



1 March 2016

Mr Steve Dargavel
Vic State Secretary
Victorian Branch

"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the Australian Manufacturing Workers' Union (AMWU)

steven.dargavel@amwu.asn.au

CC: Crowe Horwath, Attn: John Gavens, by email: info@crowehorwath.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 2015 - [FR2015/353]**

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 16 February 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. Thank you for incorporating the comments in last year's filing letter.

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 2016 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8656 4698 or via email at catherine.bebbington@fwc.gov.au.

Kind regards

CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

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Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



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Finance Department

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

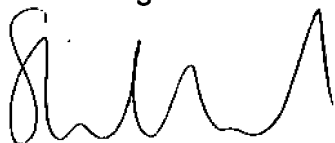
VICTORIAN STATE COUNCIL

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 on the AMWU website on 18 December 2015, and an article in the AMWU News advising the membership of the Full Report's availability was sent to members 13 January 2016.; 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 3 February 2016 accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,
Steve Dargavel



Signature

3 February, 2016

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

VICTORIAN BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

**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 2015

The operational name for the Automotive Food Metals Engineering Printing and Kindred Industries Union (AFMEPKIU) is the Australian Manufacturing Workers' Union (AMWU). The Union is a 'not for profit' entity, a registered organisation under Fair Work Act (2009).

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 on 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 2015 the AFMEPKIU negotiated and registered 319 enterprise bargaining agreements nationally, 90 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 2015 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 \$39,245.

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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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.

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VICTORIAN BRANCH

Statement of Salaries, Board Fees, Associated Entities, Key Relationships & Disclosure Statements

Salaries

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

Level	Position	Per Annum
4	Organiser	\$80,678.00
5	Senior Organiser	\$84,708.00
6	Team Leader/Assistant State Secretary Level 1	\$88,977.20
7	Assistant State Secretary Level 2	\$95,178.20
8	State Secretary	\$95,178.20

Note: AFMEPKIU base superannuation is paid at a range of between 10.5% and 12.5%, and annual leave loading is calculated at 17.5%. A maximum service increment of \$4,000.00 is payable to Officers with over 16 years of service.

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 2015, are as follows:

Position	Name	Salary & Super	Travel & Other Allowances	Non-Cash Benefits
State Secretary	Steve Dargavel	\$118,881.58	\$1,679.16	Provision of a Motor Vehicle
Assistant State Secretary	Tom Hale	\$117,881.56	\$1,370.16	Provision of a Motor Vehicle

The following Officers left the employment of the Victorian Branch during the year ended 30 September 2015 and, in addition to their base salary and allowances for the period worked, they received payment for their accrued Long Service Leave and/or Annual Leave entitlements and/or a separation package consistent with National Council policy:

Position	Name	Relevant Remuneration	Non-Cash Benefits
Organiser	Greg Warren	\$220,984.61	Provision of a Motor Vehicle
Organiser	Mark Solly	\$213,745.10	Provision of a Motor Vehicle
Organiser	Ian Thomas	\$183,536.43	Provision of a Motor Vehicle
Assistant State Secretary	Charlie Pandolfo	\$165,060.18	Provision of a Motor Vehicle

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VICTORIAN BRANCH

Board Fees

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

Organisation	Amount received
Co Invest Limited	\$34,842

Associated Entities

The AFMEPKIU Victorian 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	Carson Wagonlit Travel
Coverforce Insurance Broking	
Crowe Horwath	
Legal Services	Vehicle Services
Maurice Blackburn Lawyers	Summit Fleet Leasing & Management
Slater & Gordon Lawyers	Montvern Panemasters
Printing & Publicity Services	
Blue Gum Clothing Co Pty Ltd	
Campaign Kitchen	
Essential Media Communications	
Fashion Clubwear	
G & G Trade Publishing & Distribution	
Industrial Stationers	

Officers' Material Personal Interests

For the year ended 30 September 2015, the Officers of the AFMEPKIU Victorian State Branch have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2015, the AFMEPKIU VICTORIAN State Branch has made no reportable payments to any related party or declared person or body of the Union.

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:

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

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 2015 was 28,820.
- (b) The number of persons who were employees of the reporting unit on 30 September 2015 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:

Name	Period Position Held
K. Adamjee	1 October 2014 to 30 September 2015
A. Anderson	1 October 2014 to 30 September 2015
D. Andrews	1 October 2014 to 30 September 2015
S. Blackwell	1 October 2014 to 30 September 2015
J. Blackwell	1 October 2014 to 30 September 2015

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

VICTORIAN BRANCH


C. Borg	1 October 2014 to 30 September 2015
D. Borg	1 October 2014 to 30 September 2015
S. Brooks	1 July 2015 to 30 September 2015
G. Brown	1 July 2015 to 30 September 2015
D. Cachia	1 October 2014 to 30 September 2015
M. Callijah	1 July 2015 to 30 September 2015
P Candy	1 October 2014 to 30 September 2015
C.L. Cleave	1 October 2014 to 30 September 2015
Z. Cimbora	1 July 2015 to 30 September 2015
M. Cohen	1 October 2014 to 30 September 2015
D. Corben	1 October 2014 to 30 September 2015
J. Cummaudo	1 July 2015 to 30 September 2015
S. Dargavel	1 October 2014 to 30 September 2015
D. Darling	1 October 2014 to 27 January 2015
P. Difelice	1 October 2014 to 30 September 2015
S. Dodd	1 October 2014 to 30 September 2015
K. Doyle	1 October 2014 to 30 September 2015
D. Dwyer	1 October 2014 to 30 June 2015
C. Ellis	1 October 2014 to 30 September 2015
F. Federici	1 October 2014 to 1 May 2015
T. Hale	1 October 2014 to 30 September 2015
J. Herbertson	1 October 2014 to 30 June 2015
T. Hynds	1 October 2014 to 30 September 2015
J. James	1 October 2014 to 30 September 2015
V. Jose	1 October 2014 to 30 June 2015
C. Kelly	1 October 2014 to 30 September 2015
B. Kerrigan	1 October 2014 to 30 September 2015
P. Konaris	1 July 2015 to 30 September 2015
J. Lally	1 October 2014 to 1 July 2015
A.P. Lenne	1 October 2014 to 1 June 2015
J. Mathieson	1 October 2014 to 30 September 2015
T. Mavromatis	1 October 2014 to 30 September 2015
A. McCarthy	1 October 2014 to 30 September 2015
P. Mikronis	1 October 2014 to 30 September 2015
B. Morgan	1 October 2014 to 30 September 2015
A. Mulipola	1 October 2014 to 1 July 2015
F. Murtagh	1 October 2014 to 30 September 2015
C. O'Connor	1 July 2015 to 30 September 2015
C. Pandolfo	1 October 2014 to 30 June 2015
V. Peppi	1 October 2014 to 30 September 2015
A. Piccolo	1 October 2014 to 30 September 2015
C. Polihronopoulos	1 October 2014 to 1 July 2015
P. Retell	1 October 2014 to 30 September 2015
M. Rob	1 October 2014 to 30 September 2015
D. Rozario	1 October 2014 to 30 September 2015
M. Terry	1 October 2014 to 30 September 2015
A. Thomas	1 October 2014 to 30 September 2015
S. Wise	1 October 2014 to 30 September 2015
L. White	1 October 2014 to 30 September 2015
J. Zwart	1 October 2014 to 1 July 2015

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

VICTORIAN BRANCH


OPERATING REPORT (cont'd)

Signed in accordance with a resolution of State Council


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Dominic Rozario

State Vice President


.....

Steve Dargavel

State Secretary

4th December 2015

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

VICTORIAN BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 4th December 2015 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 2015.

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;
- (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 2015;
- (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 2015 and since the end of the financial year:
 - (i) meetings of the Branch committee of management 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 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 2015 the Branch 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

4th December 2015

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

**VICTORIAN BRANCH
STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 \$	2014 \$
INCOME			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions*	1(a)(i)	-	-
Remittances from National Council General Fund		2,012,176	1,873,794
Board Fees		34,842	31,251
Interest Received		34	39
TOTAL INCOME		<u>2,047,052</u>	<u>1,905,084</u>
EXPENDITURE			
Affiliation fees	4(a)	191,120	219,840
Bank charges		589	597
Capitation fees		-	-
Consideration to employers for payroll deductions*		-	-
Compulsory levies*		-	-
Computing		1,369	2,905
Conference & meeting expenses*		30,791	25,736
Delegation/employee expenses – office holders		113,121	95,520
Delegation/employee expenses – other employees		98,658	85,721
Delegation expenses – members		125,273	112,639
Employee expenses	1(a)(ii)(iii)	-	1,498
Fees/allowances – meeting and conferences*		-	-
Freight		342	322
General office expenses		68,735	71,536
Grants or donations*	4(b)	6,081	4,023
Insurance		63,606	51,079
Motor vehicle expenses		330,825	394,211
Newsletter expenses		76,030	35,647
Payroll tax		319,793	350,375
Penalties – via RO Act or RO Regulations*		-	-
Photocopying		8,587	6,734
Postage		36,035	45,107
Printing		5,836	12,882
Publicity		52,169	116,466
Professional services	5	372,162	231,690
Research		18,887	11,175
Stationery		23,285	25,554
Telephone		65,060	54,715
TOTAL EXPENDITURE		<u>2,007,807</u>	<u>1,955,972</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>39,245</u>	<u>(50,888)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>39,245</u>	<u>(50,888)</u>

The above statement should be read in conjunction with the notes

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

VICTORIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	23,806	94,099
Receivables	7	<u>-</u>	<u>1,623</u>
Total Current Assets		<u>23,806</u>	<u>95,722</u>
TOTAL ASSETS		<u>23,806</u>	<u>95,722</u>
TOTAL LIABILITIES			
Current Liabilities			
Trade and other payables	8	40,678	151,839
Employee provisions*	1(a)(iii)	<u>-</u>	<u>-</u>
NET ASSETS (LIABILITIES)		<u>(16,872)</u>	<u>(56,117)</u>
ACCUMULATED FUNDS (LOSSES)		<u>(16,872)</u>	<u>(56,117)</u>

The above statement should be read in conjunction with the notes

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

VICTORIAN BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Accumulated Funds (Losses) \$
Balance at 30 September 2013	(5,229)
Net Surplus (Deficit) for the year	(50,888)
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2014	<u>(56,117)</u>
Net Surplus (Deficit) for the year	39,245
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2015	<u>(16,872)</u>

The above statement should be read in conjunction with the notes

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

VICTORIAN BRANCH

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2015**

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	9(c)	2,013,799	1,873,695
Interest received		34	39
Payments to suppliers and employees	9(c)	<u>(2,084,126)</u>	<u>(1,836,163)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	9(b)	<u>(70,293)</u>	<u>37,571</u>
NET INCREASE (DECREASE) IN CASH HELD			
Cash at the beginning of the year		<u>94,099</u>	<u>56,528</u>
CASH AT THE END OF THE YEAR	9(a)	<u>23,806</u>	<u>94,099</u>

The above statement should be read in conjunction with the notes

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

VICTORIAN BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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*. For the purpose of preparing the general purpose financial statements, the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union VICTORIAN Branch is a not-for-profit entity.

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 RO Act. The Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch is a Branch of the registered organisation. In accordance with the RO Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on an accrual basis and in accordance with historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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

VICTORIAN BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (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) 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.

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VICTORIAN BRANCH

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(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.

The State Council does not provide any financial support to any other Branch of the AFMEPKIU.

c) Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

d) Future Australian Accounting Standard requirements

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

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 THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

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

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 Commission, 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)

	2015	2014
	\$	\$
4a. Affiliation Fees*		
3CR Community Radio	3,163	3,056
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
Ballarat Trade & Labour Council	7,512	7,053
Bendigo Trade & Labour Council	2,516	2,515
Geelong Trade & Labour Council	9,950	28,232
Gippsland Trades & Labour Council	2,659	2,482
Goulburn Valley Trades & Labour Council	2,340	3,120
North East Trades & Labour Council	3,148	2,263
South West Trades & Labour Council	1,499	1,177
Sunraysia Trades & Labour Council	858	210
Victorian Trades Hall Council	156,285	168,342
	<u>191,120</u>	<u>219,840</u>
4b. Grants or Donations \$1,000 or less*		
Grants	-	-
Donations	6,081	4,023
	<u>6,081</u>	<u>4,023</u>
Grants or Donations over \$1,000		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

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5. PROFESSIONAL SERVICES

Auditors - Auditing the financial report	12,600	12,600
- Other Services	-	-
	<u> </u>	<u> </u>
Legal Costs*		
Litigation	359,562	219,050
Other Legal Matters	-	-
	<u> </u>	<u> </u>
	<u>372,162</u>	<u>231,690</u>

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

	2015 \$	2014 \$
6. CASH AND CASH EQUIVALENTS		
Cash at Bank	<u>23,806</u>	<u>94,099</u>
7. RECEIVABLES		
Receivable from other reporting units*		
Net amount receivable - National Council	-	1,623
Less provision for doubtful debts*	-	-
	<u> </u>	<u>1,623</u>
Other Receivables		
Sundry debtors	-	-
	<u> </u>	<u> </u>
	-	1,623
8. TRADE AND OTHER PAYABLES		
Trade and other payables	40,678	151,839
Other payables – legal costs*	-	-
Consideration to employers for payroll deductions*	-	-
Payables to other reporting units*	-	-
	<u>40,678</u>	<u>151,839</u>
9. 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>23,806</u>	<u>94,099</u>

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(b) Reconciliation of cash flow from operations with Net
Surplus (Deficit)

Net Surplus (Deficit)	39,245	(50,888)
Changes in Assets and Liabilities:		
(Increase) decrease in receivables	1,623	(99)
Increase (decrease) in payables	(111,161)	88,558
	<hr/>	<hr/>
CASH FLOW FROM OPERATIONS	(70,293)	37,571

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

9. CASH FLOW (Cont'd)

(c) CASH FLOW INFORMATION – Reporting Units

Cash inflows*		
Remittances from National Council	2,013,799	1,873,695
Interest	34	39
	<u>2,013,833</u>	<u>1,836,163</u>
Cash outflows*	<u>2,084,126</u>	<u>1,873,163</u>

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 - 1,623

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

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.

(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:

	2015	2014
	\$	\$
Cash and cash equivalents	<u>23,806</u>	<u>94,099</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council	-	1,623
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>-</u>	<u>1,623</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 THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

11. 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 2015 it had \$23,806 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2015 totalled \$40,678

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:

30 September 2015	Floating interest rate	Non interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	23,806	-	23,806
Receivables	-	-	-
	<u>23,806</u>	<u>-</u>	<u>23,806</u>
Weighted average Interest rate	0.1%	-	0.1%
Financial Liabilities			
Payables	-	(40,678)	(40,678)
	<u>-</u>	<u>(40,678)</u>	<u>(40,678)</u>
Net Financial Assets (Liabilities)	<u>23,806</u>	<u>(40,678)</u>	<u>(16,872)</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015 (Cont'd)

11. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest rate risk (Cont'd)

30 September 2014	Floating interest rate	Non interest bearing	Total
	\$	\$	\$
Financial Assets			
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%
Financial Liabilities			
Payables	-	(151,839)	(151,839)
Net Financial Assets	<u>94,099</u>	<u>(150,216)</u>	<u>(56,117)</u>

Sensitivity Analysis

2015	Carrying Amount	+2% (0.2 basis points) Profit	-2% (0.2 basis points) Loss
	\$	\$	\$
Cash Assets	<u>23,806</u>	<u>476</u>	<u>(476)</u>
2014			
Cash Assets	<u>94,099</u>	<u>1,882</u>	<u>(1,882)</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.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

12. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

13. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingency liabilities, assets, or commitments as at 30 September 2015.

14. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation 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 2015, 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 of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Fair Work (Registered Organisation) Act 2009 and is appropriate to meet the needs of the members.

The Committee of Management and the Branch Secretary's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and 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 Fair Work (Registered Organisation) Act 2009. We confirm that the independence declaration required, which has been given to the Committee of Management of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch, would be in the same terms if given to the Committee of Management as at the time of this auditor's report.

Auditor's Opinion

In our opinion:

- (a) the general purpose financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
 - (i) presents fairly the entity's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Victorian Branch is appropriate.

Emphasis of Matter – Going Concern

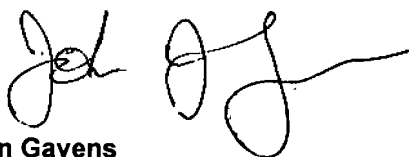
Without modifying our opinion above, we draw attention to Note 1(b) to the financial statements. At 30 September 2015, the Union has negative net assets of \$16,872 (2014, \$56,117). The financial statements have been prepared on a going concern basis following receipt of a letter of ongoing financial support from the national chapter.

Auditor's qualification

We confirm that John Gavens:

- (a) is an approved auditor;
- (b) is a person who is a Fellow of Chartered Accountants Australia and New Zealand; and
- (c) holds a current Public Practice Certificate.

CROWE HORWATH MELBOURNE



John Gavens
Partner
Melbourne, Victoria 3000

Dated this 4 December 2015