



Australian Government

Australian Industrial Registry

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Mr Dave Oliver
Acting National Secretary
Automotive, Food, Metals, Engineering
Printing and Kindred Industries Union
Level 4
33-137 Parramatta Road
GRANVILLE NSW 2142

Dear Mr Oliver,

Attention Mr Warren Soos, National Finance Officer

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Financial Reports for the Year Ended 30th September 2006
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

**National Council – FR2006/529
Victorian Branch – FR2006/534
Queensland Branch – FR2006/531
Tasmanian Branch – FR2006/533**

**Western Australian Branch – FR2006/535
South Australian Branch – FR2006/532
New South Wales Branch – FR2006/530**

Thank you for the financial reports of the above named organisation and its branches for the year ended 30th September 2006. The documents were lodged in the Industrial Registry on 23rd March 2007.

The documents have been filed.

I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents which have been lodged.

GENERAL COMMENTS RELATING TO ALL FINANCIAL RETURNS

Statement of Loans, Grants and Donations

Thank you for the Statement of Loans, Grants and Donations dated 22nd December 2006. The Statement will be placed on a separate file that is not available for viewing by the general public.

The Statement that has been lodged does not distinguish between grants and donations that were made by National Council and by each of the Branches. The Statement is signed by the Acting National Secretary.

When preparing Statements in the future, I draw to your attention the fact that section 237(7) of the RAO Schedule requires each Branch to lodge a separate Statement of loans, grants and donations. Each Branch's Statement must also be signed by an officer of that particular Branch (see section 237(2) of the RAO Schedule).

You are therefore requested in future to separately list the loans, grants and donations made by National Council and by each of the Branches and to have an officer from each of those Branches or National Council sign the statement (or that part of the statement if a single document is lodged) relating to their reporting unit.

COMMENTS REGARDING NATIONAL ACCOUNTS

Auditor's Opinion – Political Fund

The Auditor's Opinion states that the financial report for the political fund is in accordance with Australian Accounting Standards but no reference is made to whether or not it also complies with the requirements of the RAO Schedule.

Section 257(5) of the RAO Schedule requires an auditor, in his or her report, to state whether the General Purpose Financial Report (GPFR) is presented fairly in accordance with not only Australian Accounting Standards but also any other requirements imposed by the RAO Schedule.

You are therefore requested to ensure in future that the Auditor prepares his or her opinion making express reference both to applicable Australian Accounting Standards and to relevant provisions in the RAO Schedule. It would be sufficient if the Auditor's Opinion made the following statement:

In my opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.

GPFR – Disclosure of Expenditure

When preparing a GPFR, section 253(2) of the RAO Schedule requires a reporting unit to provide information that is specified in the Industrial Registrar's Reporting Guidelines. In particular, Guideline 11 sets out in detail those items of expense that must be disclosed by a reporting unit either in the notes to, or on the face of, a financial statement. Included are such items as:

- fees and/or allowances paid for attendance at conferences (11(i));
- conference and meeting expenses (11(k));

It may be that these expenses are included in the figure for 'Delegations' on page 7 but it is not clear on the face of the Income Statement.

You are requested to ensure that any expenses that relate to these categories are *separately* disclosed in accordance with the Reporting Guidelines in future.

COMMENTS REGARDING TASMANIAN BRANCH ACCOUNTS

Auditor's Opinion

As stated above with respect to the National accounts, the Auditor's Opinion is required to state whether the GPFR is presented fairly in accordance with both Australian Accounting Standards and any other requirements imposed by the RAO Schedule. The opinion which has been given does not make any reference to the RAO Schedule. You are therefore requested to ensure in future that the Auditor prepares his or her opinion making express reference both to applicable Australian Accounting Standards and to relevant provisions in the RAO Schedule. It would be sufficient if the Auditor's Opinion made the following statement:

In my opinion the General Purpose Financial Report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996.

Consistency of Accounting Policies between Branches

Section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Registrar's Reporting Guidelines require the financial records of each reporting unit to be kept, as far as practicable, on a consistent basis.

All of the reporting units (other than Tasmania) have a similarly worded statement in Note 1 that the financial reports of National Council and all branches have been prepared on a cash basis following advice from the Registry that the terms of section 252(3) of the RAO Schedule in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts.

The Tasmanian report, however, states in paragraph 2 of Note 1 that it 'has been prepared on the basis of historical cost'. There is no statement regarding preparation of Tasmanian Branch accounts on a cash basis.

A similar issue was raised with respect to the Tasmanian Branch's accounts for the financial year ended 30th September 2005 (FR2005/546). It may be that this year's discrepancy arises from a typographical error as each of the other reports contains a paragraph under the heading 'Basis of Preparation' in Note 1 stating 'The financial report has been prepared on a cash basis as regards the income and expenditure of the National Council/Branch and on the basis of historical costs...' (ie. it appears that the beginning of the sentence may have been omitted).

You are requested to examine this issue and to ensure that, in future, the requirements of section 252(2) and Item 17(e)(iv) regarding consistency of accounts are met.

NEW SOUTH WALES BRANCH

Accounting Officer's Certificate

The Accounting Officer's certificate was a document required to be lodged under the former financial reporting requirements of the *Workplace Relations Act* 1996. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.

Committee of Management Certificate

In addition to the Committee of Management certificate (which is required by section 253(2) of the RAO Schedule and Guidelines 16 to 18 of the Registrar's Reporting Guidelines), the accounts contain a 'Committee of Management's Certificate' which refers to the *Industrial Relations Act* 1991.

This is presumably a document that is required to be lodged with the state Commission in New South Wales. There is no requirement under the RAO Schedule to lodge a Committee of Management certificate with the Industrial Registry.

Please do not hesitate to contact Robert Pfeiffer by email at robert.pfeiffer@air.gov.au or on (03) 8661 7817 if you wish to discuss this letter.

A copy of the financial report has been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/188V>.

Yours sincerely,



Robert Pfeiffer
Statutory Services Branch

24 May 2007

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

TASMANIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I Anne Urquhart, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- that the Full Report was provided to members in the month of January 2007; 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 Tasmania State Council on 28th February 2007 in accordance with section 266 of the ROA Schedule.

STATE SECRETARY

ANNE URQUHART

A. E. Urquhart
Signature

28 Feb 07
Date

Automotive, Foods, Metals, Engineering, Printing and Kindred Industries Union

Tasmanian Branch

**Financial Statements for the year ended
30 September 2006**

Operating Report

Income Statement

Balance Sheet

Statement of Cashflows

Notes to the Financial Statements

Independent Audit Report to the Members

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Operating Report
For The Year Ended 30 September 2006**

Review of the Branch's Principal Activities

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Tasmanian State Council's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout the industry. This has been done primarily by way of industrial awards and enterprise agreements. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Tasmanian State Council has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes in Nature of Principal Activities

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

Results of Principal Activities

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Tasmanian State Council's principal activities resulted in a loss for the financial year of \$3,798 (2005: profit \$7,399).

Significant Changes in the Unions Financial Affairs

No matters or circumstances arose during the reporting year, which significantly affected the financial affairs of the Union.

The Rights of Members to Resign

Rule 43(8) of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union 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.

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Operating Report
For The Year Ended 30 September 2006**

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 of 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 Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Rules interferes with a member's right to resign from the union as set out under section 174 of the Workplace Relations Act 1996.

State Officers or Members who are Trustees of a Superannuation Entity

There is one Officer who is a Director/Member with FIST – Anne Urquhart. There are not, to the AMWU's knowledge, any other members of the State who are trustees of a superannuation entity.

Prescribed Information Required under the Workplace Relations (RAO) Regulations 1996

- a) the number of persons that were recorded in the register of members on 30 September 2006 was 3,271;
- b) the number of persons who were employees of the reporting unit on 30 September 2006 was 7, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;
- c) the names of each person who has been a member of the committee of management of the State at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Title of Officer
Darren Hanisch	State President Commenced duties August 22 nd 2004 Elected February 10 th 2005 Honorary Regional Secretary – - TSA Division Resigned 14 th July 2006
Darren Clark	State President Effective from 17 th July 2006 Appointed at State Council Meeting – 24 th May 2006

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Operating Report
For The Year Ended 30 September 2006**

Name	Title of Officer
Anne Urquhart	State Secretary Commenced Duties on October 1 st 2004 Resigned from State President August 22 nd 2004 Honorary Regional Secretary – Food and Confectionery Division - Resigned 23 rd December 2004 Delegate to Food & Confectionery Division Conference - Appointed by Food & Confectionery Meeting of the 23 rd December 2004
Rodney Graham	State Vice President
Donna Sargent	Hon. Regional Secretary - - Print Division State Councillor
Janette Williams	State Councillor
Ian Drake	State Councillor
Craig Hanson	State Councillor
Julie Tyne	State Councillor
Sue Creed	State Councillor
Nigel Warren	State Councillor
Darryl Bessell	State Councillor
Mark Green	State Councillor
Mitchell Best	State Councillor – Appointed State Conference 17.5.06
Dean Smith	State Councillor - Appointed State Conference 17.5.06
Shane Littler	State Councillor – Appointed State Conference 17.5.06
Ken Norton	State Councillor Regional President – TSA Division

All members of the committee of management have been in office since the start of the financial year to the date of this report unless otherwise stated.

ANNE URQUHART
STATE SECRETARY

RODNEY GRAHAM
VICE PRESIDENT

Signature : 

Signature : 

Dated : 22 November 2006

Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union

**Tasmanian Branch
Committee of Management Statement
For The Year Ended 30 September 2006**

On 22 November 2006 the Committee of Management of the Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 September 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards to the extent detailed in note 1 to the Financial Report;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report 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 2006;
- (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;
- (e) during the financial year ended 30 September 2006 and since the end of the financial year:
 - (i) meetings of the State Council were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; 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 and National Council of the organisation; and
 - (v) no information has been sought in any request of a member of the Branch or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
 - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996; and
- (f) during the financial year ended 30 September 2006 the Branch did not participate in any recovery of wages activity.

For the Tasmanian State Council:



**ANNE URQUHART
STATE SECRETARY**

22 November 2006

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Income Statement
For The Year Ended 30 September 2006**

	Note	2006 \$	2005 \$
Revenue from ordinary activities	2	211,414	185,342
Employees Expense		(122,230)	(94,870)
Insurance		(8,570)	(560)
Affiliation Fees		(15,179)	(14,909)
Motor Vehicle Expenses		(24,258)	(21,163)
Advertising Expenses		(12,457)	(10,952)
Administration Expenses		(31,943)	(34,357)
Legal Expenses		(12)	(545)
Other Expenses		(563)	(587)
		-	-
 Net profit/(loss)		<u>(3,798)</u>	<u>7,399</u>
 Total changes in equity other than those resulting from transactions with owners as owners		<u>(3,798)</u>	<u>7,399</u>

The accompanying notes form part of the financial statements.

**Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Balance Sheet
As At 30 September 2006**

		2006	2005
		\$	\$
Current Assets	Note		
Cash Assets	13(a)	15,428	12,144
Receivables	4	4,467	7,600
Other Assets	5	377	4,433
Total Current Assets		<u>20,272</u>	<u>24,177</u>
Current Liabilities			
Payables	6	24,336	24,540
Total Current Liabilities		<u>24,336</u>	<u>24,540</u>
Net Assets		<u>(4,064)</u>	<u>(363)</u>
Equity			
Retained Profits/(Accumulated Losses)	7	4,064	(363)
Total Equity		<u>4,064</u>	<u>(363)</u>

The accompanying notes form part of the financial statements.

Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union
Tasmanian Branch
Statement of Cash Flows
For The Year Ended 30 September 2006

		2006 \$ Inflows/ (Outflows)	2005 \$ Inflows/ (Outflows)
Cash Flows From Operating Activities			
	Note		
Remittances from National Council		211,274	175,502
Interest Received		140	277
Rent Received		-	-
Legal Expenses Reimbursed		-	9,563
Payments to Suppliers		(208,228)	(176,692)
Net (outflows)/inflows of cash from operating activities	13(b)	3,186	8,650
Net Increase/(Decrease) in Cash Held		3,186	8,650
Cash at the beginning of the year		12,144	3,494
Cash at the end of the year	13(a)	15,330 15,428	12,144

The accompanying notes form part of the financial statements.

**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

1. Statement of Accounting Policies

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Workplace Relations Act 1996, Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into accounting changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Expenses

Expenses are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense.

(b) Accounts Payable

Trade payables and other accounts payable are recognised when the Branch becomes obliged to make future payments resulting from the purchase of goods and services.

(c) Income Tax

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

(d) Goods and Services Tax

Revenues and expenses are recognised net of the amount of goods and services tax (GST), except:

- (i) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (ii) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables.

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

**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

1. Statement of Accounting Policies (continued)

(e) Receivables

Trade receivables and other receivables are recorded at amounts due less any allowance for doubtful debts.

Role of National Council

The Tasmania Branch operates as a branch of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union.

- (i) All members' contributions are paid direct to National Council.
- (ii) Apart from miscellaneous interest, income represents the amount reimbursed by the National Council to cover Branch based expenses. Reimbursements are made on an as required basis and are recognised when received by the Branch.
- (iii) Expenses represent amounts paid directly by the Branch for operational costs.
- (iv) 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.
- (v) 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.
- (vi) 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.

Going Concern Basis of Accounting

The financial statements have 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 committee of management believes it is appropriate to adopt the going concern basis for preparing the financial statements on the grounds that the National Council has made an undertaking to provide financial support to the branch.

**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

2. Revenue from Ordinary Activities

	2006 \$	2005 \$
Remittances from National Council		
- General	210,027	174,192
- Local Purpose Fund	1,246	1,310
Interest	140	277
Reimbursement of Legal Expenses	-	9,563
Total Income	<u>211,414</u>	<u>185,342</u>

3. Remuneration of Auditors

Auditing the financial report	6,080	3,610
Other services	1,685	1,000
	<u>7,765</u>	<u>4,610</u>

4. Current Receivables

GST input credits owed from National Council	4,844	7,600
	<u>4,844</u>	<u>7,600</u>

5. Other Current Assets

Prepayments	377	4,433
	<u>377</u>	<u>4,433</u>

6. Current Payables

Delegate group tax owed to National Council	20,155	19,591
Trade payables	4,181	4,949
	<u>24,336</u>	<u>24,540</u>

**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

7. Retained Profits

	2006	2005
	\$	\$
Balance at Beginning of year	(265)	-
Net Profit/(loss)	(3,798)	7,399
Balance at end of year	(4,063)	7,399

8. Information to be Provided to Members or Registrar

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

- (i) A member of a reporting unit, or a registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (ii) 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.
- (iii) A reporting unit must comply with an application made under subsection (1).

9. Economic Dependency

The continued operations of the Tasmanian Branch is dependent upon remittances from National Council.

10. Commitments for Expenditure

The branch has no commitments for expenditure.

11. Subsequent Events

There are no subsequent events that have occurred or are likely to occur that require disclosure.

**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

12. Related Party

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

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

Transactions with Ultimate Controlling Entity

(a) Remittances from National Council are disclosed in Note 2.

	2006	2005
	\$	\$
	<u> </u>	<u>175,502</u>

(b) At 30 September 2006, the following balances were owed and receivable from the National Council.

GST input credits owed from National Council		7,600
Delegate group tax owed to National Council		(19,591)
	<u> </u>	<u>(11,991)</u>

13. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Balance Sheet as follows:

Cash	<u>15,428</u>	<u>12,144</u>
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**Automotive, Food, Metals, Engineering, Printing and Kindred
Industries Union
Tasmanian Branch
Notes To The Financial Statements
For The Year Ended 30 September 2006**

13. Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of profit from ordinary activities to net cash flows from operating activities

	2006	2005
	\$	\$
Profit/(loss) from ordinary activities		7,399
(Increase)/decrease in current receivables		(1,199)
Increase/(decrease) in current payables		2,450
	-	8,650

14. Segment Reporting

The Tasmanian State Council operates within the Industrial Relations sector within the State of Tasmania, providing industrial advice and representation for members.

15. Australian Equivalents to International Financial Reporting Standards

The State Council is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2006. The adoption of AIFRSs will be reflected in the Branch's financial statements for the year ending 30 September 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 September 2006 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 October 2005.

The State Council is of the opinion that there are no material differences in the Branch's accounting policies on conversion to AIFRSs. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the State Council.

16. Financial Instruments

(a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Independent audit report to the members of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian Branch

Scope

The financial report and committee of management responsibility

The financial report comprises the balance sheet, income statement, cash flow statement, statement of recognised income and expense, a summary of significant accounting policies and other explanatory notes and the committee of management statement for the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian Branch, for the year ended 30 September 2006 as set out on pages 4 to 18.

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate financial records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

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

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia, so as to present a view which is consistent with our understanding of the branch's financial position, the results of its operations, its changes in equity and its cash flows.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates made by the committee of management.

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian Branch presents fairly in accordance with applicable Accounting Standards in Australia, the branch's financial position as at 30 September 2006 and the results of its operations, its changes in equity and its cash flows for the year ended on that date.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu



L.T. Cox
Partner
Chartered Accountants
Hobart, 11 December 2006