



12 April 2014

Mr Steve Dargavel
Vic State Secretary

"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)-Victorian Branch
steven.dargavel@amwu.asn.au

Dear Mr Dargavel,

**"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)-Victorian Branch
Financial Report for the year ended 30 September 2013 - [FR2013/393]**

I acknowledge receipt of the financial report of the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)-Victorian Branch. The documents were lodged with the Fair Work Commission on 26 February 2014.

The financial report has now been filed. 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 the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report:

Revenue recognition

The Australian Accounting Standard AASB 101 Presentation of Financial Statements paragraph 117 and AASB 118: Revenue paragraph 35(a) requires that the entity must disclose the measurement basis or bases used in recognising revenue. The accounting policy for member subscriptions for the reporting unit has not been disclosed.

Key Management Personnel

General Purpose Financial Reports are required to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Disclosure of employee expenses/provisions to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office (item 17(f)) and employee expenses to other employees (item 17(g)).

The employee expense note to the financial statements has disclosed wages and salaries separately for officer holders and employees, but does not separately disclose superannuation, leave and other entitlements, separation and redundancies and other employee expenses provided for officers and employees.

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder benefits be detailed separately (refer to items 17(f), 17(g), 21(c) and 21(d)).

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

Please note that the financial report for the year ending 30 September 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7812 or via email at nick.salzberg@fwc.gov.au.

Yours sincerely



Nick Salzberg
Regulatory Compliance Branch
Fair Work Commission

Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)

Victorian State Office

1st Floor, 251Queensberry 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 between the dates 9th to 11th January 2014; 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 5th February 2014 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary
Steve Dargavel



Signature

Date 5 February 2014]

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INDUSTRIES UNION**

VICTORIAN BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

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

VICTORIAN BRANCH

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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 2013

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

During the year to 30 September 2013 the AFMEPKIU negotiated and registered 808 enterprise bargaining agreements nationally, 227 of which were from Victoria.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2013 the National Office improved award minimum rates for all workers, gained a significant increase for apprentices, and inserted new classifications, allowances and pay rates in some of the modern awards covering our members. The State Branch is responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU Victorian State Branch's principal activities resulted in a surplus for the financial year of \$32,591.

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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Statement of Salaries, Board Fees, Associated Entities and Key Relationships

Salaries

The AFMEPKIU Victorian State Branch's top five salary rates are as follows:

Level	Position	Per Annum
4	Organiser	\$74,880.00
5	Senior Organiser	\$78,618.80
6	Team Leader/Assistant State Secretary Level 1	\$82,581.20
7	Assistant State Secretary Level 2	\$88,337.60
8	State Secretary	\$93,511.60

Board Fees

Board Fees received by the AFMEPKIU Victorian State Branch on behalf of employees who are members of external boards, are as follows:

Organisation	Amount received
Co Invest Limited	\$31,806.00

Associated Entities

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

Key Relationships

The AFMEPKIU Victorian State Branch has developed key relationships over a long period with a number of suppliers of various goods and services. These relationships are conducted on normal commercial terms, and are periodically tested against market price:

Supplier	
Financial Services	Travel Services
ALLIANZ AUSTRALIA LIMITED	AMERICAN EXPRESS
COVERFORCE INSURANCE BROKING	QANTAS
CROWE HORWATH	
Legal Services	Vehicle Services
MAURICE BLACKBURN LAWYERS	ACTION MOTOR INDUSTRIES P/L
SLATER & GORDON LAWYERS	CUSTOM SERVICE LEASING LIMITED
Printing & Publicity Services	IT & Communications Services
ABSOLUTE OFFICE CENTRE	TELSTRA

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CAMPAIGN KITCHEN PTY LTD	
ESSENTIAL MEDIA COMMUNICATIONS	
FASHION CLUBWEAR	
G & G TRADE PUBLISHING & DISTRIBUTION	

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
Andrew G Hansen	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 2013 was 33,890.
- (b) The number of persons who were employees of the reporting unit on 30 September 2013 was 0.
- (c) The name of each person who has been a member of State Council, at any time during the reporting period, and the period for which he or she held such a position is

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as follows:

Name	Period Position Held
K. Adamjee	1 May 2013 to 30 September 2013
S. Andrews	1 May 2013 to 30 September 2013
J. Bellerby	1 October 2012 to 31 May 2013
S. Blackwell	1 May 2013 to 30 September 2013
J. Blackwell	1 May 2013 to 30 September 2013
C. Borg	1 May 2013 to 30 September 2013
C Breen	1 October 2012 to 1 May 2013
G Brown	1 October 2012 to 1 May 2013
P. Candy	1 May 2013 to 30 September 2013
C L Cleave	1 October 2012 to 30 September 2013
M Cohen	1 October 2012 to 30 September 2013
D Corben	1 October 2012 to 30 September 2013
S. Cruz	1 May 2013 to 30 September 2013
S Dargavel	1 October 2012 to 30 September 2013
E DeGeest	1 October 2012 to 30 September 2013
K DeGraaff	1 October 2011 to 1 May 2013
L Diehm	1 October 2012 to 30 September 2013
P Difelice	1 October 2012 to 30 September 2013
S Dodd	1 October 2012 to 30 September 2013
P Douglas	1 October 2011 to 31 May 2013
K. Doyle	1 May 2013 to 30 September 2013
A Dudi	1 October 2012 to 1 May 2013
D. Dwyer	1 May 2013 to 30 September 2013
C Ellis	1 October 2012 to 30 September 2013
L Farrugia	1 October 2012 to 1 May 2013
F Federici	1 October 2012 to 1 May 2013
C Gibbs	1 October 2012 to 30 September 2013
T Hale	1 October 2012 to 30 September 2013
J Herbertson	1 October 2012 to 30 September 2013
J James	1 October 2012 to 30 September 2013
V Jose	1 October 2012 to 30 September 2013
C Kelly	1 October 2012 to 30 September 2013
B Kerrigan	1 October 2012 to 30 September 2013
W Klempel	1 October 2012 to 1 May 2013
J. Lally	1 May 2013 to 30 September 2013
A P Lenne	1 October 2012 to 30 September 2013
N Machlouch	1 October 2012 to 30 September 2013
C Marshall	1 October 2012 to 30 September 2013
J Mathieson	1 October 2012 to 30 September 2013
T Mavromatis	1 October 2012 to 30 September 2013
A D Mayne	1 October 2012 to 30 September 2013
A McCarthy	1 October 2012 to 30 September 2013
K A McCarthy-Sexton	1 October 2012 to 30 September 2013
P Mikronis	1 October 2012 to 30 September 2013
T. Miller	1 May 2013 to 30 September 2013
A Moore	1 October 2012 to 30 September 2013
B Morgan	1 October 2012 to 30 September 2013
A Mulipola	1 May 2013 to 30 September 2013
F. Murtagh	1 May 2013 to 30 September 2013

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D Nguyen	1 October 2012 to 30 September 2013
K H Osborne	1 May 2013 to 30 September 2013
C Pandolfo	1 October 2012 to 30 September 2013
A Piccolo	1 October 2012 to 30 September 2013
C. Polihronopoulos	1 May 2013 to 30 September 2013
M Rob	1 October 2012 to 30 September 2013
B. Richardson	1 May 2013 to 30 September 2013
D. Rozario	1 May 2013 to 30 September 2013
B R Sexton	1 October 2012 to 30 September 2013
H Stewart	1 October 2012 to 3 May 2013
M Terry	1 October 2012 to 30 September 2013
B Thanas	1 October 2012 to 12 February 2013
A Thomas	1 October 2012 to 30 September 2013
D Walmsley	1 October 2012 to 30 May 2013
S. Wise	1 May 2013 to 30 September 2013
J Zwart	1 October 2012 to 30 September 2013

Officers & Employees Who are Directors of a Company or a Member of a Board

Name of officer or member	Company or Board	Principal Activities	Holds Position as Employee, or Nominated by State Branch or Peak Council
Steve Dargavel	Industry Capability Network	Network for Businesses and Suppliers to provide services for Projects.	Nominated
Steve Dargavel	UCover (Coverforce Pty Ltd)	Insurance Provider for Manufacturing Industry Workers.	Nominated
Leigh Diehm	Co Invest	Portable Long Service Leave scheme for the Construction Industry	Nominated

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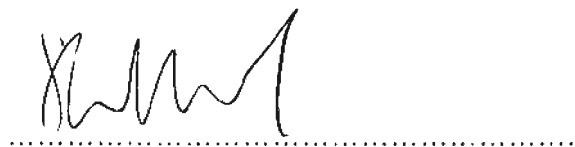
OPERATING REPORT (cont'd)

Signed in accordance with a resolution of State Council

A handwritten signature in black ink, appearing to read 'J. Zwart', written over a horizontal dotted line.

Jon Zwart

State President

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

Steve Dargavel

State Secretary

18 December 2013

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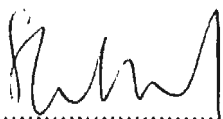
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COMMITTEE OF MANAGEMENT'S STATEMENT

On 18 December 2013 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 2013.

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 2013;
- (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 2013 and since the end of the financial year:
 - (i) meetings of the branch were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request by a member of the branch or General Manager of Fair Work Australia duly made under Section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records have been made by Fair Work Commission under section 273 of the RO Act; and
- (f) during the financial year ended 30 September 2013 the Victorian State Council did not participate in any recovery of wages activity



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Victorian Secretary – Steve Dargavel

18 December 2013

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 \$	2012 \$
INCOME			
Capitation Fees	4(a)	-	-
Levies	4(b)	-	-
Grants and/or Donations	4(c)	-	-
Membership Contributions	1(a)(i)	-	-
Remittances from National Council			
- General Fund		2,660,082	2,400,129
Interest Received		145	872
TOTAL INCOME		<u>2,660,227</u>	<u>2,401,001</u>
EXPENDITURE			
Affiliation Fees	5(b)	234,367	235,351
Bank Charges		663	751
Capitation Fees	5(a)	-	-
Consideration to employers for payroll deductions		-	-
Compulsory Levies	5(c)	-	-
Computing		315	49
Conference & Meeting Expenses - External		3,553	7,046
Conference & Meeting Expenses – Internal		96,110	15,194
Delegation/Employee Expenses – Officer Holders		67,879	132,991
Delegation/Employee Expenses – Other Employees		64,347	44,549
Delegation Expenses – Members		120,809	146,163
Donations		5,790	1,650
Employee Expenses	1(a)(iii)	-	-
Freight		450	401
General Office Expenses		87,324	94,143
Grants and/or Donations	5(d)	-	-
Insurance		57,144	52,954
Meeting Expenses		-	-
Membership Cards		-	-
Motor Vehicle Expenses		405,553	394,532
Newsletter Expenses		29,230	57,305
Payroll Tax		363,724	351,522
Penalties – via RO Act or RO Regulations		-	-
Photocopying		11,375	13,456
Postage		40,283	44,752
Printing		9,459	4,818
Publicity		142,826	77,075
Professional Services	6	730,465	642,690
Rent		-	-
Research		41,017	31,800
Stationery		24,259	27,694
Salaries - Agencies		29,822	11,400
Telephone		60,872	63,813
TOTAL EXPENDITURE		<u>2,627,636</u>	<u>2,452,099</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>32,591</u>	<u>(51,098)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,591	(51,098)

(The attached notes form part of the financial report)

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES
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VICTORIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

	Note	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	56,528	38,267
Receivables	8	1,524	1,427
Other assets	9	-	1,560
Total Current Assets		<u>58,052</u>	<u>41,254</u>
TOTAL ASSETS		<u>58,052</u>	<u>41,254</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	63,281	79,074
Employee Provisions	1(a)(iii)	-	-
Total Current Liabilities		<u>63,281</u>	<u>79,074</u>
TOTAL LIABILITIES		<u>63,281</u>	<u>79,074</u>
NET (LIABILITIES)		<u>(5,229)</u>	<u>(37,820)</u>
ACCUMULATED LOSSES		<u>(5,229)</u>	<u>(37,820)</u>

(The attached notes form part of the financial report)

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VICTORIAN BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	Accumulated Funds (Losses) \$
Balance at 30 September 2011	13,278
Net Deficit for the Year	(51,098)
Other Comprehensive Income for the Year	<u>-</u>
Balance at 30 September 2012	<u>(37,820)</u>
Net Surplus (Deficit) for the Year	32,591
Other Comprehensive Income for the Year	<u>-</u>
Balance at 30 September 2013	<u>(5,229)</u>

(The attached notes form part of the financial report)

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UNION**

VICTORIAN BRANCH

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	11(c)	2,659,985	2,926,562
Interest Received	11(c)	145	872
Payments to Suppliers and Employees	11(c)	<u>(2,641,869)</u>	<u>(2,962,200)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	11(b)	<u>18,261</u>	<u>(34,766)</u>
NET INCREASE (DECREASE) IN CASH HELD		18,261	(34,766)
Cash at Beginning of Year		<u>38,267</u>	<u>73,033</u>
CASH AT END OF YEAR	11(a)	<u>56,528</u>	<u>38,267</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 2013

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the state council have prepared a full set of financial statements with all disclosures requirements. In the prior year the state council had early adopted Australian Accounting Standards – Reduced Disclosure Requirements but this is no longer permissible. This has had no material impact on amounts recognised in the financial statements and related notes because it merely requires more detailed note disclosures on financial risk management than if these financial statements were prepared using Australian Accounting Standards – Reduced Disclosure Requirements.

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. 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 2013 (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) Membership Contributions

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (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 judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The 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 judgments 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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VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

	2013	2012
	\$	\$
INCOME		
4a. Capitation Fees	-	-
	<u>-</u>	<u>-</u>
4b. Levies	-	-
	<u>-</u>	<u>-</u>
4c. Grants and/or Donations		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE		
5a. Capitation Fees	-	-
	<u>-</u>	<u>-</u>
5b. Affiliation Fees		
3CR Community Radio	2,976	2,918
Australian Anti Bases Campaign	-	200
Australian Asia Workers Links	909	909
C.I.C.D.	136	136
Combined Pensioners Association	45	45
Council of the Ageing	100	100
Injured Workers Group Inc.	109	109
Ballarat Trades & Labour Council	6,881	6,881
Bendigo Trades & Labour Council	2,516	1,887
Geelong Trades & Labour Council	42,073	24,945
Gippsland Trades & Labour Council	3,309	2,364
Goulburn Valley Trades & Labour Council	3,900	3,120
Mallee Murray Trades & Labour Council	(630)	-
North East Trades & Labour Council	1,968	1,968
South West Trades & Labour Council	1,177	784
Sunraysia Trades & Labour Council	840	570
Victorian Trades Hall Council	168,058	188,415
	<u>234,367</u>	<u>235,351</u>
5c. Compulsory Levies	-	-
	<u>-</u>	<u>-</u>
5d. Grants and/or Donations		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>

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VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

	2013	2012
	\$	\$
6. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report	12,000	11,525
- Other Services	<u>-</u>	<u>-</u>
Legal Costs		
Litigation	718,465	631,165
Other Legal Matters	<u>-</u>	<u>-</u>
	<u>730,465</u>	<u>642,690</u>
7. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>56,528</u>	<u>38,267</u>
8. RECEIVABLES		
Receivable from other reporting units		
Net amount receivable - National Council	1,524	1,427
Less Provision for Doubtful Debts	<u>-</u>	<u>-</u>
	<u>1,524</u>	<u>1,427</u>
Other Receivables		
Sundry Debtors	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
9. OTHER ASSETS		
Prepayments	<u>-</u>	<u>1,560</u>
10. TRADE AND OTHER PAYABLES		
Trade and other payables	63,281	79,074
Other payables – Legal Costs	-	-
Other payables – Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	-
Sundry Creditors	<u>-</u>	<u>-</u>
	<u>63,281</u>	<u>79,074</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

	2013 \$	2012 \$
11. CASH FLOW		
(a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank	<u>56,528</u>	<u>38,267</u>
(b) Reconciliation of Cash Flow from Operations with Net Surplus (Deficit)		
Net Surplus (Deficit)	32,591	(51,098)
Changes in Assets and Liabilities		
Decrease/(Increase) in Receivables	1,463	(1,253)
(Decrease)/Increase in Payables	(15,793)	17,585
CASH FLOWS FROM OPERATIONS	<u>18,261</u>	<u>(34,766)</u>
(c) CASH FLOW INFORMATION – Reporting Units		
Cash inflows		
Remittances from National Council	2,659,985	2,926,562
Interest Received	145	872
	<u>2,660,130</u>	<u>2,927,434</u>
Cash outflows	<u>2,641,869</u>	<u>2,962,200</u>

12. 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

12. RELATED PARTIES (Cont'd)

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

	2013	2012
	\$	\$
Net amount receivable - National Office	<u>1,524</u>	<u>1,427</u>

13. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

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

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

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

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

(b) *Credit Risk*

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

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

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VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

13. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit Risk (Cont'd)

	2013	2012
	\$	\$
Cash and cash equivalents	56,528	38,267
	<u>56,528</u>	<u>38,267</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council	1,524	1,427
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>1,524</u>	<u>1,427</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.

(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 2013 it had \$56,528 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2013 totalled \$63,281

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

(d) Market Risk

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

(e) Interest Rate Risk

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

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

13. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk (Cont'd)

30 September 2013	Floating interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	56,528	-	56,528
Receivables	-	1,524	1,524
	<u>56,528</u>	<u>1,524</u>	<u>58,052</u>
Weighted average Interest rate	0.1%	-	0.1%
Financial Liabilities			
Payables	-	(63,281)	(63,281)
	<u>-</u>	<u>(63,281)</u>	<u>(63,281)</u>
Net Financial Assets (Liabilities)	<u>56,528</u>	<u>(61,757)</u>	<u>(5,229)</u>
30 September 2012	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	38,267	-	38,267
Receivables	-	1,427	1,427
	<u>38,267</u>	<u>1,427</u>	<u>38,267</u>
Weighted average Interest rate	0.2%	-	0.2%
Financial Liabilities			
Payables	-	(79,074)	(79,074)
	<u>-</u>	<u>(79,074)</u>	<u>(79,074)</u>
Net Financial Assets	<u>38,267</u>	<u>(77,647)</u>	<u>39,380</u>

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VICTORIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013 (Cont'd)

13. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity Analysis

2013	Carrying Amount	+2% (0.2 basis points) Profit	-2% (0.2 basis points) Loss
Cash Assets	\$ 56,528	\$ 1,131	\$ (1,131)
2012			
Cash Assets	38,267	765	(765)

(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.

14. SUBSEQUENT EVENTS

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

15. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities, assets or commitments at 30 September 2013.

**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 2013 (Cont'd)**

16. KEY MANAGEMENT PERSONNEL COMPENSATION

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

17. ADDITIONAL BRANCH INFORMATION

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

Level 1
251 Queensberry Street
Carlton South Vic 3053

INDEPENDENT AUDITOR'S REPORT

To the members of Australian Manufacturing Workers Union Victorian Branch

We have audited the accompanying financial report of Australian Manufacturing Workers Union Victorian Branch, which comprises the statement of financial position as at 30 September 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management's statement.

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 of Management and the Branch Secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Australian Manufacturing Workers Union Victorian Branch as at 30 September 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Crowe Horwath Melbourne

Crowe Horwath Melbourne
Chartered Accountants



Gordon Robertson

Partner

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

MELBOURNE VIC 3000

18 December 2013