

26 April 2017



FAIR WORK
COMMISSION

Mr John Camillo
State Secretary,
South Australian Branch
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the
Australian Manufacturing Workers’ Union (AMWU)

By email: john.camillo@amwu.asn.au

Dear Mr Camillo

Re: Lodgement of Financial Statements and Accounts – “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (AMWU), South Australian Branch - for year ended 30 September 2016 (FR2016/325)

I refer to the financial report for the South Australian Branch of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (AMWU). The report was lodged with the Fair Work Commission on 30 March 2017. An amended Designated Officer’s certificate and Auditor’s report correcting typographical/clerical errors were received today.

The financial report has been filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note that the next financial report for the year ending 30 September 2017 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch



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

SOUTH AUSTRALIA STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I, John Camillo, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australia 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 22 December 2016, and an article in the AMWU News advising the membership of the Full Report's availability was sent to members 13 January 2017.; and
- that the Full Report was presented to a meeting of the Committee of Management of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australia State Council on 30 March 2017 accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,
John Camillo

Signature

30 March 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, South Australia Branch

Report on the Financial Report

We have audited the accompanying financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, South Australia, which comprises the statement of financial position as at 30 September 2016, the statement of comprehensive income, statement of changes in accumulated losses and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management statement.

Committee of Management and the Branch Secretary's Responsibility for the Financial Report

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and Branch Secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board as well as the *Fair Work (Registered Organisations) Act 2009*.

Opinion

In our opinion:

- (a) the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, South Australia Branch is in accordance with the *Fair Work (Registered Organisations) Act 2009*, including:
 - (i) presenting fairly the entity's financial position as at 30 September 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, South Australia Branch is appropriate.

Report on the recovery of wages activity

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

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

Auditor's qualification

We confirm that Natale Rugari:

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

Ascensio Accountants



Natale Rugari
Partner

North Adelaide,

22 December 2016

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

FWC,

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

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

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

Thanks and regards,

Warren Soos



AMWU

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



Certificate of State Secretary SA.pdf



2016 Financials SA.pdf



Certificate of National Secretary.pdf



2016 Financials NAT Political Fund.pdf



2016 Financials NAT.pdf

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INDUSTRIES UNION**

SOUTH AUSTRALIA BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

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

SOUTH AUSTRALIA BRANCH

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT

The State 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, South Australia Branch for the financial year ended 30 September 2016.

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 Fair Work Act (2009).

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 Branch's principal activities during the financial year.

Results of Principal Activities

During the year to 30 September 2016 the AFMEPKIU negotiated and registered 250 enterprise bargaining agreements nationally, 19 of which were from South Australia.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2016 the National Office improved award minimum rates for all workers, and was actively participating in the Fair Work Commission's review of Modern Awards. The State Branch is responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU South Australia State Branch's principal activities resulted in a surplus/(deficit) for the financial year of **(\$17,348)** – (2015 \$20,396.00).

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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SOUTH AUSTRALIA BRANCH

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 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.

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

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

Salaries

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

Level	Position	Per Annum
4	Organiser	\$83,441.80
5	Senior Organiser	\$87,609.60
6	Team Leader/Assistant State Secretary Level 1	\$92,024.40
7	Assistant State Secretary Level 2	\$98,438.60
8	State Secretary	\$104,205.40

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 \$4,000.00 is payable to Officers with over 16 years of service.

The identity of the officers of the South Australia Branch who are the two highest paid in terms of relevant remuneration for the year ended 30 September 2016, are as follows:

Position	Name	Salary & Super	Travel & Other Allowances	Non-Cash Benefits
State Secretary	John Camillo	\$118,113	\$2,589	Provision of a Motor Vehicle
Assistant State Secretary	Colin Fenney	\$113,155	\$2,661	Provision of a Motor Vehicle

Board Fees

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

Organisation	Amount received
Construction Industry Long Service Leave Board	\$885

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

Associated Entities

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

Key Relationships

The AFMEPKIU South Australia 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	Travel Services
Ascensio Accountants	FCM Travel Solutions
Holdfast Insurance Brokers Pty Ltd	Qantas
Legal Services	Vehicle Services
Anderson Solicitors	Summit Leasing
Printing & Publicity Services	Campbelltown Motor Body Repair
Staples Australia Pty Ltd	IT & Communication Services
G & G Trade Publishing & Distribution	Telstra Corporation Ltd
NE Promo	Core Technology Partners
AESS (Adelaide Embroiderers)	

Officers' Material Personal Interests

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

Payments to related parties or declared persons

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

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

State Officers or Members who are Trustees of a Superannuation Entity

The details of each officer or member of the South Australia 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
Stuart Gordon	Media Super	Member Representative Director

Other Relevant Information

The South Australia Branch is not aware of any other relevant information.

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

- (a) The number of persons who were recorded in the register of members on 30 September 2016 was 6,352.
- (b) The number of persons who were employees of the reporting unit on 30 September 2016 was 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:

Name	Period Position Held
Paul Brown	1 October 2015 to 30 September 2016
Margaret Atkinson	1 October 2015 to 17 May 2016
John Camillo	1 October 2015 to 30 September 2016
Cath McKechnie	1 October 2015 to 30 September 2016
Scott Batchelor	1 October 2015 to 30 September 2016
Leanne Orbanic	1 October 2015 to 30 September 2016
Heinz Joham	1 October 2015 to 30 September 2016
Scott Baker	1 October 2015 to 30 September 2016
Darryl Waterman	1 October 2015 to 30 September 2016
Alex Christensen	1 October 2015 to 30 September 2016
Peter Graetz	1 October 2015 to 31 August 2016
Vacant	1 September 2016 to 30 September 2016
Clive Hopgood	1 October 2015 to 30 September 2016
Colin Fenney	1 October 2015 to 30 September 2016
Stuart Gordon	1 October 2015 to 30 September 2016
Glen Dallimore	1 October 2015 to 30 September 2016
Leigh Herbert	1 October 2015 to 25 November 2015
Mark Plunkett	25 November 2015 to 30 September 2016
Derek Winter	1 October 2015 to 30 September 2016

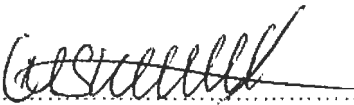
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UNION**

SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

Leonie Harris	1 October 2015 to 30 September 2016
Andrew Daniels	1 October 2015 to 30 September 2016
Derek Christie	1 October 2015 to 30 September 2016
Steve McMillan	1 October 2015 to 30 September 2016
Peter Bauer	1 October 2015 to 30 September 2016
Peter Hunter	1 October 2015 to 17 May 2016
Shawn Matthews	17 May 2016 to 30 September 2016
Craig Lerner	1 October 2015 to 30 September 2016
Darrel Albino	1 October 2014 to 17 May 2016
Darryl Scanlan	17 May 2016 to 30 September 2016
Gordon Wilson	1 October 2015 to 30 September 2016
Claire Strudwick	1 October 2015 to 30 September 2016
Vacant	1 October 2015 to 30 September 2016

Signed in accordance with a resolution of State Council



Claire Strudwick

State President



John Camillo

State Secretary

22 December 2016

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

SOUTH AUSTRALIA BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 22 December 2016 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union South Australia Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the State Council for the year ended 30 September 2016.

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 the reporting guidelines of the General Manager;
- (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 ended 30 September 2016;
- (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 ended 30 September 2016 and since the end of the financial year:
 - (i) meetings of the Branch committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - (iv) as the organisation consists of two or more reporting units, 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 have 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 financial year ended 30 September 2016.

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



.....
South Australia Secretary – John Camillo

22 December 2016

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SOUTH AUSTRALIA BRANCH

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 \$	2015 \$
INCOME			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions	1(a)(i)	-	-
Remittances from National Council General Fund		400,751	503,643
Board Fees		885	3,619
Interest Received		13	17
TOTAL INCOME		<u>401,649</u>	<u>507,279</u>
EXPENDITURE			
Affiliation fees	4(a)	35,034	40,660
Bank charges		442	398
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Computing		-	277
Conference & meeting expenses		39,869	35,062
Delegation/employee expenses – office holders		16,981	28,158
Delegation/employee expenses – other employees		2,466	4,298
Delegation expenses – members		18,645	33,861
Employee expenses	1(a)(ii)(iii)	-	-
Fees/allowances – meeting and conferences		-	-
Freight		-	80
General office expenses		11,320	14,955
Grants or donations	4(b)	1,250	2,350
Insurance		28,484	32,086
Motor vehicle expenses		81,052	106,316
Newsletter expenses		18,165	12,605
Payroll tax		81,143	93,445
Penalties – via RO Act or RO Regulations*		-	-
Photocopying		801	2,173
Postage		14,101	13,699
Printing		605	270
Publicity		26,668	4,753
Professional services	5	18,737	6,158
Research		4,014	4,894
Stationery		4,136	6,126
Telephone		15,084	44,259
TOTAL EXPENDITURE		<u>418,997</u>	<u>486,883</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>(17,348)</u>	<u>20,396</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(17,348)</u>	<u>20,396</u>

The above statement should be read in conjunction with the notes

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SOUTH AUSTRALIA BRANCH

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

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	19,568	37,219
Receivables	7	-	-
Total Current Assets		<u>19,568</u>	<u>37,219</u>
TOTAL ASSETS		<u>19,568</u>	<u>37,219</u>
TOTAL LIABILITIES			
Current Liabilities			
Trade and other payables	8	17,245	17,548
Employee provisions*	1(a)(iii)	-	-
NET ASSETS (LIABILITIES)		<u>17,245</u>	<u>19,671</u>
ACCUMULATED FUNDS (LOSSES)		<u>2,323</u>	<u>19,671</u>

The above statement should be read in conjunction with the notes

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INDUSTRIES UNION**

SOUTH AUSTRALIA BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Accumulated Funds (Losses) \$
Balance at 30 September 2014	(725)
Net Surplus (Deficit) for the year	20,396
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2015	<u>19,671</u>
Net Surplus (Deficit) for the year	(17,348)
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2016	<u>2,323</u>

The above statement should be read in conjunction with the notes

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SOUTH AUSTRALIA BRANCH

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

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	9(c)	400,751	503,643
Interest received		13	17
Payments to suppliers and employees	9(c)	<u>(418,415)</u>	<u>(480,185)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	9(b)	<u>(17,651)</u>	<u>23,475</u>
NET INCREASE (DECREASE) IN CASH HELD		(17,651)	23,475
Cash at the beginning of the year		<u>37,219</u>	<u>13,744</u>
CASH AT THE END OF THE YEAR	9(a)	<u>19,568</u>	<u>37,219</u>

The above statement should be read in conjunction with the notes

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UNION**

SOUTH AUSTRALIA BRANCH

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 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 South Australia Branch is a not-for-profit entity.

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

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

a) (i) Revenue

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.

(ii) Expenditure

Expenses represent amounts paid directly by the Branch for operational costs. Other operational expenses eg. 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.

(iii) Employee Entitlements

Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.

(iv) Property, Plant and Equipment

All fixed assets are recorded in the financial reports of the National Council and the depreciation regarding those assets is charged in the National Council accounts.

(v) 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.

(vi) 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.

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) 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.

c) 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.

d) 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 June 2016. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2018	The company is yet to assess its full impact.	1 July 2017

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

d) Future Australian Accounting Standard requirements (continued)

AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.	For financial years commencing on or after 1 January 2019	The company is yet to assess its full impact.	1 July 2018
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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.

(a) Critical accounting estimates and assumptions

The South Australia 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 South Australia 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.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

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

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

- 1) A member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 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)

	2016	2015
	\$	\$
4a. Affiliation Fees		
Asbestos Victims Association	20	-
Federation Vehicle Industry Union	300	600
Graham F Smith Pearce Trust	-	100
SA May Day Committee	350	350
SA Unions	34,260	39,480
UTLC Whyalla	104	130
	<u>35,034</u>	<u>40,660</u>
4b. Grants or Donations \$1,000 or less		
Grants	-	-
Donations	1,250	2,350
	<u>1,250</u>	<u>2,350</u>
Grants or Donations over \$1,000		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Total grants or donations	<u>1,250</u>	<u>2,350</u>

5. PROFESSIONAL SERVICES

Auditors - Auditing the financial report	5,682	5,682
- Other Services	-	-
Legal Costs*		
Litigation	-	-

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Other Legal Matters	13,057	476
	<u>18,739</u>	<u>6,158</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

	2016	2015
	\$	\$
6. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>19,568</u>	<u>37,219</u>
7. RECEIVABLES		
Receivable from other reporting units	-	-
Net amount receivable - National Council	-	-
Less provision for doubtful debts	<u>-</u>	<u>-</u>
Other Receivables		
Sundry debtors	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
8. TRADE AND OTHER PAYABLES		
Trade and other payables	17,245	17,548
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
Payables to other reporting units	<u>-</u>	<u>-</u>
	<u>17,245</u>	<u>17,548</u>
9. 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>19,568</u>	<u>37,219</u>
(b) Reconciliation of cash flow from operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	(17,248)	20,396
Changes in Assets and Liabilities:		
(Increase) decrease in receivables	-	270
Increase (decrease) in payables	(303)	2,809
	<u>-</u>	<u>-</u>
CASH FLOW FROM OPERATIONS	<u>(17,651)</u>	<u>20,475</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

9. CASH FLOW (Cont'd)

(c) CASH FLOW INFORMATION – Reporting Units

Cash inflows	898	3,906
Remittances from National Council	<u>400,751</u>	<u>503,643</u>
	<u>401,649</u>	<u>507,549</u>
Cash outflows	<u>419,300</u>	<u>484,074</u>

10. RELATED PARTIES

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

Net amount receivable - National Office	<u>0</u>	<u>0</u>
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

11. 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 has 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 recognise financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2016	2015
	\$	\$
Cash and cash equivalents	<u>19,568</u>	<u>37,219</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council	-	-
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>-</u>	<u>-</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

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2016 (Cont'd)

11. 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 2016 it had \$19,568 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2016 totalled \$17,245

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 2016	Floating interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	19,568	-	19,568
Receivables	-	-	-
	<u>19,568</u>	<u>-</u>	<u>19,568</u>
Weighted average Interest rate	0.01%		
Financial Liabilities			
Payables	-	17,245	17,245
Net Financial Assets (Liabilities)	<u>19,568</u>	<u>17,245</u>	<u>2,323</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest rate risk (Cont'd)

30 September 2015	Floating interest rate	Non interest bearing	Total
Financial Assets			
	\$	\$	\$
Cash and cash equivalents	37,219	0	37,219
Receivables	-	-	-
	<u>37,219</u>	<u>0</u>	<u>37,219</u>
Weighted average Interest rate	0.01%	-	-
Financial Liabilities			
Payables	-	17,548	17,548
Net Financial Assets	<u>37,219</u>	<u>17,548</u>	<u>19,671</u>

Sensitivity Analysis

2016	Carrying Amount	+0.05% (5 basis points) Profit	-0.05% (5 basis points) Loss
	\$	\$	\$
Cash Assets	<u>19,568</u>	<u>9</u>	<u>(9)</u>
2015			
Cash Assets	<u>37,219</u>	<u>18</u>	<u>(18)</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.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER
2016 (Cont'd)**

12. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

13. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities, assets or commitments as at 30 September 2016.

14. KEY MANAGEMENT PERSONNEL COMPENSATION

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

15. ADDITIONAL BRANCH INFORMATION

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

1st Floor
229 Greenhill Road
DULWICH SA 5065

INDEPENDENT AUDITOR'S REPORT