



Australian Government
Australian Industrial Registry

26 May 2009

Mr David Oliver
National Secretary
Automotive, Food, Metals, Engineering,
Printing and Kindred Industries Union
PO Box 160
Granville NSW 2142

Attention: Mr Warren Soos, National Finance Officer
Attention: Ms Anne Urquhart, Tasmanian Branch Secretary

Dear Mr Oliver,

Re: Part 3 of Chapter 8 of Schedule 1 to the Workplace Relations Act 1996 (RAO Schedule)

Financial documents for year ended 30 September 2008 for:

National Council	FR2008/518	Western Australian Branch	FR2008/514
Victorian Branch	FR2008/515	South Australian Branch	FR2008/520
Queensland Branch	FR2008/519	New South Wales Branch	FR2008/517
Tasmanian Branch	FR2008/516		

Financial Documents for Tasmanian Branch for year ended 30 September 2007 (FR2007/520)

I refer to the above financial returns for the AMWU for the year ended 30 September 2008 which were lodged in the Industrial Registry on 30 March 2009. All of these financial returns have now been filed.

I also refer to the financial return for the Tasmanian Branch for the year ended 30 September 2007 (FR2007/520) regarding which there have been a number of exchanges by letter and email between our office, the organisation and the branch's auditors since the financial return was lodged in the Registry on 27 March 2008.

In light of issues that have arisen in correspondence regarding the Tasmanian Branch's financial return for the year ended 30 September 2007 and the recent lodgment of the 2008 returns, I have recently conducted a review of the requirements of the RAO Schedule with respect to the keeping of accounts and preparation of a general purpose financial report (GPFR) under sections 252 and 253 of the RAO Schedule respectively.

GPFR to be Prepared on Accrual Basis

Obligations with respect to the keeping of financial records and preparation of a GPFR are placed upon registered organisations and their branches (which are referred to as 'reporting units') by the following sections of the RAO Schedule (emphasis added):

252 Reporting unit to keep proper financial records

- (1) A reporting unit must:
 - (a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and
 - (b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and
 - (c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.
- (2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

- (3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.
- (4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.
- (5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

253 Reporting unit to prepare general purpose financial report

- (1) As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year.
...
- (3) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit. This subsection does not affect the obligation for a financial report to comply with the Australian Accounting Standards.

I note the distinction between the requirement to 'keep' financial records in section 252 and to 'prepare' a GPFR in section 253, the significance of which is discussed below.

As I understand the background to this matter, on 27 April 2005 the Registry received a letter from Mr Doug Cameron, then National Secretary of the AMWU, seeking an exemption under section 241 of the RAO Schedule from the requirement that a GPFR be prepared under section 253 in accordance with Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis. A copy of that letter is attached.

A letter in reply from the Registry dated 5 June 2005 (a copy of which is also attached) advised the AMWU that:

...subsection 252(3) confers on an organisation an express statutory discretion to keep its financial records on a cash basis or an accrual basis.

As a matter of legislative construction, and in the absence of any judicial authority to the contrary, it is the Registry's view that the express discretion under section 252(3) would override any general provision concerning exemption from the Accounting Standards. In other words, the terms of subsection 252(3) in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. In this respect it is not necessary to determine the instant application separately under section 241.

In light of the Registry's advice, the AMWU has been preparing GPFRs on a cash (rather than an accrual) basis. Accordingly, for the year ended 30 September 2008 the AMWU's national office and its branches have each prepared a GPFR on a cash basis as follows:

Note 1 to the Accounts - Significant Accounting Policies

...

The union has determined to adopt the cash basis of accounting in the preparation of financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standards that mandates accrual accounts ...

Similarly, the opinion expressed in the audit report for each of the financial returns also refers to a GPFR prepared on a cash basis:

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union... is presented fairly in accordance with applicable Australian Accounting Standards to the extent disclosed in Note 1 to the financial statements...

Having now examined this issue myself, I am of the view that the advice in the Registry's letter of 5 June 2005 was incorrect.

Sections 252 and 253 of the RAO Schedule impose quite separate and distinct obligations upon reporting units. Section 252 is concerned with the keeping of financial records. While records may be kept on an accrual basis, subsections (3) and (4) also allow for the keeping of financial records as far as they relate to income and expenditure (and/or membership subscriptions) on a *cash* basis at the option of the reporting unit concerned (although note the requirement in section 252(2) that reporting units within an organisation should keep their records in a consistent manner as far as practicable).

A quite separate requirement to prepare a GPFR in accordance with Australian Accounting Standards (that is, on an *accrual* basis) is imposed by section 253 of the RAO Schedule and the relevant Australian Accounting Standard (AASB 101.25).

When read together, sections 252 and 253 require that, while some financial records may be kept on a cash basis, a GPFR must be prepared on an accrual basis whether or not records were kept on a cash or accrual basis. The only exception to the requirement that a GPFR be prepared on an accrual basis would be where an exemption from compliance with Australian Accounting Standards has been granted under section 241 of the RAO Schedule.

As a result, in future the AMWU and each of its reporting units **must** prepare a GPFR on an accrual basis as required by section 253 of the RAO Schedule and the relevant Australian Accounting Standard (AASB 101.25). You are requested to advise your branches accordingly. It is noted that this will result in a change of accounting policy that will need to be disclosed as set out in AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. I understand

that the standard requires that it be applied to the comparative figures if practicable. I seek your view as to whether this is the case and note that you may need to discuss this with your auditor.

Financial Return for Tasmanian Branch – Year Ended 30 September 2007

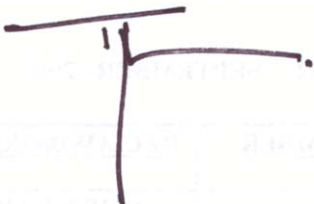
As stated above, the financial return for the Tasmanian Branch for year ended 30 September 2007 was lodged in the Registry on 27 March 2008 (FR2007/520).

The GPFR for that financial return was prepared on a cash basis. The original auditor for that financial return (Mr Craig Barling of Deloitte Touche Tohmatsu) included a disclaimer in his Audit Report dated 11 December 2007. Further correspondence between the Registry, the auditor and the organisation indicated that the disclaimer arose out of the preparation of the GPFR on a cash basis.

As already stated, in future years the organisation and its branches must prepare a GPFR on an accrual basis. I am therefore satisfied that this issue will be rectified by the branch when its next financial return is lodged with the Registry.

Accordingly, the financial return for the Tasmanian Branch for year ended 30 September 2007 has now been filed.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'Terry Nassios', written over a faint, illegible background. The signature consists of a horizontal line at the top, a vertical line extending downwards from the center, and a horizontal line extending to the right from the top of the vertical line.

Terry Nassios
Deputy Industrial Registrar

cc: Mr Craig Barling
Deloitte Touche Tohmatsu
cbarling@deloitte.com.au

27 April 2005

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001
Att: Andrew O'Brien

Dear Sir,

Re: Workplace Relations Act 1996
S241 - Exemptions from certain Australian Accounting Standards
Automotive, Food, Metals, Engineering, Printing and Kindred Industries
Union

I write to seek the Industrial Registrar's exemption from complying with the Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis. The application of this standard creates enormous difficulties for our organisation, and therefore, I ask that the AFMEPKIU be exempted from complying with the Accruals standard.

Below is the background and rationale for the above request.

1. Legislative Background

Under the Workplace Relations Act 1996, Schedule 1B – Chapter 8 – Records and Accounts:

Section 252(3) – Cash or accrual basis – states that the "Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation".

Section 253(1) – Report to be prepared at the end of the financial year – states that "As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards...".

Determination of reporting guidelines for the purposes of section 253 of RAO Schedule – Application – point 3 states that "In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations".

Section 241(1) – Registrar may determine standards do not apply – states that “The Industrial Registrar may, by written notice, determine that particular Australian Accounting Standards do not apply in relation to an organisation or to a class of organisations”. **Section 241(2) – Considerations** – states that “In deciding whether to determine that a particular Australian Accounting Standard does not apply in relation to an organisation or organisations, the Registrar is to have regard to the cost to the organisation or organisations of complying with the standard and the information needs of the members of the organisation or organisations”.

2. Background on Difficulties Encountered complying with the Accruals Standard

The AFMEPKIU has developed over a five year period a complex budgetary process to aid the Committees of Management within the Union in making informed decisions.

On a monthly basis, actual results are compared to budgeted figures so that each State/Division within the Union can easily and swiftly appraise its performance. These budget figures provide detailed and accurate financial data, and allow the Union to make timely decisions regarding expenditure and staffing levels as required.

The monthly actual/budget figures are prepared as soon as the end of month process is complete (usually by the third day of the month), and are distributed to the National Secretary, National Divisional Secretaries, State and Regional Secretaries across the Union.

This does not present a problem, until audit time being September 30 each year. The Budget process is completed and distributed by the 7th day of October. The data that makes up these reports is based on information entered into the accounts up to September 30. The auditors perform their audit of the accounts usually from October 10 on.

If, during the performance of the audit, the auditors determine that an expense should be accrued into the September accounts (that is, paid in October but put back into September as it relates to September – as required by the standard on Accruals), this will mean there is a variance between the data we have provided to our management (on the 7th) and the data that is now in the accounts. That is, the September expenses will be higher than the data presented to management.

This variance between the data presented to management and the data in the accounts creates an enormous problem for the Union.

3. Rationale for Request

3a. The Workplace Realations Act section 252(3) is quite clear that “Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the

organisation". As the AFMEPKIU accounts for its income on a cash basis, it would be consistent for the expenditure to be also accounted for on a cash basis.

3b. All expenditure within the union is paid as soon as practicable after the receipt of an invoice. No invoices are held for payment to take advantage of terms of payment – that is, holding on to the invoice until the due date of the invoice is near. We treat all expenditure on a "cash" basis – payable immediately.

3c. Further to the point above, we do not pay any large annual invoices which would materially affect the financial results of the Union. For example, amongst our largest ongoing invoices would be phone and flight accounts, which are consistent across the months (in the main). Therefore, provided there are 12 monthly invoices reflected in the phone and flight accounts within the year, the financial results will give members and decision makers an accurate picture.

3d. The Accrual standard states that "The cash basis of accounting, which recognises the financial effects of transactions or other events only when cash has been received or paid, provides information of limited use for decision making." However, as stated above, the decision making of the Union is, and has for the past 5 years, been based on the cash basis of accounting, with excellent results.

3e. The AFMEPKIU has a proven record using the cash accounting method. There have been no qualified audits produced, and no major concerns alerted to us from the Industrial Registrar, only minor oversights. This record has been achieved using the cash accounting method, across all reporting units of the Union. It has only been recently that auditors are beginning to advise the Union that accrual journals should be raised, especially under the new legislation introduced under schedule 1B of the RAO, which places a greater emphasis on the Australian Accounting Standards.

4. Conclusion

The Workplace Relations Act 1991 allows for the financial records of an organisation that relate to expenditure to be kept on a cash basis, and allows for the Industrial Registrar to determine that a particular Australian Accounting Standards does not apply in relation to an organisation.

In short, it is our submission that the cash accounting method does not materially affect the information provided to members on the state of the Union's finances, and that the only real impact of your determination will be to delay the provision of key budget information to the Union's Committees of Management by up to six weeks.

As complying to the Accruals standard creates enormous problems for the AFMEPKIU in providing timely, relevant and meaningful financial data to the committee of management consistent with the financial accounts of the Union, I ask that the Industrial Registrar grant exemption to the AFMEPKIU from having to comply with the Australian Accounting Standard AASB 1001 "Accounting Policies" paragraph 7.2 – preparation of accounts on an Accrual Basis.

We submit that this request is consistent with the Act.

Should you require further information or clarification on any of the above, please contact Warren Soos, National Finance Officer of the AFMEPKIU on 02 9897 9133.

Yours sincerely,

Doug Cameron
National Secretary



Australian Government
Australian Industrial Registry

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

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

Dear Mr Cameron

Attn: Mr Soos

Re: Application for exemption from accounting standard
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I refer to your letter of 28 April 2005 in which seek, on behalf of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (the Union), the Industrial Registrar's exemption from complying with Australian Accounting Standard AASB 1001 in so far as Item 7.2 of that standard requires an entity to prepare its financial statements on an accrual basis. Your letter then sets out reasons why and the grounds upon which the union wishes to (continue to) prepare its financial statements on a cash basis.

Your application is made under RAO section 241 which reads:

"241 Exemptions from certain Australian Accounting Standards

- (1) The Industrial Registrar may, by written notice, determine that particular Australian Accounting Standards do not apply in relation to an organisation or to a class of organisations.
- (2) In deciding whether to determine that a particular Australian Accounting Standard does not apply in relation to an organisation or organisations, the Registrar is to have regard to the cost to the organisation or organisations of complying with the standard and the information needs of the members of the organisation or organisations."

Your letter refers appropriately to the other relevant provisions of the RAO Schedule and delegated legislation, namely subsections 252(3), 253(1) and Item 3 of the Industrial Registrar's (s253) Reporting Guidelines. In order that this advice stands alone, it is necessary to restate those provisions more completely as follows:

"252 Reporting unit to keep proper financial records

- (1) A reporting unit must:
 - (a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and

(b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and

(c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.

(2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

(3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

(4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.

(5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

"253 Reporting unit to prepare general purpose financial report

(1) As soon as practicable after the end of each financial year, a reporting unit must cause a general purpose financial report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year.

(2) The general purpose financial report must consist of:

(a) financial statements containing:

(i) a profit and loss statement, or other operating statement; and

(ii) a balance sheet; and

(iii) a statement of cash flows; and

(iv) any other statements required by the Australian Accounting Standards; and

(b) notes to the financial statements containing:

(i) notes required by the Australian Accounting Standards; and

(ii) information required by the reporting guidelines (see section 255); and

(c) any other reports or statements required by the reporting guidelines (see section 255).

(3) The financial statements and notes for a financial year must give a true and fair view of the financial position and performance of the reporting unit. This subsection does not affect the obligation for a financial report to comply with the Australian Accounting Standards.

Note 1: This section is a civil penalty provision (see section 305).

Note 2: The Australian Accounting Standards may be modified for the purposes of this Schedule by the regulations.

Note 3: If the financial statements and notes prepared in compliance with the Australian Accounting Standards would not give a true and fair view, additional information must be included in the notes to the financial statements under paragraph (2)(b)."

"Registrar's s253 reporting guidelines applying to financial years commencing on or after 1 November 2004

.....


3. In the event of a conflict between a requirement of these reporting guidelines and a requirement of an Australian Accounting Standard, the requirement of the Standard prevails unless there has been a determination under section 241 of the RAO Schedule that the Standard or the relevant part of the Standard does not apply in relation to an organisation or a class of organisations."

In considering this matter against the relevant legislative construct (as quoted above), it is noted that while section 241 provides an avenue for an exemption from particular AAS in certain circumstances, subsection 252(3) confers on an organisation an express statutory discretion to keep its financial records on a cash basis or an accrual basis.

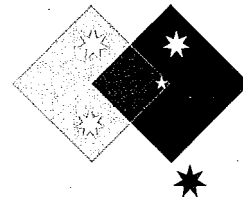
As a matter of legislative construction, and in the absence of any judicial authority to the contrary, it is the Registry's view that the express discretion under section 252(3) would override any general provision concerning exemption from the Accounting Standards. In other words, the terms of subsection 252(3) in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. In this respect it is not necessary to determine the instant application separately under section 241.

It follows that the instant matter does not constitute any conflict between the Accounting Standards and the Registrar's Guidelines, both of which must operate in a subordinate relationship to the primary legislative term per subsection 252(3) of Schedule 1B of the Workplace Relations Act 1996.

Yours sincerely,



Andrew O'Brien
Manager
Statutory Services Branch
Principal Registry
5 June 2005



13 March, 2008

The Industrial Registrar
Australian Industrial Registry
GPO Box 1994
Melbourne Vic 3001

Attention: Robert Pfeiffer



Dear Sir,

**Re: Lodgement of the Full Reports and Certificates of Secretaries
for the financial year ended 30 September 2007 - Automotive, Food,
Metals, Engineering, Printing and Kindred Industries Union**

Please find enclosed copies of the Full Report of the reporting units together with certificates of the prescribed designated officers of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.

This lodgement is made in accordance with the Workplace Relations Act 1996, section 268 – Reports etc. to be lodged in the Industrial Registry.

Yours sincerely,

DAVE OLIVER
NATIONAL SECRETARY

Australian Manufacturing
Workers' Union
Registered as AFMEPKIU
National Office
Level 4
133 Parramatta Road
Granville NSW 2142
Telephone: 02 9897 9133
Facsimile: 02 9897 9274
amwu@amwu.asn.au

FR2007/520
5/6/08

**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 RAO Schedule; and
- that the Full Report was provided to members in the month of January 2008; 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 Tasmanian State Council on 27th February 2008 in accordance with section 266 of the RAO Schedule.

**ANNE URQUHART
STATE SECRETARY**

A. E. Urquhart
Signature

27/2/08
Date





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

TASMANIAN BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007

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

TASMANIAN BRANCH

OPERATING REPORT

The State Council, being the Committee of Management for the purposes of the Workplace Relations Act 1996, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Tasmanian Branch (the "Branch") for the financial year ended 30 September 2007.

Review of the State's Principal Activities

The Branch'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 Branch 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 Branch's principal activities during the financial year.

Results of Principal Activities

The Branch's principal activities resulted in a loss for the financial year of \$12,580 (2006: profit of \$3,282).

The Right of Members to Resign

Rule 43(8) of the Union's 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.

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

TASMANIAN BRANCH

OPERATING REPORT [cont'd]

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 Union's Rules interferes with a member's right to resign from the union as set out under section 174(1) of the Workplace Relations Act 1996. In accordance with section 174(1) of the Workplace Relations 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.

State Officers or Members who are either Directors or Trustees of a Superannuation Entity

There were no officers or members of the Tasmanian Branch who were trustees 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.

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

- (a) The number of persons who were recorded in the register of members on 30 September 2007 was 3,055.
- (b) The number of persons who were employees of the reporting unit on 30 September 2007 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 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:

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

TASMANIAN BRANCH

OPERATING REPORT (cont'd)

Name	Position Held
Darren Clark	State President Effective from 17th July 2006 Appointed at State Council Meeting 24th May 2006 Hon Secretary TSA Division
Anne Urquhart	State Secretary Commenced Duties on October 1 st 2004 Resigned from State President August 22 nd 2004
Rodney Graham	State Vice President
Donna Sargent	Hon. Regional Secretary – Print division State Organiser
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
Ken Norton	State Councillor
Mitchell Best	State Councillor
Dean Smith	State Councillor
Edward Baird	State Councillor Secretary RMD

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.

Signed in accordance with a resolution of Committee of Management


.....
DARREN CLARK
STATE PRESIDENT


.....
ANNE URQUHART
STATE SECRETARY

DATED : 21ST NOVEMBER 2007

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

TASMANIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On the 21st November 2007 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the State Council for the year ended 30 September 2007.

The State Council 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 2007;
- (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 2007 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 the RAO Schedule and the RAO Regulations; 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 the RAO Schedule; and
 - (vi) no order for inspection of the financial records was made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 September 2007 the Branch did not participate in any recovery of wages activity.

For the Tasmanian State Council:



ANNE URQUHART
STATE SECRETARY

DATED : 21ST NOVEMBER 2007

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

TASMANIAN BRANCH

**INCOME STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
		<u> </u>	<u> </u>
INCOME			
Remittances from National Council			
- General Fund		154,732	202,258
- Local Purpose Allocation		1,165	1,246
Interest Received		80	140
Other Income		<u>13,872</u>	<u>7,758</u>
TOTAL INCOME		<u>169,849</u>	<u>211,402</u>
EXPENDITURE			
Affiliation Fees		(14,544)	(15,179)
Bank Charges		(603)	(563)
Delegation/Employee Expenses - Office Holders		(10,620)	(10,241)
Delegation/Employee Expenses – Other Employees		(21,263)	(23,856)
Delegation Expenses - Other		(39,623)	(13,615)
Donations		(1,000)	-
Freight		(433)	(522)
General Office Expenses		(3,022)	(3,725)
Insurance		(4,613)	(4,514)
Motor Vehicle Expenses		(20,231)	(24,122)
Other expenses		-	(1,757)
Payroll Tax		(27,203)	(25,733)
Photocopying		(974)	-
Postage		(3,491)	(3,459)
Printing		(9,922)	(11,935)
Professional Services	4	(9,440)	(7,765)
Stationery		(4,306)	(3,946)
Telephone		<u>(11,141)</u>	<u>(13,136)</u>
TOTAL EXPENDITURE		<u>(182,429)</u>	<u>(164,068)</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(12,580)</u>	<u>47,334</u>

(The attached notes form part of the financial report)

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

TASMANIAN BRANCH

**BALANCE SHEET
AS AT 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	<u>2,848</u>	<u>15,428</u>
Total Current Assets		<u>2,848</u>	<u>15,428</u>
TOTAL ASSETS		<u>2,848</u>	<u>15,428</u>
NET ASSETS		<u>2,848</u>	<u>15,428</u>
ACCUMULATED FUNDS		<u>2,848</u>	<u>15,428</u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

	Accumulated Funds \$
Balance at 1 October 2005	12,146
Net Surplus/(Deficit) for Year	<u>3,282</u>
Balance at 30 September 2006	15,428
Net Surplus/(Deficit) for the Year	<u>(12,580)</u>
Balance at 30 September 2007	<u>2,848</u>

(The attached notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING &
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TASMANIAN BRANCH

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 SEPTEMBER 2007**

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council			
-General Fund		154,732	202,258
-Local Purpose Allocation		1,165	1,246
Interest Received		80	140
Other income received		13,872	7,758
Payments to Suppliers and Employees		(182,429)	(208,120)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	5(b)	<u>(12,580)</u>	<u>3,282</u>
NET INCREASE/(DECREASE) IN CASH HELD		(12,580)	3,282
Cash at Beginning of Year		<u>15,428</u>	<u>12,146</u>
CASH AT END OF YEAR	5(a)	<u>2,848</u>	<u>15,428</u>

(The attached notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING &
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TASMANIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is prepared in accordance with the Workplace Relations Act 1996, which states a general purpose financial report must be prepared under the cash or accruals basis of accounting. The financial report has been prepared in accordance with Australian Accounting Standards and Interpretations and the Workplace Relations Act 1996 with the exception that the financial report has been prepared on the cash basis rather than the accrual basis as required by applicable Accounting Standards. The Union has adopted the cash basis of accounting in the preparation of the financial reports of national council and all branches following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

BASIS OF PREPARATION

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Tasmanian Branch, and in accordance with the Workplace Relations Act, 1996 the Tasmanian Branch is a reporting unit. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Workplace Relations Act. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the State Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on a cash basis as regards the income and expenditure of the Branch and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets.

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

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

(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.

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TASMANIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) 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.

(iii) 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.

(iv) Accounting Standards Issued But Not Yet Effective

In the current year, the Branch has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the entity's accounting policies.

At the date of authorisation of the financial report, the following Standards and Interpretations were on issue but not yet effective:

<ul style="list-style-type: none">• AASB 8 'Operating Segments' and consequential amendments to other accounting standards resulting from its issue	Effective for annual reporting periods beginning on or after 1 January 2009
<ul style="list-style-type: none">• AASB 101 'Presentation of Financial Statements' – revised standard	Effective for annual reporting periods beginning on or after 1 January 2009

It is not anticipated that the above will have impact on the accounts in the future.

(vi) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (b) for the amount receivable or payable to the taxation authority is recognised as revenue or an expense as applicable.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (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.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 Tasmanian 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 amount of asset and liabilities.

(b) Critical judgments in applying the Tasmanian Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

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

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

	2007	2006
	\$	\$
4. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report	7,000	5,765
- Other Services	2,440	2,000
	9,440	7,765

The auditor of the Branch is Deloitte Touche Tohmatsu

	2007	2006
	\$	\$
5. CASH FLOW INFORMATION		
(a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank	2,848	15,428
	2,848	15,428
(b) Reconciliation of Cash Flow from Operations with Net Surplus (Deficit)		
Net Surplus/(Deficit)	(12,580)	3,282
CASH FLOWS FROM OPERATIONS	(12,580)	3,282

6. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report. No key management personnel are employed directly by the Tasmanian Branch.
- (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

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TASMANIAN BRANCH

parties at arm's length.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

6. RELATED PARTIES (Cont'd)

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

	2007	2006
	\$	\$
Net amount receivable - National Office	6,238	8,938

During the 2006/07 financial year, the AMWU National council remitted to the Tasmanian Branch GST debt outstanding of \$6,238. (2005/2006 \$8,938)

7. SUBSEQUENT EVENTS

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

8. CONTINGENT LIABILITIES

There are no contingent liabilities that have occurred that require disclosure.

9. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

	Floating interest rate	Non interest bearing	Total
30 September 2007	\$	\$	\$
Financial Assets			
Cash	2,848	-	2,848
Weighted average Interest rate	1.55%		

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TASMANIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2007 (Cont'd)**

9. FINANCIAL INSTRUMENTS (Cont'd)

30 September 2006	Floating interest rate	Non interest bearing	Total
Financial Assets			
	\$	\$	\$
Cash	15,428	-	15,428
Weighted average Interest rate	1.55%		

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income 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.

Credit Risk Exposure

Credit risk is the risk that counterparties to a financial asset will fail to discharge their obligation, causing the Branch to incur financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Balance Sheet is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (e.g. receivables and payables) approximate net fair values.

10 SEGMENT REPORTING

The branch provided services to members of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union industry in Tasmania during the year.

11 ECONOMIC DEPENDENCY

A significant amount of the Branch's revenue is arranged through the National Branch of the Union.

12. ADDITIONAL BRANCH INFORMATION

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

Registered Office
28 Station Street
Moonah TAS 7009
Tel: (03) 6228 7099

Principal place of business
28 Station Street
Moonah TAS 7009
Tel: (03) 6228 7099

Independent Auditor's Report to the Members of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union

We have audited the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian Branch, which comprises the balance sheet as at 30 September 2007, and the income statement, cash flow statement and statement of changes in accumulated funds for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Committee of Management Statement as set out on pages 4 to 13.

The Responsibility of the Committee of Management for the Financial Report

The Committee of Management of the entity is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996 and are appropriate to meet the needs of the members. The responsibility of Committee of Management also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Committee, as well as evaluating the overall presentation of the financial report.

Deloitte

The financial report has been prepared for distribution to the members for the purpose of fulfilling the Committee of Management's financial reporting requirements under Part 3 of Chapter 8 of Schedule 1 (RAO Schedule) of the Workplace Relations Act 1996. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

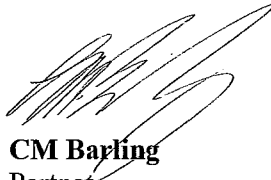
Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Tasmanian Branch as at 30 September 2007 and of its financial performance, its cash flows and its changes in accumulated funds for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.


DELOITTE TOUCHE TOHMATSU


CM Barling
Partner
Chartered Accountants
Hobart, 11 December 2007



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: michelle.baldini@air.gov.au

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

Attention Mr Warren Soos, National Finance Officer

Dear Mr Oliver,

Re: Financial Reports for the Year Ended 30th September 2007 - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

National Council – FR2007/516
Victorian Branch – FR2007/521
Queensland Branch – FR2007/518
Tasmanian Branch – FR2007/520

Western Australian Branch – FR2007/522
South Australian Branch – FR2007/519
New South Wales Branch – FR2007/517

Thank you for the financial reports of the above named organisation and its branches for the year ended 30 September 2007. The documents were lodged in the Industrial Registry on 27 March 2008.

Before I can file several of the financial reports I require you to attend to the matters set out below.

Auditor's Opinion – National General and Political Fund, New South Wales, South Australia and Western Australia

In the above reports, the Auditor's opinion use the term "true and fair view". The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our 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 the RAO Schedule of the Workplace Relations Act 1996".

You are requested to provide an Auditor's Report containing the correct Auditor's opinion for the above funds and branches.

Auditor's Qualifications - National General and Political Fund, New South Wales, South Australia and Western Australia

As you are required to secure another auditor's opinion I would be pleased if the amended report provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate. It is our view that the auditor's qualifications should be apparent on the face of the report.

Auditor's Opinion - Tasmania

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 Australian Accounting Standards or the RAO Schedule.

You are therefore requested to provide an Auditor's Report 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.

Auditor's Qualifications - Tasmania

I reiterate my comments above.

On receipt of the abovementioned documents the relevant financial reports will be filed.

Preparation of future reports

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of these comments for this financial year.

GPFR – Disclosure of Expenditure – National General Fund

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));

We note that in your Notes to Financial Statements, Note 11 is headed "Delegation/Employee Expenses". We assume that these expenses are quite probably a combination of the above and should be disclosed separately. Alternatively, if they relate only to conference and meeting expenses then the amount should be disclosed under that, or a similar, heading in future financial years' statements.

Notes to Financial Statements – New South Wales

We note that in your Notes to Financial Statements, Note 1 'Basis of Preparation' states that the "New South Wales Branch is a Branch of the registered organisation and is also a registered organisation in accordance with the Industrial Relations Act, 1996."

Please be advised that under Schedule 1 of the *Workplace Relations Act 1996*, the financial reports only relate to the Branch of the registered organisation under the *Workplace Relations Act 1996* and not the state registered organisation.

References to Schedule 1B – South Australia

The Committee of Management's Report and Note 3 of Notes to Financial Statements contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1 or the RAO Schedule.

Auditor's Qualifications - Victoria

In future financial years the Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under s256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

Summary

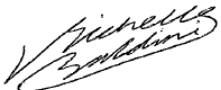
Accordingly, in order to secure compliance with your obligations under the RAO Schedule, I require you to re-file with the Registry Auditor's Reports, addressing the above concerns, for the following funds and branches:

- National General Fund;
- National Political Fund;
- New South Wales Branch;
- South Australian Branch;
- Tasmanian Branch;
- Western Australian Branch.

The financial reports of the Victorian Branch and the Queensland Branch have been filed.

If you wish to discuss this matter I can be contacted on (03) 8661 7882 or by email at michelle.baldini@air.gov.au.

Yours sincerely



Michelle Baldini
Statutory Services Branch

8 April 2008

Michelle Baldini
Statutory Services Branch
PO Box 1994
MELBOURNE, VIC 3000

27 May 2008

Dear Michelle,

We are writing in reference to your letter to Mr Dave Oliver dated 8 April 2008 regarding the wording of our Auditor's Report on the 30 September 2007 Financial Report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union – Tasmanian Branch (the "Branch").

In forming the wording of the opinion used in our Auditor's Report we considered the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union's (the "Union's") policy to state in the Auditor's Report that the financial report is a General Purpose Financial Report (GPFR). Unfortunately we are unable to use this prescribed wording in our Auditor's Report. In stating a report is a GPFR it is required that the financial report has complied with all requirements of Australian Accounting Standards including all disclosure requirements. However, National Council, in accordance with the Workplace Relations Act, requires the Branch to prepare their financial report on a cash basis. Accordingly, the entity is unable to comply with all the requirements of the Accounting Standards without having recorded its assets and liabilities under the accruals basis of accounting.

We endeavoured to meet the Union's requirements by negotiating a compromise on the type or Auditor's Report we issued and the wording used within that Auditor's Report by:

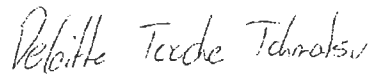
- Allowing the Branch to state it was a GPFR in Note 1 to the financial statements. Some minor amendments were required to the financial report in order to ensure the financial report was as close as possible to a GPFR. For example we removed the reference to the Branch's non-compliance with AASB 114 and AASB 136 as neither of these standards applied to the Branch and the disclosure diminished the validity of the statement that the financial report was a GPFR.
- Including in the Management Representation Letter provided to us by management, acknowledgement of the above disclosure deficiency.
- We then used wording appropriate for a Special Purpose Financial Report in our Auditor's Report, but we did not state in the Auditor's Report that the Financial Report is a SPFR.

Deloitte.

By issuing a SPFR opinion on the financial report and therefore Note 1, we enabled the Branch to state that they considered the financial report to be a GPFR and therefore comply with their obligations to National Council. The effect of the disclosure deficiency was not considered material and therefore allowed us to issue an unmodified Auditor's Report that referred to the Branch's statement in Note 1 regarding the basis of preparation of the financial report.

Please do not hesitate to contact me if you require any further information.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



CM Barling

Partner

Chartered Accountants



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: michelle.baldini@air.gov.au

Mr Craig Barling
Partner
Deloitte Touche Tohmatsu

By email: cbarling@deloitte.com.au

cc:

Mr Warren Soos
National Finance Manager
Automotive, Food, Metals, Engineering,
Printing and Kindred Industries Union

By email: warren.soos@amwu.asn.au

Dear Mr Barling,

Re: Financial Report for the Financial Year ended 30 June 2007 - FR2007/520
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

I refer to your letter of 27 May 2008 concerning the Auditor's Report of the Tasmanian Branch of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union in which you responded to my letter dated 8th April 2008.

The requirements of the auditor to report are contained in section 257 of the RAO Schedule. In particular, I refer you to paragraph (5) and paragraph (6) of that section that state:

“(5) A auditor must, in his or her report, state whether in the auditors opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards;*
- (b) any other requirements imposed by this Part.*

If not of that opinion, the auditor's report must say why.

(6) If the auditor is of the opinion that the general purpose financial report does not so comply, the auditor's report must, to the extent it is possible to do so, quantify the effect that non-compliance has on the general purpose financial report. If it is not practical to quantify the effect fully, the report must say why.”

I acknowledge that the preparation of the financial report is the responsibility of the Organisation and that the auditor's responsibility is to provide an independent report on the general purpose report.

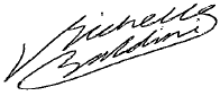
If there is a need to qualify the audit report to fulfil the requirements as set out in the sections quoted above from the RAO Schedule, the expectation is that the auditor will explain the areas of non-compliance and quantify the effect that the non-compliance has on the general purpose financial report in the auditor's report. This can be by way of a modified auditors report as set out in Auditing Standard ASA 701.

Under the RAO Schedule, the auditor's report must be a report on a general purpose financial report not a special purpose financial report.

Accordingly, in order to secure compliance with the branch's obligations under the RAO Schedule, I require you to provide the Registry with an amended auditor's report, taking into account the matters discussed above.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email at michelle.baldini@air.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michelle Baldini". The signature is written in a cursive style with a large initial "M" and "B".

Michelle Baldini
Statutory Services Branch

19 June 2008



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7882
Fax: (03) 9655 0410
Email: sarah.billing@air.gov.au

Mr Craig Barling
Partner
Deloitte Touche Tohmatsu

By email: cbarling@deloitte.com.au

cc.

Mr Warren Soos
National Finance Manager
Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union

By email: warren.soos@amwu.asn.au

Dear Mr Barling,

Re: Financial Report for the Financial Year ended 30 June 2007 – FR2007/520 Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

I refer to our previous correspondence and your email of 19 June 2008 in respect of the Auditor's Report of the Tasmanian Branch of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union.

The obligation on an organisation to prepare a general purpose financial report is contained in subsection 253(1) of the RAO Schedule. The subsection provides, in part, that:

"...a reporting unit must cause a general purpose financial report to be prepared..."

This is a mandatory requirement. The application of subsection 252 (3) and (4) are secondary to this overriding requirement for the financial report. The section uses the terminology of "...may.."

Your comments are noted in respect of a possible qualification being that of a limitation of scope. We do require the auditor's report to be completed in accordance with section 257 of the RAO Schedule and, in particular, as previously advised, subsections (5) and (6) of that section. That includes the obligation to state why the financial report does not comply and the effect of non-compliance.

We cannot file a financial report that does not comply with the requirements of the RAO Schedule.

Should you wish to discuss the matters raised in this letter, I can be contacted on (03) 8661 7882 or by email at sarah.billing@air.gov.au.

Yours sincerely

A handwritten signature in cursive script that reads "S. Billing".

Sarah Billing

25 August 2008



Australian Government

Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7929
Fax: (03) 9655 0410
Email: eve.anderson@airc.gov.au

Mr Craig Barling
Deloitte Touche Tohmatsu
GPO Box 777
Hobart Tasmania 7001

Dear Mr Barling

**Re: Financial report Automotive, Food, Metals, Engineering, Printing and Kindred Industries
Union Tasmanian Branch - FR2007/520**

Further to our recent telephone conversation regarding the Financial Report of the Tasmanian Branch of the AMWU, I write to advise that I have reviewed the file in light of the points that you raised.

In our conversation you raised the matter of an apparent inconsistency in Schedule 1 of the *Workplace Relations Act 1996* (the RAO Schedule) regarding matters arising from the recording of income and expenditure on a cash or accrual basis. Specifically that section 252(3) enables organisations to keep income and expenditure records on a cash or accrual basis, however, section 253 requires a reporting unit of an organisation to prepare a General Purpose Financial Report (GPFR) in accordance with the Australian Accounting Standards (AAS) which, in turn, requires the reporting unit to prepare a GPFR report on an accrual basis. I acknowledge your concern that this creates a difficulty in making an opinion in the form required under section 257 of the Schedule.

For your information the provision of an option for an organisation to keep its financial records so far as they relate to the income and expenditure of the organisation on a cash basis has appeared in the legislation administering registered organisations for many years. In fact it was not until after the commencement of the RAO Schedule on 12 May 2003 that the legislation required preparation of a GPFR in compliance with the Australian Accounting Standards with some exceptions. In circumstances where an exception applies such as an organisation opting to keep financial records on a cash basis the Registry is prepared to accept that full compliance with Australian Accounting Standards may not be practicable. Provided there is sufficient acknowledgement of those circumstances the Registry will not pursue the matter further.

The Registry is prepared to accept an auditor's report that sets out adequate particulars of any limitation in providing a positive opinion in relation to the full range of matters specified in subsection 257(5) based on the keeping of financial records by the organisation on a cash basis as permitted by subsections 252(3) or (4). You may choose to submit such report to the Registry.

Alternatively you may prefer to state in writing your interpretation of the relevant provisions and your conclusions. The registry will consider your views and may then choose to seek advice on the action required to address the issue(s) raised by you. As you would appreciate this course would likely to take some time to reach a conclusion, most particularly if the outcome requires some remedial or similar action. It is our intention on receipt of such letter to place it with the financial report on the Commission's web site at <http://www.e-airc.gov.au/188vtas/financial>.

A copy of this correspondence will be forwarded to the Tasmanian Branch and the National Office of the AMWU. Should you wish to discuss this further I can be contacted on 03 086617929 or by email at eve.anderson@airc.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eve Anderson'.

Eve Anderson
Statutory Services Officer
Australian Industrial Registry
29 October 2009



Australian Government
Australian Industrial Registry

9 January 2009

Mr Craig Barling
Deloitte Touche Tohmatsu
GPO Box 777
HOBART TASMANIA 7001

cc: Mr Warren Soos
National Finance Officer
Automotive Food Metals Engineering Printing and Kindred Industries Union
Level 4, 33-137 Parramatta Road
GRANVILLE NSW 2142

cc: Anne Urquart
Secretary
Automotive Food Metals Engineering Printing and Kindred Industries Union, Tasmanian Branch
28 Station Street
MOONAH TAS 7009

Dear Mr Barling

**Financial report Automotive Food Metals Engineering Printing and Kindred Industries Union
Tasmanian Branch for the year ended 30 June 2007: FR2007/520**

Further to my correspondence dated 29 October 2008 and our phone conversation on 10 November 2008, I write to enquire whether you have progressed any further in this matter. According to my notes you indicated in our phone conversation that you would contact the Automotive Food Metals Engineering Printing and Kindred Industries Union (AMWU) before responding to my letter.

The alternative courses of actions that I have requested are:

- 1) That you give an opinion as to whether or not the financial report of the AMWU Tasmanian Branch is presented fairly in accordance with the Australian Accounting Standards (AAS) and the Workplace Relations Act 1996 (WRA). If in your opinion it is not presented fairly in accordance with the AAS or WRA, that you either quantify the effect of non-compliance or explain why it is not practicable to quantify; or
- 2) Instead of providing an opinion in the terms contemplated by the RAO schedule, that you explain in writing why it is not possible to do this.

I trust that either an opinion or letter explaining why it is not possible to give this opinion will be provided shortly. Should you wish to discuss the matter further I can be contacted on 03 86617929.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eve Anderson'.

Eve Anderson
Statutory Services Team
Principal Registry
Tel: 03 86617929
Email: eve.anderson@airc.gov.au