September 2017, the Officers of the AFMEPKIU Queensland Branch have declared no material personal interests.

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Payments to related parties or declared persons

For the year ended 30 September 2017, the AFMEPKIU Queensland State Branch has made no reportable payments to any related party or declared person or body of the Union.

State Officers or Members who are Trustees of a Superannuation Entity

The details of each officer or member of the Queensland Branch who is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

Name of officer or member	Superannuation Fund	Position Held
Rohan Webb	Australian Super	Director

Other Relevant Information

The Queensland Branch is not aware of any other relevant information.

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

Number of Members

- (a) The number of persons who were recorded in the register of members on 30 September 2017 was 13,211(14,245).

Number of Employees

- (b) The number of persons who were employees of the reporting unit on 30 September 2017 was 0.0 (2016:0.0)
- (c) The name of each person who has been a member of State 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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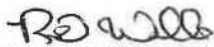
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OPERATING REPORT (cont'd)

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

Name	Period Position Held
Ann-Marie Allan	01/10/2016 to 30/09/2017
Anthony Head	01/10/2016 to 30/09/2017
Antonino Crisafully	01/10/2016 to 30/09/2017
Ashley Blades	01/10/2016 to 30/09/2017
Bernard Misztal	01/10/2016 to 30/09/2017
Bill Thanas	01/10/2016 to 30/09/2017
Brian Devlin	01/10/2016 to 30/09/2017
Christopher Harper	01/10/2016 to 30/09/2017
Daniel Dougherty	01/10/2016 to 30/09/2017
Edward Couch	01/10/2016 to 30/09/2017
Geoff Lowry	01/10/2016 to 30/09/2017
Ian McComb	01/10/2016 to 30/09/2017
Ivan Reis	01/10/2016 to 30/09/2017
James Thompson	01/10/2016 to 30/09/2017
Jason Lund	01/10/2016 to 30/09/2017
Jeff Frew	01/10/2016 to 30/09/2017
Katelyn Dougherty	01/10/2016 to 30/09/2017
Mark Johnstone	01/10/2016 to 30/09/2017
Paul Ellis	01/10/2016 to 30/09/2017
Peta Devitt	01/10/2016 to 30/09/2017
Rohan Webb	01/10/2016 to 30/09/2017
Steve Fainges	01/10/2016 to 30/09/2017
Steven Robertson	01/10/2016 to 30/09/2017
Terry Bradley	01/10/2016 to 10/10/2016
Vladimir Nikolic	01/10/2016 to 30/09/2017

Signed in accordance with a resolution of State Council



Queensland Branch Secretary – Rohan Webb

16 November 2017

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COMMITTEE OF MANAGEMENT STATEMENT

On 16 November 2017 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the State Council for the year ended 30 September 2017.

The State 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 Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch 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 Branch committee of management were held in accordance with the rules of the organisation and of the branch concerned; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and of the branch concerned; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the Branch 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 Branch or General Manager 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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



Queensland Branch Secretary – Rohan Webb

16 November 2017

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 \$	2016 \$
INCOME			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions		-	-
Remittances from National Council General Fund		1,361,149	1,212,645
Board Fees		19,440	16,179
Interest Received		21	19
Other Income (Legal fees reimbursement)		17,420	114,000
TOTAL INCOME		<u>1,398,030</u>	<u>1,342,843</u>
EXPENDITURE			
Affiliation fees	3(a)	133,156	143,634
Bank charges		406	473
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		32,510	88,581
Delegation/employee expenses – office holders		88,089	81,991
Delegation/employee expenses – other employees		130,975	65,397
Delegation expenses – members		90,884	101,487
Fees/allowances – meeting and conferences		-	-
General office expenses		127,735	84,577
Grants or donations	3(b)	28,561	32,668
Insurance		20,874	19,672
Motor vehicle expenses		129,443	106,219
Newsletter expenses		6,889	5,691
Payroll tax		192,720	178,967
Penalties – via RO Act or RO Regulations		-	-
Photocopying		2,994	4,006
Postage		31,566	24,671
Printing		1,611	460
Publicity		160,320	197,855
Professional services	4	176,508	181,848
Research		6,336	6,125
Stationery		17,351	13,755
Telephone		15,415	25,015
TOTAL EXPENDITURE		<u>1,394,343</u>	<u>1,363,092</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>3,687</u>	<u>(20,249)</u>

The above statement should be read in conjunction with the notes

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**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	20,020	13,112
Receivables	6	47,456	47,060
		<u>67,476</u>	<u>60,172</u>
Total Current Assets		<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>67,476</u>	<u>60,172</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	7	35,703	32,086
Employee provisions		<u>-</u>	<u>-</u>
TOTAL LIABILITIES		<u>35,703</u>	<u>32,086</u>
NET ASSETS (LIABILITIES)		<u>31,773</u>	<u>28,086</u>
ACCUMULATED FUNDS (LOSSES)		<u>31,773</u>	<u>28,086</u>

The above statement should be read in conjunction with the notes

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	Accumulated Funds (Losses) \$
Balance at 30 September 2015		48,335
Net deficit for the year		(20,249)
Total comprehensive income for the year		<u>-</u>
Balance at 30 September 2016		<u>28,086</u>
Net surplus for the year		3,687
Total comprehensive income for the year		<u>-</u>
Balance at 30 September 2017		<u>31,773</u>

The above statement should be read in conjunction with the notes

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**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	8(c)	1,455,000	1,309,999
Board Fees		19,440	16,179
Interest received		21	19
Receipts from other customers (legal fees reimbursement)		17,420	114,000
Payments to suppliers and employees		<u>(1,484,973)</u>	<u>(1,455,311)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	8(b)	<u>6,908</u>	<u>(15,114)</u>
NET INCREASE (DECREASE) IN CASH HELD		6,908	(15,114)
Cash at the beginning of the year		<u>13,112</u>	<u>28,226</u>
CASH AT THE END OF THE YEAR	8(a)	<u>20,020</u>	<u>13,112</u>

The above statement should be read in conjunction with the notes

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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 (RO Act)*. For the purpose of preparing the general purpose financial statements, the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch is a not-for-profit entity.

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch. 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 Queensland Branch 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.

Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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.

(a) Critical accounting estimates and assumptions

The Queensland Branch 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 Queensland Branch'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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following is a summary of the significant accounting policies adopted by the Queensland Branch in the preparation of the financial report.

Revenue

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

All members' contributions are paid direct to National Council. Remittances from National Council are the amounts reimbursed by the National Council to cover Branch expenses and are recognised when received by the Branch.

Donation income is recognised when it is received.

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 end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Expenditure

Expenses represent amounts paid directly by the Branch for operational costs. Other operational expenses e.g. salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.

Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, 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.

Financial Assets

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Derecognition of financial assets

The reporting unit 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'.

Income Tax

No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenues and expenses are recognised net 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 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 taxation authority is included as part of receivables or payables as appropriate.

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Going concern basis of accounting

The financial report has been prepared on the basis that the Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The State Council believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the National Council has made an undertaking to provide financial support to the Branch.

The State Council does not provide any financial support to any other Branch of the AFMEPKIU.

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.

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

Future 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 2017. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
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 Branch is yet to assess its full impact.	1 October 2019

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Future Australian Accounting Standard requirements (Cont'd)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
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 Branch is yet to assess its full impact.	1 October 2019
AASB 16 (issued February 2017)	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 Branch is yet to assess its full impact.	1 October 2019

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

2. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION – SECTION 272

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (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).

3. EXPENDITURE	2017	2016
	\$	\$
3a. Affiliation Fees		
Union Shopper	35,600	39,175
Queensland Council of Unions	96,956	103,859
Labour History	100	100
APAN	500	200
Qld Asbestos Related Disease Support Association	-	300
	<u>133,156</u>	<u>143,634</u>
3b. Grants or Donations \$1,000 or less		
Grants	-	-
Donations	11,598	12,621
	<u>11,598</u>	<u>-</u>
Grants or Donations over \$1,000		
Grants	-	-
Donations	16,963	20,047
	<u>28,561</u>	<u>32,668</u>

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER
2017 (Cont'd)**

4. PROFESSIONAL SERVICES	2017	2016
	\$	\$
Auditors - Auditing the financial report	10,000	19,299
- Other	-	-
Services		
Legal Costs		
Litigation	150,818	143,817
Other Legal Matters	15,690	18,732
	<u>176,508</u>	<u>162,549</u>
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>20,020</u>	<u>13,112</u>
6. RECEIVABLES		
Receivable from other reporting units		
Net amount receivable - National Council	-	-
Other receivables	47,456	47,060
Less provision for doubtful debts	-	-
Total receivable from other receivable	<u>47,456</u>	<u>47,060</u>
7. TRADE AND OTHER PAYABLES		
Trade and other payables	21,124	28,148
Other payables – legal costs		
Litigation	-	-
Other Legal Matters	14,579	3,938
Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	-
	<u>35,703</u>	<u>32,086</u>

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER
2017 (Cont'd)**

	2017 \$	2016 \$
8. CASH FLOW		
(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 at bank	<u>20,020</u>	<u>13,112</u>
(b) Reconciliation of cash flow from operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	3,687	(20,249)
Changes in Assets and Liabilities:		
(Increase) decrease in receivables	(396)	2,934
Increase (decrease) in payables	<u>3,617</u>	<u>2,201</u>
CASH FLOW FROM OPERATIONS	<u>6,908</u>	<u>15,114</u>
(c) CASH FLOW INFORMATION – Reporting Units		
Cash inflows	-	-
Remittances from National Council	<u>1,455,000</u>	<u>1,309,999</u>
	<u>1,455,000</u>	<u>1,309,999</u>
Cash outflows	-	-
Payments to other reporting units	<u>-</u>	<u>-</u>
(d) CREDIT STAND BY ARRANGEMENTS		
The Branch does not have any credit stand by arrangements at 30 September 2017 (2016: Nil).		
(e) NON-CASH TRANSACTIONS		
There were no non-cash transactions at the Branch during the 30 September 2017 year (2016: Nil).		

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER
2017 (Cont'd)**

9. RELATED PARTY TRANSACTIONS	2017	2016
	\$	\$

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report.

- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is included in the National Council's Financial Report.

- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the 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.

- (d) The ultimate controlling entity of the Branch is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council.

(e) Transactions with Ultimate Controlling Entity

- (i) Remittances from National Council are disclosed in the statement of comprehensive income

<i>AFMEPKIU – National Office</i>		
Remittances from National Council	1,361,149	1,212,645

- (ii) Net Amounts Receivable from the National Office are as follows:

<i>AFMEPKIU – National Office</i>		
Net amount receivable	-	-

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

10. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

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

There have been no substantive changes in the Branch'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 Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The State Council have overall responsibility for the determination of the Branch'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 Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

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:

	2017	2016
	\$	\$
Cash and cash equivalents	<u>20,020</u>	<u>13,112</u>
Net amount receivable - National Council	-	-
Sundry Debtors	<u>47,456</u>	<u>47,060</u>
Total receivables	<u>47,456</u>	<u>47,060</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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) *Liquidity risk*

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

The Branch is not significantly exposed to this risk; as at 30 September 2017 it had \$20,020 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2017 totalled \$35,703

The Branch manages liquidity risk by monitoring cash flows. Further the National Council has made an undertaking to provide financial support to the Branch.

(d) *Market risk*

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

(e) *Interest rate risk*

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

30 September 2017	Floating interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	20,020	-	20,020
Receivables	-	47,456	47,456
	<u>20,020</u>	<u>47,456</u>	<u>67,476</u>
	-	-	-
	.001%		
Weighted average Interest rate			
Financial Liabilities			
Payables	-	35,703	35,703
		<u>35,703</u>	<u>35,703</u>
Net Financial Assets (Liabilities)	<u>20,020</u>	<u>11,753</u>	<u>31,773</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest rate risk (Cont'd)

30 September 2016	Floating interest rate	Non interest bearing	Total
Financial Assets			
	\$	\$	\$
Cash and cash equivalents	13,112	-	13,112
Receivables	-	47,060	47,060
	<u>13,112</u>	<u>47,060</u>	<u>60,172</u>
	-	-	-
	.001%		
Weighted average Interest rate			
Financial Liabilities			
Payables	-	32,086	32,086
		<u>32,086</u>	<u>32,086</u>
Net Financial Assets	<u>13,112</u>	<u>14,974</u>	<u>28,086</u>

Sensitivity Analysis

2017	Carrying Amount	+50% (50 basis points) Profit	-50% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>20,020</u>	<u>9</u>	<u>9</u>
2016			
Cash Assets	<u>13,112</u>	<u>6</u>	<u>6</u>

(f) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate risk.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)

11. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

12. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities, assets or commitments at 30 September 2017 (2016: Nil).

13. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation has been disclosed in the National Council's financial report.

14. ADDITIONAL BRANCH INFORMATION

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

Union House
Level 1
366 Upper Roma Street
BRISBANE QLD 4000