



30 March 2020

Peter Bauer
State Secretary, South Australian Branch
Australian Manufacturing Workers' Union (AMWU)

Dear Peter Bauer

Re: – Australian Manufacturing Workers' Union (AMWU), South Australian Branch - financial report for year ending 30 September 2019 (FR2019/272)

I refer to the financial report of the Australian Manufacturing Workers' Union (AMWU), South Australian Branch. The documents were lodged with the Registered Organisations Commission (ROC) on 25 March 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in relation to the report lodged. Please note that the financial report for the year ending 30 September 2020 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides several factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission



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SOUTH AUSTRALIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I, Peter Bauer, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australian 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 23 December 2019; 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 Australian State Council on 25 March 2020 in accordance with section 266(3) of the *Fair Work (Registered Organisations) Act 2009*.

State Secretary,
Peter Bauer



Signature

25 March, 2020

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SOUTH AUSTRALIA BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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SOUTH AUSTRALIA BRANCH

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REPORT REQUIRED UNDER SUBSECTION 255(2A)

The State Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union South Australia Branch for the year ended 30 September 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	77,128.00	81,985.00
Advertising	6,566.00	1,559.00
Operating costs	206,241.00	209,622.00
Donations to political parties	-	-
Legal costs	-	2,900.00



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South Australia State Secretary – Peter Bauer

12th December, 2019

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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 (RO Act)*, 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 2019.

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 South Australia Branch's principal activities during the financial year.

Results of Principal Activities

During the year to 30 September 2019 the AFMEPKIU negotiated and registered 338 enterprise bargaining agreements nationally, 35 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 2019 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 South Australia Branch's principal activities resulted in a surplus for the financial year of \$11,033.00

Significant Changes in Financial Affairs

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

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules states that A member may resign his or her membership by notifying his or 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

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

- (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.

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

Salaries

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

Level	Position	Per Annum
4	Organiser	\$90,363.00
5	Senior Organiser	\$94,874.00
6	Team Leader/Assistant State Secretary Level 1	\$99,655.40
7	Assistant State Secretary Level 2	\$106,602.60
8	State Secretary	\$112,847.80

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.

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**SOUTH AUSTRALIA BRANCH
OPERATING REPORT (cont'd)**

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 Board	\$4,130.00

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 prices:

Supplier	
Financial & Professional Services	Travel Services
Ascensio Accountant	FCM Travel Solutions
Holdfast Insurance Brokers Pty Ltd	Qantas
Legal Services	Vehicle Services
Andersons Solicitors	Summit Leasing Pty Ltd
	Printing & Publicity Services

Associated Entities

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

Officers' Material Personal Interests

For the year ended 30 September 2019, 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 2019, the AFMEPKIU South Australia 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 South Australia Branch who are either;

- Trustee(s) of a superannuation entity; or
- A director of a company that is a trustee of a superannuation entity.

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
Ian Mortimer	Media Super	Alternate Director

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SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

Prescribed Information Required Under the Fair Work (Registered Organisations) Regulations 2009 (Con't)

Number of Members

- (a) The number of persons who were recorded in the register of members on 30 September 2019 was 4,065

Number of Employees

- (a) The number of persons who were employees of the reporting unit on 30 September 2019 was nil.

Names of Committee of Management Members and period positions held during the financial year

- (b) 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:

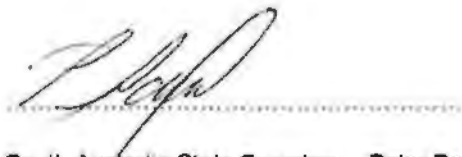
Name	Period Position Held
Lee Heggie	16 July 2019 - 27 September 2019
Vacant (Vehicle membership)	27 September 2019 - 30 September 2019
Vacant (Manufacturing membership)	16 July 2019 - 30 September 2019
Vacant (Rank and file female)	16 July 2019 - 30 September 2019
Matthew Primiero	1 October 2018 - 16 July 2019
John Camillo	1 October 2018 - 30 June 2019
Cath McKechnie	1 October 2018 to 30 September 2019
Scott Batchelor	1 October 2018 to 30 September 2019
Nick Lawrie	1 October 2018 to 30 September 2019
Don Palihakkara	1 October 2018 - 16 July 2019
Scott Baker	1 October 2018 - 16 July 2019
Alex Evans	16 July 2019 - 30 September 2019
Alex Christensen	1 October 2018 to 30 September 2019
Jo Gregor	16 July 2019 - 30 September 2019
Jon Lambropoulos	16 July 2019 - 30 September 2019
Ian Mortimer	16 July 2019 - 30 September 2019
Stuart Gordon	1 October 2018 to 30 September 2019
Glen Dallimore	1 October 2018 to 16 July 2019
Mark Plunkett	1 October 2018 to 16 July 2019
Derek Winter	1 October 2018 to 16 July 2019
Kevin Ralph	1 October 2018 to 30 September 2019
Gordon Wilson	1 October 2018 to 16 July 2019
Peter Bauer	1 October 2018 to 30 September 2019
Derek Christie	1 October 2018 to 16 October 2018
Vacant (Manufacturing Membership)	16 October 2018 to 16 July 2019
Michelle Sanders	1 October 2018 - 16 July 2019
Steve McMillan	1 October 2018 to 30 September 2019
Darryl Scanlan	1 October 2018 to 30 September 2019
Paul Sandford	16 July 2019 - 30 September 2019
Vacant (Food)	1 October 2018 - 16 July 2019
Paul Siedelecki	16 July 2019 - 30 September 2019
Brett Scheichl	16 July 2019 - 30 September 2019
Michael Stephensen	16 July 2019 - 30 September 2019

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Cameron Swan	16 July 2019 - 30 September 2019
Darren Travis	16 July 2019 - 30 September 2019
Andrew Webb	16 July 2019 - 30 September 2019
Nicole Coppock	1 October 2018 - 16 July 2019
Michael Kearns	1 October 2018 - 16 July 2019

Signed in accordance with a resolution of State Council



South Australia State Secretary – Peter Bauer

12th December, 2019



South Australia State President – Ian Mortimer

12th December, 2019

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SOUTH AUSTRALIA BRANCH

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On the 12th December, 2019 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 2019:

The South Australia State Council declares 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 including the rules of a branch concerned with; and
 - (ii) The financial affairs of the Branch 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 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 Commissioner duly made under Section 272 of the RO Act; and
 - (vi) No orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.

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



Peter Bauer

South Australia State Secretary

12th December, 2019

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SOUTH AUSTRALIA BRANCH

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 \$	2018 \$
REVENUE			
Remittances from National Council General Fund		290,330	306,989
Interest revenue		7	7
Board Fees		<u>4,130</u>	<u>3,304</u>
TOTAL REVENUE		<u>294,467</u>	<u>310,300</u>
OTHER INCOME			
Donations	2a	6,501	-
TOTAL OTHER INCOME		<u>-</u>	<u>-</u>
TOTAL INCOME		<u>300,968</u>	<u>310,300</u>
EXPENDITURE			
Affiliation	3a	21,988	31,430
Bank charges		354	363-
Conference & meeting expenses – internal		25,186	24,444
Delegation/employee expenses – office holders		15,103	14,263
Delegation/employee expenses – other employees		2,075	1,807
Delegation expenses – members		20,906	20,156
General office expenses		7,570	7,118
Donations	3b	2,208	5,740
Insurance		13,981	18,722
Legal costs	3c	-	2,900
Motor vehicle expenses		88,854	66,938
Newsletter expenses		5,325	5,770
Payroll tax		45,969	65,815
Photocopying		1,745	1,492
Postage		14,488	10,394
Printing		-	536
Publicity		6,586	1,559
Professional services	3d	5,680	5,680
Interest paid		-	-
Research		500	1,186
Stationery		5,756	3,052
Telephone		<u>5,673</u>	<u>6,590</u>
TOTAL EXPENDITURE		<u>289,935</u>	<u>296,066</u>
NET SURPLUS / (DEFICIT) FOR THE YEAR		<u>11,033</u>	<u>14,234</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>11,033</u>	<u>14,234</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 2019**

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	<u>26,027</u>	<u>14,924</u>
Total Current Assets		<u>26,027</u>	<u>14,924</u>
TOTAL ASSETS		<u>26,027</u>	<u>14,924</u>
TOTAL LIABILITIES			
Current Liabilities			
Other payables	5	17,315	17,245
Employee provisions		<u>-</u>	<u>-</u>
Total Current Liabilities		<u>17,315</u>	<u>17,245</u>
TOTAL LIABILITIES		<u>17,315</u>	<u>17,245</u>
NET ASSETS / (LIABILITIES)		<u>8,712</u>	<u>(2,321)</u>
ACCUMULATED FUNDS / (LOSSES)		<u>8,712</u>	<u>(2,321)</u>

The above statement should be read in conjunction with the notes

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**SOUTH AUSTRALIA BRANCH
STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Accumulated Funds (Losses) \$
Balance at 30 September 2017	(16,555)
Net surplus (deficit) for the year	<u>14,234</u>
Balance at 30 September 2018	<u>(2,321)</u>
Net surplus (deficit) for the year	<u>11,033</u>
Balance at 30 September 2019	<u>8,712</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 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	6(c)	290,330	308,989
Other income		6,501	-
Board fees received		4,130	3,304
Interest received		7	7
Payments to suppliers and employees	6(c)	<u>(289,865)</u>	<u>(296,066)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	6(b)	<u>11,103</u>	<u>14,234</u>
NET INCREASE (DECREASE) IN CASH HELD			-
Cash at the beginning of the year		<u>14,924</u>	<u>690</u>
CASH AT THE END OF THE YEAR	6(a)	<u>26,027</u>	<u>14,924</u>

The above statement should be read in conjunction with the notes

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, 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 South Australia Branch is a not-for-profit entity.

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

The following is a summary of the significant accounting policies adopted by the South Australia 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.

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Expenditure

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

Capitation fees and levies

Capitation fees and levies are recognized on an accruals basis and recorded as a revenue and/or expenses in the year to which it relates.

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.

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

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

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

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. No fixed assets are recorded in the books and records of the South Australia Branch.

Leases

No finance or operating leases obligations are established or recorded in the title of the South Australia Branch. Any finance and operating leases utilised by the Branch are obligations of the National Council and recorded in the financial reports of the National Council.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 Instruments

Financial assets and liabilities are recognised when a Branch become party to the contractual provisions of an instrument.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

Classification and subsequent measurement

As at the reporting date, the Branch's financial assets consisted of cash and cash equivalents and trade and other receivables which are measured at amortised cost in accordance with the below accounting policy.

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

- (i) Trade receivables and other receivables

For trade and other receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Classification and subsequent measurement

As at the reporting date, the Branch's financial liabilities include trade and other payables which are measured at amortised cost in accordance with the below accounting policy.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

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.

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.

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Adoption of New Australian Accounting Standard requirements

Adoption of AASB 9

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 retrospectively, with an initial application date of 1 October 2018. The Branch has not restated the comparative information, which continues to be reported under AASB 139.

AASB 9 did not have a significant impact on the Branch's accounting policies. Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified as amortised cost. The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 October 2018 relates solely to the new impairment requirements applying the ECL model with the primary input of the ECL model comprising the historical write offs of bad debts. Since the Branch has incurred minimal write offs in previous financials years, the ECL assessment has resulted in an immaterial credit loss and no additional impairment allowance has been recognised by the Branch.

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SOUTH AUSTRALIA BRANCH

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'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 September 2019. 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 (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)	Revenue	AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15.	For financial years commencing on or after 1 January 2019	The impact of applying the new standard will not have a material impact on the Branch's accounting policies or the amounts recognised in the financial statements.	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 AASB 117. 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 not expected to be impacted by this standard as it holds no operating leases at year end.	1 October 2019

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

2.	Revenue		
		2019	2018
		\$	\$
		<hr/>	<hr/>
2a	Donations		
	Donations	6,501	-
		<hr/>	<hr/>
		-	-
3.	Expenses		
3a.	Affiliation		
	Unions SA	21,636	31,330
	Graham F Smith Peace Trust	-	100
	May Day	350	-
		<hr/>	<hr/>
		21,986	31,430
3b.	Donations		
	Total expenses that were \$1,000 or less	835	740
	Total expenses that exceeded \$1,000	1,373	5,000
	Total Grants and Donations	<hr/>	<hr/>
		2,208	2,740
3c.	Legal costs		
	Litigation	-	-
	Other legal costs	-	2,900
	Total legal costs	<hr/>	<hr/>
		-	2,900
3d.	Professional Services		
	Auditors - Auditing the financial report	5,680	5,680
	- Other Services	-	-
	Total professional fees	<hr/>	<hr/>
		5,680	5,680
4.	Cash and Cash Equivalents		
	Cash at Bank	<hr/>	<hr/>
		26,027	14,924
6.	Other Payables		
	Other	17,315	17,245
	Total Other Payables	<hr/>	<hr/>
		17,315	17,245

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
6. Cash flow		
(a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash at bank	<u>26,027</u>	<u>14,924</u>
(b) Reconciliation of cash flow from operations with Net Surplus/(Deficit)		
Net Surplus/(Deficit)	11,033	14,234
Changes in Assets and Liabilities:		
(Increase)/decrease in prepayments	-	-
(Decrease) in payables	<u>70</u>	<u>-</u>
Cash Flows from Operations	<u>11,103</u>	<u>-14,234</u>
(c) Cash Flow Information - Reporting Units		
Cash inflows		
Remittances from National Council	<u>290,330</u>	<u>306,989</u>
Cash outflows		
Payments to suppliers & employees	<u>279,227</u>	<u>292,762</u>
Total Cash Outflows	<u>11,103</u>	<u>14,234</u>

7. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There are no contingent liabilities, assets or commitments as at 30 September 2019.

8. 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) There were no amounts receivable from the National Office as at 30 September 2019 (2018: nil).

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. 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:

	2019	2018
	\$	\$
Cash and cash equivalents	<u>26,027</u>	<u>14,924</u>

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

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

(c) Liquidity risk

Liquidity risk is the risk that the 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 2019 it had \$26,027 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2019 total \$17,315

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

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. FINANCIAL RISK MANAGEMENT (Cont'd)

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

(e) *Interest rate risk*
The 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 2019	Floating Interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	26,027	-	26,027
Trade Receivables	-	-	-
Weighted average Interest rate	0%	0%	0%
Financial Liabilities			
Payables	-	17,315	17,315
Net Financial Assets/(Liabilities)	-	-	8,712
30 September 2018	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	14,924	-	14,924
Trade Receivables	-	-	-
Weighted average Interest rate	0%	0%	0%
Financial Liabilities			
Payables	-	17,245	17,245
Net Financial Assets/(Liabilities)	-	-	(2,321)

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SOUTH AUSTRALIA BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

9. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity Analysis			
	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
2019	\$	\$	\$
Cash Assets	26,027	7	(7)
2018			
Cash Assets	14,924	7	(7)

- (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.

10. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

11. KEY MANAGEMENT PERSONNEL COMPENSATION

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

12. ADDITIONAL BRANCH INFORMATION

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

53-61 Dale Street, Port Adelaide SA 5015

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

13. Section 272 Fair Work (Registered Organisation) Act 2009

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

Information to be provided to members or Commissioner:

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

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SOUTH AUSTRALIA BRANCH

OFFICER DECLARATION STATEMENT

I Peter Bauer, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union South Australia Branch, declare that the following did not occur during the reporting period ending 30 September 2019:

The reporting unit did not:

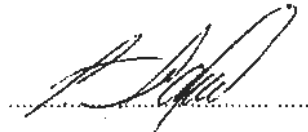
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive periodic or membership subscriptions
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Received revenue from undertaking recovery of wages activity
- Receive grants
- Incur fee as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Pay any other expenses to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Pay legal costs relating to litigation
- Pay legal costs relating to other legal matters
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- Have a receivable with other reporting unit(s)
- Have a payable for Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable for Employee Provisions for Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity

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SOUTH AUSTRALIA BRANCH

OFFICER DECLARATION STATEMENT (Cont.)

- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit.



South Australia State Secretary – Peter Bauer

12th December, 2019

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union (the reporting unit), which comprises the statement of financial position as at 30 September 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the Officer Declaration Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, presents fairly, in all material respects the reporting unit's financial position as at 30 September 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

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

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, operating report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Committee of Management for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

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

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

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

This description forms part of our auditor's report.

Declaration by the auditor

I, Natale Rugari, declare that I am an auditor registered under the RO Act/ a member of CPA where at least one member is an auditor registered under the RO Act/a member of a company where at least one of whose directors, officers or employees is a an auditor registered under the RO Act.

Ascensio Accountants


Natale Rugari
Director

Suite12, 116 Melbourne Street, North Adelaide S A 5006

12th December 2019

AA2017/32 (as registered by the RO Commissioner under the Act):