



12 March 2015

Mr Steve Dargavel  
Secretary

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

cc: Mr Gordon Robertson, Crowe Horvath Melbourne, email: [melbourne@crowehorvath.com.au](mailto:melbourne@crowehorvath.com.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 2014 [FR2014/366]**

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 17 February 2015.

The financial report has now been filed.

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 2015 may be subject to an advanced compliance review.

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.

**Going concern**

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's report a declaration that as part of the audit of the financial statements they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's report. Please ensure that the declaration is included in future years.

## Reporting requirements

A number of factsheets in relation to the financial reporting process and associated timelines are available on the FWC website. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7942 or by email at [rebecca.lee@fwc.gov.au](mailto:rebecca.lee@fwc.gov.au).

Yours sincerely,



Rebecca Lee  
Regulatory Compliance Branch

# Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



## Victorian State Office

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

## Finance Department

## 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 15 to 16 January 2015; 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 4 February 2015 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary  
Steve Dargavel

Signature

4/2/15

Date 4<sup>th</sup> February 2015

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

**VICTORIA BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2014**

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

VICTORIAN BRANCH

**CONTENTS**

	<b>Page</b>
Operating Report	1
Committee of Management Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Accumulated Funds (Losses)	11
Statement of Cash Flows	12
Notes to and forming part of the Accounts	13
Independent Audit Report	24

# **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 2014

#### **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 2014 the AFMEPKIU negotiated and registered 550 enterprise bargaining agreements nationally, 191 of which were from Victoria.

The AFMEPKIU's National Office is responsible for seeking to improve industrial awards covering our members. During the year ending 30 September 2014 the National Office improved award minimum rates for all workers, and was actively participating in the Fair Work Commission's review of Modern Awards. The State Branch is responsible for advising members in their State of these gains and ensuring members receive the appropriate wage.

The AFMEPKIU Victorian State Branch's principal activities resulted in a (deficit) for the financial year of \$(50,888).

#### **Significant Changes in Financial Affairs**

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

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

**VICTORIAN BRANCH**

**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.

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

**VICTORIAN BRANCH**

**OPERATING REPORT (cont'd)**

**Statement of Salaries, Board Fees, Associated Entities & Key Relationships**

Salaries

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

<b>Level</b>	<b>Position</b>	<b>Per Annum</b>
4	Organiser	\$77,799.80
5	Senior Organiser	\$81,684.20
6	Team Leader/Assistant State Secretary Level 1	\$85,802.60
7	Assistant State Secretary Level 2	\$91,782.60
8	State Secretary	\$97,159.40

The identity of the officers of the Victorian Branch who are the two highest paid in terms of relevant remuneration for the year ended 30 September 2014, are as follows:

<b>Position</b>	<b>Name</b>	<b>Relevant Remuneration</b>	<b>Non-Cash Benefits</b>
State Secretary	Steven Dargavel	\$113,156.96	Provision of a Motor Vehicle
Assistant State Secretary	Paul Difelice	\$112,459.47	Provision of a Motor Vehicle

Board Fees

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

<b>Organisation</b>	<b>Amount received</b>
Co Invest Limited	\$ 31,251.00

Associated Entities

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



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

## VICTORIAN BRANCH

### OPERATING REPORT (cont'd)

#### 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:

<b>Supplier</b>	
<b>Financial Services</b>	<b>Travel Services</b>
ALLIANZ AUSTRALIA LIMITED	AMERICAN EXPRESS
COVERFORCE INSURANCE BROKING	QANTAS
CROWE HORWATH	
<b>Legal Services</b>	<b>Vehicle Services</b>
MAURICE BLACKBURN LAWYERS	ACTION MOTOR INDUSTRIES P/L
SLATER & GORDON LAWYERS	CUSTOM SERVICE LEASING LIMITED
<b>Printing &amp; Publicity Services</b>	<b>IT &amp; Communications Services</b>
ABSOLUTE OFFICE CENTRE	TELSTRA
CAMPAIGN KITCHEN PTY LTD	
ESSENTIAL MEDIA COMMUNICATIONS	
FASHION CLUBWEAR	
G & G TRADE PUBLISHING & DISTRIBUTION	

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

**VICTORIAN BRANCH**

**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:

<b>Name of officer or member</b>	<b>Superannuation Fund</b>	<b>Position Held</b>
Alan Jalocha	Mercer Superannuation Fund	Policy Committee-Member Representative
Steffan Verescuk	Mercer Superannuation Fund	Policy Committee-Member Representative
Tony Whelan	Mercer Superannuation Fund	Policy Committee-Member Representative
Andrew G Hansen	Toyota Employees Superannuation Trust	Policy Committee-Member Representative
Mahavidanalage Pirganya Gunarathe	Toyota Employees Superannuation Trust	Policy Committee-Member Representative
Joe Xerri	Toyota Employees Superannuation Trust	Policy Committee-Member Representative
Chris Juresko	Holden Employees Superannuation Fund	Policy Committee-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 2014 was 31,075.
- (b) The number of persons who were employees of the reporting unit on 30 September 2014 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 as follows:

<b>Name</b>	<b>Period Position Held</b>
A. Anderson	7 July 2014 to 30 September 2014
K. Adamjee	1 October 2013 to 30 September 2014
D. Andrews	1 October 2013 to 30 September 2014

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

**VICTORIAN BRANCH**

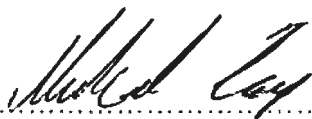
S. Blackwell	1 October 2013 to 30 September 2014
J. Blackwell	1 October 2013 to 30 September 2014
C. Borg	1 October 2013 to 30 September 2014
P. Candy	1 October 2013 to 30 September 2014
C L Cleave	1 October 2013 to 30 September 2014
M Cohen	1 October 2013 to 13 August 2014
D Corben	1 October 2013 to 30 September 2014
D. Cachia	11 June 2014 to 30 September 2014
S. Cruz	1 October 2013 to 27 September 2014
S Dargavel	1 October 2013 to 30 September 2014
E DeGeest	1 October 2013 to 9 December 2013
L Diehm	1 October 2013 to 6 December 2013
P Difelice	1 October 2013 to 30 September 2014
I. Dishot	1 October 2013 to 30 September 2014
S Dodd	1 October 2013 to 30 September 2014
K. Doyle	1 October 2013 to 30 September 2014
D. Dwyer	1 October 2013 to 30 September 2014
C Ellis	1 October 2013 to 30 September 2014
D. Ewert	7 July 2014 to 30 September 2014
C Gibbs	1 October 2013 to 29 May 2014
T Hale	1 October 2013 to 30 September 2014
J Herbertson	1 October 2013 to 30 September 2014
J James	1 October 2013 to 30 September 2014
V Jose	1 October 2013 to 30 September 2014
C. Juresko	7 July 2014 to 30 September 2014
C Kelly	1 October 2013 to 30 September 2014
B Kerrigan	1 October 2013 to 30 September 2014
J. Lally	1 October 2013 to 30 September 2014
A P Lenne	1 October 2013 to 30 September 2014
N Machlouch	1 October 2013 to 9 December 2013
C Marshall	1 October 2013 to 10 June 2014
J Mathieson	1 October 2013 to 30 September 2014
T Mavromatis	1 October 2013 to 30 September 2014
A D Mayne	1 October 2013 to 1 October 2013
A McCarthy	1 October 2013 to 30 September 2014
K A McCarthy-Sexton	1 October 2013 to 7 July 2014
P Mikronis	1 October 2013 to 30 September 2014
T. Miller	1 October 2013 to 22 August 2014
B Morgan	1 October 2013 to 30 September 2014
A Mulipola	1 October 2013 to 30 September 2014

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

**VICTORIAN BRANCH**

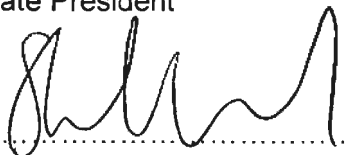
F. Murtagh	1 October 2013 to 30 September 2014
D Nguyen	1 October 2013 to 21 March 2014
K H Osborne	1 October 2013 to 27 June 2014
C Pandolfo	1 October 2013 to 30 September 2014
V. Peppi	7 July 2014 to 30 September 2014
A Piccolo	1 October 2013 to 30 September 2014
C. Polihronopoulos	1 October 2013 to 30 September 2014
P. Retell	7 July 2014 to 30 September 2014
M Rob	1 October 2013 to 30 September 2014
B. Richardson	1 October 2013 to 8 January 2014
D. Rozario	1 October 2013 to 30 September 2014
B R Sexton	1 October 2013 to 7 July 2014
M Terry	1 October 2013 to 30 September 2014
A Thomas	1 October 2013 to 30 September 2014
S. Wise	1 October 2013 to 30 September 2014
L. White	7 July 2014 to 30 September 2014
J Zwart	1 October 2013 to 4 July 2014

Signed in accordance with a resolution of State Council



Michael Terry

State President



Steve Dargavel

State Secretary

3<sup>rd</sup> December 2014

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

**VICTORIAN BRANCH**


**COMMITTEE OF MANAGEMENT'S STATEMENT**

On 3<sup>rd</sup> December 2014 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 2014.

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 2014;
- (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 2014 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) as 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.
- (f) during the financial year ended 30 September 2014 the Victorian State Council did not participate in any recovery of wages activity

This declaration is made in accordance with a resolution of the Victorian State Council:



.....

Victorian Secretary – Steve Dargavel

3<sup>rd</sup> December 2014

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

**VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 SEPTEMBER 2014**

	Note	2014 \$	2013 \$
<b>INCOME</b>			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations			
Membership Contributions	1(a)(i)	-	-
Remittances from National Council General Fund		1,873,794	2,660,082
Board Fees		31,251	31,806
Interest Received		39	145
<b>TOTAL INCOME</b>		<u>1,905,084</u>	<u>2,692,033</u>
<b>EXPENDITURE</b>			
Affiliation Fees	4(a)	219,840	234,367
Bank Charges		597	663
Capitation Fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory Levies		-	-
Computing		2,905	315
Conference & Meeting Expenses - External		1,714	3,553
Conference & Meeting Expenses – Internal		24,022	96,110
Delegation/Employee Expenses – Officer Holders		95,520	99,685
Delegation/Employee Expenses – Other Employees		85,721	64,347
Delegation Expenses – Members		112,639	120,809
Employee Expenses	1(a)(ii)(iii)	1,498	29,822
Freight		322	450
General Office Expenses		71,536	87,324
Grants or Donations	4(b)	4,023	5,790
Insurance		51,079	57,144
Motor Vehicle Expenses		394,211	405,553
Newsletter Expenses		35,647	29,230
Payroll Tax		350,375	363,724
Penalties – via RO Act or RO Regulations		-	-
Photocopying		6,734	11,375
Postage		45,107	40,283
Printing		12,882	9,459
Publicity		116,466	142,826
Professional Services	5	231,690	730,465
Research		11,175	41,017
Stationery		25,554	24,259
Telephone		54,715	60,872
<b>TOTAL EXPENDITURE</b>		<u>1,955,972</u>	<u>2,659,442</u>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<u>(50,888)</u>	<u>32,591</u>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<u>(50,888)</u>	<u>32,591</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 2014**

	<b>Note</b>	<b>2014</b> \$	<b>2013</b> \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	94,099	56,528
Receivables	7	<u>1,623</u>	<u>1,524</u>
<b>Total Current Assets</b>		<u>95,722</u>	<u>58,052</u>
<b>TOTAL ASSETS</b>		<u>95,722</u>	<u>58,052</u>
<b>TOTAL LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	151,839	63,281
Employee Provisions	1(a)(iii)	<u>-</u>	<u>-</u>
<b>NET LIABILITIES</b>		<u>(56,117)</u>	<u>(5,229)</u>
<b>ACCUMULATED LOSSES</b>		<u>(56,117)</u>	<u>(5,229)</u>

(The attached notes form part of the financial report)

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

**VICTORIAN BRANCH**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 SEPTEMBER 2014**

	<b>Accumulated Funds (Losses) \$</b>
<b>Balance at 30 September 2012</b>	(37,820)
Net Surplus for the Year	32,591
Total Comprehensive Income for the Year	<u>-</u>
<b>Balance at 30 September 2013</b>	<u>(5,229)</u>
Net Deficit for the Year	(50,888)
Total Comprehensive Income for the Year	<u>-</u>
<b>Balance at 30 September 2014</b>	<u>(56,117)</u>

(The attached notes form part of the financial report)



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

**VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 SEPTEMBER 2014**

	<b>Note</b>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Remittances from National Council	9(c)	1,873,695	2,659,985
Interest Received		39	145
Payments to Suppliers and Employees	9(c)	<u>(1,836,163)</u>	<u>(2,641,869)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	9(b)	<u>37,571</u>	<u>18,261</u>
<b>NET INCREASE IN CASH HELD</b>		37,571	18,261
Cash at Beginning of Year		<u>56,528</u>	<u>38,267</u>
<b>CASH AT END OF YEAR</b>	9(a)	<u>94,099</u>	<u>56,528</u>

(The attached notes form part of the financial report)

# **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 2014**

#### **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 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.

# **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 2014**

#### **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.

**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 2014**

**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.

**c) Economic Dependency**

The Victorian Branch is dependent upon the ongoing receipt of remittances from the National Office. At the date of this report management has no reason to believe that this financial support will not continue.

**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.

**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 2014**

**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)

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>4a. Affiliation Fees</b>		
3CR Community Radio	3,056	2,976
Australian Anti Bases Campaign	200	-
Australian Asia Workers Links	909	909
C.I.C.D.	136	136
Combined Pensioners Association	45	45
Council of Ageing	100	100
Injured Workers Group Inc.	-	109
Ballarat Trade & Labour Council	7,053	6,881
Bendigo Trades & Labour Council	2,515	2,516
Geelong Trades & Labour Council	28,232	42,073
Gippsland Trades & Labour Council	2,482	3,309
Goulburn Valley Trades & Labour Council	3,120	3,900
Mallee Murray Trade & Labour Council	-	(630)
North East Trades & Labour Council	2,263	1,968
South West Trades & Labour Council	1,177	1,177
Sunraysia Trades & Labour Council	210	840
Victorian Trades Hall Council	168,342	168,058
	<u>219,840</u>	<u>234,367</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 2014**

	2014 \$	2013 \$
<b>4b. Grants or Donations</b>		
Grants	4,023	5,790
Donations	-	-
	<u>4,023</u>	<u>5,790</u>
<b>Grants or Donations over \$1,000 Recipient</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations over \$1,000</b>	<u>-</u>	<u>-</u>
<b>5. PROFESSIONAL SERVICES</b>		
Auditors - Auditing the financial report	12,600	12,000
- Other Services	-	-
	<u>-</u>	<u>-</u>
<b>Legal Costs</b>		
Litigation	219,090	718,465
Other Legal Matters	-	-
	<u>-</u>	<u>-</u>
	<u>231,690</u>	<u>730,465</u>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	<u>94,099</u>	<u>56,528</u>
<b>7. RECEIVABLES</b>		
<b>Receivable from other reporting units</b>		
Net amount receivable - National Council	1,623	1,524
Less Provision for Doubtful Debts	-	-
	<u>1,623</u>	<u>1,524</u>
<b>Other Receivables</b>		
Sundry Debtors	-	-
	<u>-</u>	<u>-</u>
	<u>1,623</u>	<u>1,524</u>

2014

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 2014**

	\$	\$
<b>8. TRADE AND OTHER PAYABLES</b>		
Trade and other payables	151,839	63,281
Other payables – Legal Costs	-	-
Other payables – Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	-
Sundry Creditors	-	-
	<u>151,839</u>	<u>63,281</u>
<b>9. CASH FLOW</b>		
<b>(a)</b> 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>94,099</u>	<u>56,528</u>
<b>(b)</b> Reconciliation of Cash Flow from Operations with Net Surplus		
<b>Net Surplus/ (Deficit)</b>	(50,888)	32,591
<b>Changes in Assets and Liabilities</b>		
(Increase)/ Decrease in Receivables	(99)	1,463
Increase/(Decrease) in Payables	<u>88,558</u>	<u>(15,793)</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>37,571</u>	<u>18,261</u>
<b>(c) CASH FLOW INFORMATION – Reporting Units</b>		
Cash inflows		
Remittances from National Council	1,873,695	2,659,985
Interest	39	145
	<u>1,873,734</u>	<u>2,660,130</u>
Cash outflows	<u>1,836,163</u>	<u>2,641,869</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 2014**

**10. 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:

Net amount receivable - National Office	<u>1,623</u>	<u>1,524</u>
---	--------------	--------------

**11. 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.



**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 2014**

(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:

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>94,099</u>	<u>56,528</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council	1,623	1,524
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>1,623</u>	<u>1,524</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 2014 it had \$94,099 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2014 totalled \$151,839

The Branch manages liquidity risk by monitoring cash flows. Further the National Council has made an undertaking to provide financial support to the Branch (refer to note 1(c)).

(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).

**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 2014**

*(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:

<b>30 September 2014</b>	<b>Floating interest rate</b>	<b>Non interest Bearing</b>	<b>Total</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	94,099	-	94,099
Receivables	-	1,623	1,623
	<u>94,099</u>	<u>1,623</u>	<u>95,722</u>
Weighted average interest rate	0.1%	-	0.1%
<b>Financial Liabilities</b>			
Payables	-	(151,839)	(151,839)
<b>Net Financial Assets (Liabilities)</b>	<u>94,099</u>	<u>(150,216)</u>	<u>(56,117)</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 2014**

**11. FINANCIAL RISK MANAGEMENT (Cont'd)**  
*(e) Interest Rate Risk (Cont'd)*

<b>30 September 2013</b>	<b>Floating interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
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%
<b>Financial Liabilities</b>			
Payables	-	(63,281)	(63,281)
<b>Net Financial Assets (Liabilities)</b>	<u>56,528</u>	<u>(61,757)</u>	<u>(5,229)</u>

**Sensitivity Analysis**

<b>2014</b>	<b>Carrying Amount</b>	<b>+2% (0.2 basis points) Profit</b>	<b>-2% (0.2 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash Assets	<u>94,099</u>	<u>1,882</u>	<u>(1,882)</u>
<b>2013</b>			
Cash Assets	<u>56,528</u>	<u>1,131</u>	<u>(1,131)</u>

*(f) Other Price Risks*

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

*(g) Foreign Exchange Risk*

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

**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 2014**

**12. SUBSEQUENT EVENTS**

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

**13. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

There were no contingent liabilities, assets or commitments as at 30 September 2014.

**14. 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.

**15. 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 the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch.

We have audited the accompanying financial report of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch, which comprises the statement of financial position as at 30 September 2014, 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 the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch as at 30 September 2014, 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, Victoria**  
**Dated this 3 December 2014**