



FAIR WORK
AUSTRALIA

1 March 2011

Mr Steve Dargavel
State Secretary
“Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union”
known as the Australian Manufacturing Workers’ Union (AMWU)
Victorian Branch
PO Box 12321 A’Beckett Street
MELBOURNE VIC 8006

Dear Mr Dargavel

Financial report for year ended 30 September 2010 – FR2010/2797
Fair Work (Registered Organisations) Act 2009 – (RO Act)

I acknowledge receipt of the financial report for year ended 30 September 2010 for the Victorian Branch of the “Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union” known as the Australian Manufacturing Workers’ Union (AMWU). The document was lodged with Fair Work Australia (FWA) on 25 February 2010.

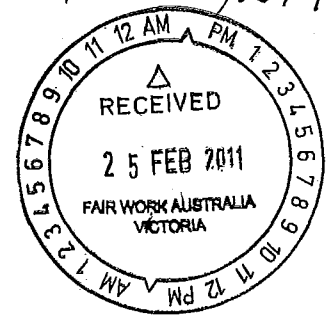
The financial report has been filed.

If you have any queries regarding this letter please do not hesitate to contact me on (03) 8661 7989 (Tuesdays – Fridays) or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

Cynthia Lo-Booth
Tribunal Services and Organisations

FR 2010/2797



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

VICTORIAN BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

VICTORIAN BRANCH

OPERATING REPORT

The State Council, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Victorian Branch for the financial year ended 30 September 2010

Review of the State's Principal Activities

The AFMEPKIU's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes in Principal Activities

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

Results of Principal Activities

The AFMEPKIU Victorian State Branch's principal activities resulted in a surplus for the financial year of \$141,635.

Significant Changes in Financial Affairs

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

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OPERATING REPORT (cont'd)

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

- (a) Where the member ceases to be eligible to become a member of the organisation:
 - (i) On the day on which the notice is received by the organisation; or
 - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (b) In any other case:
 - (i) At the end of two weeks, after the notice is received by the organisation; or
 - (ii) On the day specified in the notice;

whichever is later.

Any dues payable but not paid by a former member of the organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

A notice delivered to the State Secretary shall be taken to have been received by the organisation when it is delivered.

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Nothing in Rule 43(8) of the AFMEPKIU Rules interferes with a member's right to resign from the union as set out under section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

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OPERATING REPORT (cont'd)

State Officers or Members who are Trustees of a Superannuation Entity

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

Name of officer or member	Superannuation Fund	Position Held
Ian Jalocha	Ford Employees Superannuation Fund	Policy Committee-Member Representative
Wayne Moore	Ford Employees Superannuation Fund	Policy Committee-Member Representative
Emma Stafrace	Ford Employees Superannuation Fund	Policy Committee-Member Representative
Steffan Verescuk	Ford Employees Superannuation Fund	Policy Committee-Member Representative
Tony Whelan	Ford Employees Superannuation Fund	Policy Committee-Member Representative
Paul Polistena	Toyota Employees Superannuation Trust	Trustee/Director-Member Representative
Mahavidanalage Pirganya Gunarathe	Toyota Employees Superannuation Trust	Trustee/Director-Member Representative
Joe Xerri	Toyota Employees Superannuation Trust	Trustee/Director-Member Representative
Eddy DeGeest	Holden Employees Superannuation Fund	Trustee/Director-Member Representative

Other Relevant Information

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

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

- (a) The number of persons who were recorded in the register of members on 30 September 2010 was 40,963.
- (b) The number of persons who were employees of the reporting unit on 30 September 2010 was 87.1, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.

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(c) The name of each person who has been a member of State Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period Position Held
T Adolphe	1 October 2009 to 30 April 2010
A Anderson	1 October 2009 to 30 April 2010
J Bellerby	1 October 2009 to 30 September 2010
Y Bicknell	30 April 2010 to 30 September 2010
S Birch	1 October 2009 to 30 April 2010
D Bonar	9 March 2010 to 30 September 2010
S Botica	1 October 2009 to 30 April 2010
A Bradshaw	1 October 2009 to 30 April 2010
C Breen	1 October 2009 to 30 April 2010
G Brown	30 April 2010 to 30 September 2010
J Brown	1 October 2009 to 30 September 2010
A Buhagiar	1 October 2009 to 30 April 2010
S Carnie	30 April 2010 to 30 September 2010
J Cini	30 April 2010 to 30 September 2010
C L Cleave	1 October 2009 to 30 September 2010
S J Coe	30 April 2010 to 30 September 2010
M Cohen	30 April 2010 to 30 September 2010
D Corben	30 April 2010 to 30 September 2010
J Cooper	1 October 2009 to 30 April 2010
N Corbett	1 October 2009 to 30 September 2010
S Dargavel	1 October 2009 to 30 September 2010
K DeGraaff	30 April 2010 to 30 September 2010
E DeGeest	1 October 2009 to 30 September 2010
L Diehm	1 October 2009 to 30 September 2010
P Difelice	1 October 2009 to 30 September 2010
S Dodd	1 October 2009 to 30 September 2010
P Douglas	1 October 2009 to 30 September 2010
A Dudi	1 October 2009 to 30 April 2010
J Eaton	1 October 2009 to 30 April 2010
S P Ernst	1 October 2009 to 30 April 2010
S Evans	1 October 2009 to 30 April 2010
F Fairley	1 October 2009 to 30 September 2010
L Farrugia	1 October 2009 to 30 September 2010
C Gibbs	1 October 2009 to 30 September 2010
D Grayland	1 October 2009 to 30 April 2010
T Hale	1 October 2009 to 30 September 2010
A M Hynds	1 October 2009 to 30 April 2010
P A James	1 October 2009 to 30 September 2010
I P Johnson	1 October 2009 to 30 April 2010
V Jose	1 October 2009 to 30 September 2010
C Kelly	30 April 2010 to 30 September 2010
B Kerrigan	30 April 2010 to 30 September 2010
D P King	1 October 2009 to 30 April 2010

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W Klempel	30 April 2010 to 30 September 2010
J Lekkes	1 October 2009 to 30 April 2010
A P Lenne	1 October 2009 to 30 September 2010
C Louis	1 October 2009 to 30 April 2010
L Malgeri	1 October 2009 to 30 April 2010
S Mansour	1 October 2009 to 30 April 2010
C Marshall	1 October 2009 to 30 September 2010
M S J Matthews	1 October 2009 to 9 March 2010
T Mavromatis	1 October 2009 to 30 September 2010
A D Mayne	1 October 2009 to 30 September 2010
A McCarthy	1 October 2009 to 30 September 2010
K A McCarthy	1 October 2009 to 30 September 2010
P Mikronis	9 March 2010 to 30 September 2010
B Morgan	9 March 2010 to 30 September 2010
D Nguyen	30 April 2010 to 30 September 2010
D E Nunns	1 October 2009 to 30 September 2010
K H Osborne	1 October 2009 to 30 September 2010
C Pandolfo	1 October 2009 to 30 September 2010
J G Parker	1 October 2009 to 19 December 2009
M Peacock	1 October 2009 to 30 April 2010
R Portelli	1 October 2009 to 30 September 2010
L Reedman	1 October 2009 to 30 April 2010
D Roach	1 October 2009 to 30 April 2010
M Rob	9 March 2010 to 30 September 2010
G Robb	1 October 2009 to 30 September 2010
A Saliba	1 October 2009 to 30 September 2010
B R Sexton	1 October 2009 to 30 September 2010
C Spindler	1 October 2009 to 30 September 2010
M Spyker	1 October 2009 to 30 September 2010
M Terry	1 October 2009 to 30 September 2010
A Thomas	30 April 2010 to 30 September 2010
M Villani	1 October 2009 to 30 April 2010
C Voogt	1 October 2009 to 30 September 2010
D Walmsley	30 April 2010 to 30 September 2010
P Walsh	1 October 2009 to 30 April 2010
G Warren	1 October 2009 to 30 April 2010
J Zwart	1 October 2009 to 30 September 2010

OPERATING REPORT (cont'd)

Signed in accordance with a resolution of State Council

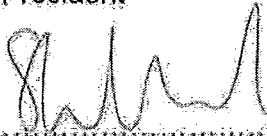
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UNION**

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Chris Cleave

State President



Steve Dargavel

State Secretary

December 8th 2010

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

VICTORIAN BRANCH


COMMITTEE OF MANAGEMENT'S STATEMENT

On December 8th 2010 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the State Council for the year ended 30 September 2010.

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;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (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 2010;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 September 2010 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders for inspection of the financial records have been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) during the financial year ended 30 September 2010 the Victorian State Council did not participate in any recovery of wages activity

For the Victorian State Council:



Steve Dargavel
State Secretary
December 8th 2010

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2010**

	No te	2010 \$	2009 \$
INCOME			
Remittances from National Council			
- General Fund		2,704,426	2,217,053
- Local Purpose Allocation		-	14,320
Interest Received		<u>786</u>	<u>552</u>
TOTAL INCOME		<u>2,705,212</u>	<u>2,231,925</u>
EXPENDITURE			
Affiliation Fees		276,701	265,887
Bank Charges		1,402	1,295
Computing		547	29
Conference & Meeting Expenses		62,574	17,107
Conference & Meeting Fees & Allowances		4,696	606
Delegation/Employee Expenses – Officer Holders		103,699	114,104
Delegation/Employee Expenses – Other Employees		59,214	28,736
Delegation Expenses - Members		178,737	153,995
Donations		6,890	28,018
Freight		326	1,929
General Office Expenses		86,036	91,941
Insurance		122,939	160,107
Meeting Expenses		-	-
Membership Cards		-	-
Motor Vehicle Expenses		364,157	389,749
Newsletter Expenses		5,101	7,351
Payroll Tax		302,902	319,990
Photocopying		50,521	67,635
Postage		50,072	64,568
Printing		17,991	19,276
Publicity		55,708	49,440
Professional Services	4	658,474	484,484
Rent		-	-
Research		29,884	29,536
Salaries		23,406	5,175
Stationery		35,020	38,766
Telephone		<u>66,580</u>	<u>174,016</u>
TOTAL EXPENDITURE		<u>2,563,577</u>	<u>2,513,740</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>141,635</u>	<u>(281,815)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>

(The attached notes form part of the financial report)

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

VICTORIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010**

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	101,019	12,137
Receivables	6	<u>12,329</u>	<u>11,890</u>
Total Current Assets		<u>113,348</u>	<u>24,027</u>
TOTAL ASSETS		<u>113,348</u>	<u>24,027</u>
TOTAL LIABILITIES			
Trade and other payables	7	<u>93,191</u>	<u>145,505</u>
NET ASSETS/ (LIABILITIES)		<u>20,157</u>	<u>(121,478)</u>
ACCUMULATED FUNDS/ (LOSSES)		<u>20,157</u>	<u>(121,478)</u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Accumulated Funds (Losses) \$
Balance at 30 September 2008	160,337
Net Surplus (Deficit) for the Year	(281,815)
Total Comprehensive Income for the Year	<u> </u>
Balance at 30 September 2009	<u>(121,478)</u>
Net Surplus (Deficit) for the Year	141,635
Total Comprehensive Income for the Year	<u> </u>
Balance at 30 September 2010	<u>20,157</u>

(The attached notes form part of the financial report)

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council			
-General Fund		2,569,232	2,342,283
-Local Purpose Allocation		-	14,320
Interest Received		786	552
Payments to Suppliers and Employees		<u>(2,481,136)</u>	<u>(2,380,037)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	8(b)	<u>88,882</u>	<u>(22,882)</u>
NET INCREASE (DECREASE) IN CASH HELD		88,882	(22,882)
Cash at Beginning of Year		<u>12,137</u>	<u>35,019</u>
CASH AT END OF YEAR	8(a)	<u>101,019</u>	<u>12,137</u>

(The attached notes form part of the financial report)

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch is a Branch of the registered organisation. 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 the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

a) (i) **Revenue**

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

(ii) **Expenditure**

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

(iii) **Employee Entitlements**

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

(iv) **Property, Plant and Equipment**

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

(v) **Income Tax**

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

(vi) **Accounting Standards Issued But Not Yet Effective**

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

(vii) **Goods and Services Tax (GST)**

Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

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

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

VICTORIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Going Concern Basis of Accounting

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

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

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 Victorian Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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

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

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

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

- 1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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 2010 (Cont'd)

	2010 \$	2009 \$
4. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report - 2008		9,573
- Auditing the financial report - 2009	10,973	-
- Auditing the financial report - 2010	10,500	-
- Other Services		
	<u>21,473</u>	<u>9,573</u>
Legal Expenses	<u>637,001</u>	<u>474,911</u>
	<u>658,474</u>	<u>484,484</u>
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>101,019</u>	<u>12,137</u>
6. RECEIVABLES		
Net amount receivable - National Council	12,329	11,890
Sundry Debtors	-	-
	<u>12,329</u>	<u>11,890</u>
7. TRADE AND OTHER PAYABLES		
Trade and other payables		
Accruals	<u>93,191</u>	<u>145,505</u>
	<u>93,191</u>	<u>145,505</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

	2010 \$	2009 \$
8. CASH FLOW INFORMATION		
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank	<u>101,019</u>	<u>12,137</u>
(b) Reconciliation of Cash Flow from Operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	130,260	(281,815)
Changes in Assets and Liabilities		
(Increase) Decrease in Receivables	(439)	113,428
Increase/(Decrease) in Payables	(40,939)	145,505
CASH FLOWS FROM OPERATIONS	<u>88,882</u>	<u>(22,882)</u>

9. RELATED PARTIES

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is included in the National Council's Financial Report.
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) The ultimate controlling entity of the Branch is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council.
- (e) Transactions with Ultimate Controlling Entity
 - (i) Remittances from National Council are disclosed in the statement of comprehensive income.
 - (ii) Net Amounts Receivable from the National Office are as follows:

	2010 \$	2009 \$
Net amount receivable - National Office	<u>12,329</u>	<u>11,890</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

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

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The State Council have overall responsibility for the determination of the Branch's risk management objectives and policies.

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2010	2009
	\$	\$
Cash and cash equivalents	<u>101,019</u>	<u>12,137</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council	12,329	11,890
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>12,329</u>	<u>11,890</u>

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

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(c) *Liquidity Risk*

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

The Branch is not significantly exposed to this risk; as at 30 September 2010 it had \$101,019 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2010 totalled \$93,191.

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

(d) *Market Risk*

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

(i) *Interest Rate Risk*

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

30 September 2010	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	101,019	-	101,019
Receivables	-	12,329	12,329
	<u>101,019</u>	<u>12,329</u>	<u>113,348</u>
Weighted average Interest rate	4.5%		
Financial Liabilities			
Payables	-	93,191	93,191
	<u>-</u>	<u>93,191</u>	<u>93,191</u>
Net Financial Assets (Liabilities)	<u>101,019</u>	<u>(80,862)</u>	<u>20,157</u>

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

VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(i) Interest Rate Risk (Cont'd)

30 September 2009	Floating interest rate	Non interest bearing	Total
Financial Assets			
	\$	\$	\$
Cash and cash equivalents	12,137	-	12,137
Receivables	-	11,890	11,890
	<u>12,137</u>	<u>11,890</u>	<u>24,027</u>
Weighted average Interest rate	0.15%		
Financial Liabilities			
Payables	-	145,505	145,505
	<u>-</u>	<u>145,505</u>	<u>145,505</u>
Net Financial Assets	<u>12,137</u>	<u>(133,615)</u>	<u>(121,478)</u>

Sensitivity Analysis

2010	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
	\$	\$	\$
Cash Assets	<u>101,019</u>	<u>N/A</u>	<u>N/A</u>
2009			
Cash Assets	<u>12,137</u>	<u>N/A</u>	<u>N/A</u>

(ii) Other Price Risks

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

(iii) Foreign Exchange Risk

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Cont'd)**

11. SUBSEQUENT EVENTS

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

12. CONTINGENT LIABILITIES

There is no significant contingent liability as at 30 September 2010.

13. ADDITIONAL BRANCH INFORMATION

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

Australian Manufacturing Workers Union
Level 1, 251 Queensberry Street
Carlton South VIC 3053

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

Level 32, 80 Collins Street
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VICTORIAN BRANCH

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INDEPENDENT AUDIT REPORT

WHK Horwath Melbourne
ABN 41 099 415 845

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

Member Crowe Horwath
International

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, Victorian Branch, which comprises the statement of financial position as at 30 September 2010, and the statement of comprehensive income, statement of changes in accumulated funds (losses) and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

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

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility 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. 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 the branch committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

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

VICTORIAN BRANCH

INDEPENDENT AUDIT REPORT (cont'd)

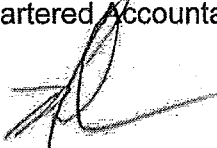
Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union, Victorian Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

WHK Horwath Melbourne
Chartered Accountants

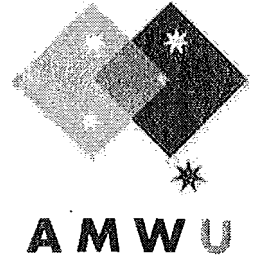
A handwritten signature in black ink, appearing to read "Peter Sexton", is written over the text "Chartered Accountants".

Peter Sexton
Partner
Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor # 85044
L17, 181 William Street, Melbourne Vic 3000

8 December 2010

Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



Victorian State Office

Level 1, 251 Queensberry Street, Carlton South VIC 3053
Post Office Box 12321 A'Beckett Street, Melbourne VIC 8006
Telephone: (03) 9230 5700 Fax: (03) 9230 5786

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

VICTORIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I Steve Dargavel, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Victorian State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members in the month of January 2011; 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 Victorian State Council on 9 February 2011, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

State Secretary
Steve Dargavel

A handwritten signature in black ink, appearing to read 'Steve Dargavel', written over a horizontal line.

Signature

- 9 FEB 2011

Date: 9 February 2011