



7 March 2017

Mr Steve Dargavel  
State Secretary  
Australian Manufacturing Workers' Union, Victorian Branch  
Level 1, 251 Queensberry Street  
Carlton South VIC 3053

By e-mail: [industrial.vic@amwu.asn.au](mailto:industrial.vic@amwu.asn.au)

Dear Mr Dargavel

**Australian Manufacturing Workers' Union, Victorian Branch  
Financial Report for the year ended 30 September 2016 - FR2016/332**

I acknowledge receipt of the financial report for the year ended 30 September 2016 for the Australian Manufacturing Workers' Union, Victorian Branch. The financial report was lodged with the Fair Work Commission on 28 February 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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) 8656 4685 or by email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
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 on the AMWU website on 21 December 2016, and an article in the AMWU News advising the membership of the Full Report's availability was sent to members 10 January 2017.; 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 15 February 2017 accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,  
Steve Dargavel

Signature

15 February, 2017

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

**VICTORIAN BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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

VICTORIAN BRANCH

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# **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 2016.

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 2016 the AFMEPKIU negotiated and registered 250 enterprise bargaining agreements nationally, 101 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 2016 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 \$11,482.

#### **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.

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

**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:

<b>Level</b>	<b>Position</b>	<b>Per Annum</b>
4	Organiser	\$83,441.80
5	Senior Organiser	\$87,609.60
6	Team Leader/Assistant State Secretary Level 1	\$92,024.40
7	Assistant State Secretary Level 2	\$98,438.60
8	State Secretary	\$104,205.40

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 2016, are as follows:

<b>Position</b>	<b>Name</b>	<b>Salary &amp; Super</b>	<b>Travel &amp; Other Allowances</b>	<b>Non-Cash Benefits</b>
State Secretary	Steve Dargavel	\$119,095	\$2,395	Provision of a Motor Vehicle
Assistant State Secretary	Tom Hale	\$119,516	\$1,594	Provision of a Motor Vehicle

**Board Fees**

Board Fees received by the 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	\$30,910

**Associated Entities**

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

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**VICTORIAN BRANCH**

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>Stationers</b>
Allianz Australia Limited	Paul John Office National
Coverforce Insurance Broking	<b>Travel Services</b>
Crowe Horwath	FCM Travel Solutions
<b>Legal Services</b>	<b>Vehicle Services</b>
Maurice Blackburn Lawyers	Summit Fleet Leasing & Management
Slater & Gordon Lawyers	Montvern Panemasters
<b>Printing &amp; Publicity Services</b>	
Blue Gum Clothing Co Pty Ltd	
Campaign Kitchen	
G & G Trade Publishing & Distribution	

Officers' Material Personal Interests

For the year ended 30 September 2016, 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 2016, the AFMEPKIU VICTORIAN State Branch has made no reportable payments to any related party or declared person or body of the Union.

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**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	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 Super	Trustee/Director-Member Representative
Mahavidanalage Pirganya Gunarathe	Toyota Super	Trustee/Director-Member Representative
Joe Xerri	Toyota Super	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 2016 was 26,776.
- (b) The number of persons who were employees of the reporting unit on 30 September 2016 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>
K. Adamjee	1 October 2015 to 17 November 2015
A. Anderson	1 October 2015 to 30 September 2016
D. Andrews	1 October 2015 to 30 September 2016
S. Blackwell	1 October 2015 to 30 June 2016
J. Blackwell	1 October 2015 to 30 September 2016
C. Borg	1 October 2015 to 30 June 2016

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

D. Borg	1 October 2015 to 26 October 2015
S. Brooks	1 October 2015 to 30 September 2016
G. Brown	1 October 2015 to 30 September 2016
M. Callijah	1 October 2015 to 27 January 2016
P Candy	1 October 2015 to 30 September 2016
C.L. Cleave	1 October 2015 to 30 September 2016
Z. Cimborra	1 October 2015 to 30 June 2016
D. Corben	1 October 2015 to 30 September 2016
J. Cummaudo	9 September 2016 to 30 September 2016
S. Dargavel	1 October 2015 to 30 September 2016
P. Difelice	1 October 2015 to 30 September 2016
S. Dodd	1 October 2015 to 30 September 2016
K. Doyle	1 October 2015 to 30 September 2016
C. Ellis	1 October 2015 to 30 June 2016
T. Hale	1 October 2015 to 30 September 2016
T. Hynds	1 October 2015 to 30 June 2016
J. James	1 October 2015 to 30 September 2016
V. Jose	1 October 2015 to 30 June 2016
C. Kelly	1 October 2015 to 30 September 2016
B. Kerrigan	1 October 2015 to 30 June 2016
J. Mathieson	1 October 2015 to 30 September 2016
T. Mavromatis	1 October 2015 to 30 September 2016
A. McCarthy	1 October 2015 to 30 June 2016
B. Morgan	1 October 2015 to 30 September 2016
N. Mitchell	1 October 2015 to 30 September 2016
C. O'Connor	1 October 2015 to 30 September 2016
V. Peppi	1 October 2015 to 30 September 2016
A. Piccolo	1 October 2015 to 30 September 2016
P. Retell	1 October 2015 to 08 March 2016
M. Rob	1 October 2015 to 30 September 2016
D. Rozario	1 October 2015 to 30 September 2016
M. Terry	1 October 2015 to 30 September 2016
A. Thomas	1 October 2015 to 30 September 2016
S. Wise	1 October 2015 to 30 September 2016
L. White	1 October 2015 to 30 September 2016
Mathew Bull	3 May 2016 to 30 September 2016
Mick Bull	3 May 2016 to 30 September 2016
D. Canning	3 May 2016 to 30 September 2016
L. Keilor	3 May 2016 to 30 September 2016
A. Peach	3 May 2016 to 30 September 2016
M. Sikk	3 May 2016 to 30 September 2016
M. Spiteri	9 September 2016 to 30 September 2016
P. Walsh	9 September 2016 to 30 September 2016
J. Wilson	1 July 2016 to 30 September 2016

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

**VICTORIAN BRANCH**

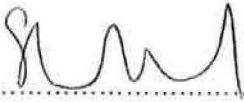
Signed in accordance with a resolution of State Council



.....

**Michael Terry**

**State President**



.....

**Steve Dargavel**

**State Secretary**

16 December 2016

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

**VICTORIAN BRANCH**

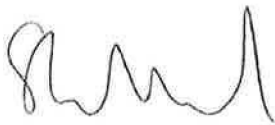
**COMMITTEE OF MANAGEMENT'S STATEMENT**

On 16 December 2016 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 2016.

The State Council declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards.
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements 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 2016;
- (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 2016 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) no revenue has been derived from undertaking recovery of wages activity during the financial year ended 30 September 2016.

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



Victorian Secretary – Steve Dargavel

16 December 2016



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

**VICTORIAN BRANCH  
STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
<b>INCOME</b>			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations			
Membership Contributions*	1(a)(i)	-	-
Remittances from National Council General Fund		1,628,718	2,012,176
Board Fees		30,910	34,842
Interest Received		31	34
<b>TOTAL INCOME</b>		<u>1,659,659</u>	<u>2,047,052</u>
<b>EXPENDITURE</b>			
Affiliation fees	4(a)	206,683	191,120
Bank charges		539	589
Capitation fees		-	-
Consideration to employers for payroll deductions*		-	-
Compulsory levies*		-	-
Computing		957	1,369
Conference & meeting expenses*		54,796	30,791
Delegation/employee expenses – office holders		115,761	113,121
Delegation/employee expenses – other employees		51,602	98,658
Delegation expenses – members		103,517	125,273
Employee expenses	1(a)(ii)(iii)	-	-
Fees/allowances – meeting and conferences*			
Freight		408	342
General office expenses		59,898	68,735
Grants or donations*	4(b)	6,455	6,081
Insurance		62,424	63,606
Motor vehicle expenses		293,965	330,825
Newsletter expenses		71,817	76,030
Payroll tax		321,369	319,793
Penalties – via RO Act or RO Regulations*		-	-
Photocopying		9,677	8,587
Postage		38,377	36,035
Printing		1,474	5,836
Publicity		49,819	52,169
Professional services	5	135,159	372,162
Research		6,665	18,887
Stationery		23,989	23,285
Telephone		32,826	65,060
<b>TOTAL EXPENDITURE</b>		<u>1,648,177</u>	<u>2,007,807</u>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<u>11,482</u>	<u>39,245</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>11,482</u>	<u>39,245</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 2016**

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	32,801	23,806
Receivables	7	-	-
		<u>32,801</u>	<u>23,806</u>
<b>Total Current Assets</b>		<u>32,801</u>	<u>23,806</u>
<b>TOTAL ASSETS</b>		<u>32,801</u>	<u>23,806</u>
<b>TOTAL LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	38,191	40,678
Employee provisions*	1(a)(iii)	-	-
		<u>38,191</u>	<u>40,678</u>
<b>NET ASSETS (LIABILITIES)</b>		<u>(5,390)</u>	<u>(16,872)</u>
<b>ACCUMULATED FUNDS (LOSSES)</b>		<u>(5,390)</u>	<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 CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>Accumulated Funds (Losses) \$</b>
<b>Balance at 30 September 2014</b>	(56,117)
Net Surplus (Deficit) for the year	39,245
Total comprehensive income for the year	<u>-</u>
<b>Balance at 30 September 2015</b>	<u>(16,872)</u>
Net Surplus (Deficit) for the year	11,482
Total comprehensive income for the year	<u>-</u>
<b>Balance at 30 September 2016</b>	<u>(5,390)</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 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Remittances from National Council	9(c)	1,628,718	2,013,799
Interest received		31	34
Payments to suppliers and employees	9(c)	<u>(1,619,754)</u>	<u>(2,084,126)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	9(b)	<u>8,995</u>	<u>(70,293)</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>			
Cash at the beginning of the year		<u>23,806</u>	<u>94,099</u>
<b>CASH AT THE END OF THE YEAR</b>	9(a)	<u>32,801</u>	<u>23,806</u>

The above statement should be read in conjunction with the notes

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

## **VICTORIAN BRANCH**

### **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 (STATE) 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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2016 (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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**d) Future Australian Accounting Standard requirements**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2016. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the company
AASB 9	Financial Instruments (December 2010) and AASB 2010-7: <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010)	These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The key changes made to accounting requirements that may impact the company are: - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; and - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment	1 January 2018	These standards are not expected to significantly impact the Union's financial statements	1 July 2017
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2018	The company is yet to assess its full impact.	1 July 2017



**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**d) Future Australian Accounting Standard requirements (continued)**

AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted .	For financial years commencing on or after 1 January 2019.	The company is yet to assess its full impact.	1 July 2018
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**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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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)

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>4a. Affiliation Fees*</b>		
3CR Community Radio	-	3,163
Australian Anti Bases Campaign	-	-
Australian Asian Workers Links	1,364	909
C.I.C.D	-	136
Combined Pensioners Association	45	45
Council of Ageing	-	100
Ballarat Trade & Labour Council	10,088	7,512
Bendigo Trade & Labour Council	1,000	2,516
Geelong Trade & Labour Council	10,116	9,950
Gippsland Trades & Labour Council	4,786	2,659
Goulburn Valley Trades & Labour Council	4,550	2,340
North East Trades & Labour Council	2,361	3,148
South West Trades & Labour Council	1,569	1,499
Sunraysia Trades & Labour Council	910	858
Victorian Trades Hall Council	169,894	156,285
	<u>206,683</u>	<u>191,120</u>
<b>4b. Grants or Donations \$1,000 or less*</b>		
Grants	-	-
Donations	4,455	6,081
	<u>4,455</u>	<u>6,081</u>
<b>Grants or Donations over \$1,000</b>		
Grants	-	-
Donations	2,000	-
<b>Total grants or donations</b>	<u>6,455</u>	<u>6,081</u>

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2016 (Cont'd)**

**5. PROFESSIONAL SERVICES**

Auditors - Auditing the financial report	10,600	12,600
- Other Services	1,174	-

**Legal Costs\***

Litigation	123,385	359,562
Other Legal Matters		

135,159	372,162
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<b>2016</b>	<b>2015</b>
\$	\$

**6. CASH AND CASH EQUIVALENTS**

Cash at Bank	32,801	23,806
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**7. RECEIVABLES**

**Receivable from other reporting units\***

Net amount receivable - National Council

Less provision for doubtful debts\*

-	-
-	-

**Other Receivables**

Sundry debtors

-	-
-	-

**8. TRADE AND OTHER PAYABLES**

Trade and other payables	38,191	40,678
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Other payables – legal costs*	-	-
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Consideration to employers for payroll deductions*	-	-
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Payables to other reporting units*	-	-
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38,191	40,678
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**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	32,801	23,806
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**9. CASH FLOW (Cont'd)**

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

Net Surplus (Deficit)	11,482	39,245
Changes in Assets and Liabilities:		
(Increase) decrease in receivables	-	1,623
Increase (decrease) in payables	(2,487)	(111,161)
	<u>8,995</u>	<u>(70,293)</u>
<b>CASH FLOW FROM OPERATIONS</b>		

**(c) CASH FLOW INFORMATION – Reporting Units**

Cash inflows*		
Remittances from National Council	1,628,718	2,013,799
Interest	31	34
	<u>1,628,749</u>	<u>2,013,833</u>
Cash outflows*	<u>1,619,754</u>	<u>2,084,126</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

-      -

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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 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 recognise financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>32,801</u>	<u>23,806</u>
Net amount receivable - National Council		
Sundry Debtors	<u>-</u>	<u>-</u>
Total receivables	<u>-</u>	<u>-</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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (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 2016 it had \$ 32,801 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2016 totalled \$38,191.

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

(d) *Market risk*

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

(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 2016</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	32,801	-	32,801
Receivables	-	-	-
	<u>32,801</u>	<u>-</u>	<u>32,801</u>
Weighted average Interest rate	0.1%	-	0.1%
<b>Financial Liabilities</b>			
Payables	-	(38,191)	-
<b>Net Financial Assets (Liabilities)</b>	<u>32,801</u>	<u>(38,191)</u>	<u>(5,390)</u>

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016 (Cont'd)**

**11. FINANCIAL RISK MANAGEMENT (Cont'd)**

*(e) Interest rate risk (Cont'd)*

<b>30 September 2015</b>	<b>Floating interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
<b>Financial Assets</b>			
	\$	\$	\$
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%
<b>Financial Liabilities</b>			
Payables	-	(40,678)	(40,678)
<b>Net Financial Assets</b>	<u>23,806</u>	<u>(40,678)</u>	<u>(16,872)</u>

**Sensitivity Analysis**

<b>2016</b>	<b>Carrying Amount</b>	<b>+2% (0.1 basis points)</b>	<b>-2% (0.2 basis points)</b>
		<b>Profit</b>	<b>Loss</b>
	\$	\$	\$
Cash Assets	<u>32,801</u>	<u>656</u>	<u>(656)</u>
<b>2015</b>			
Cash Assets	<u>23,806</u>	<u>476</u>	<u>(476)</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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2016 (Cont'd)**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2016 (Cont'd)**

**12. SUBSEQUENT EVENTS**

There were no events that occurred after 30 September 2016, 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 2016.

**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 2016, 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 2016 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 2016, the Union has negative net assets of \$5,390 (2015, \$16,872). 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*

**CROWE HORWATH MELBOURNE**

*John J. Gavens*

**John Gavens  
Partner  
Melbourne, Victoria 3000**

**Dated this 16 December 2016**