



**Australian Government**  
**Registered Organisations Commission**

5 April 2018

Mr Steven Dargavel  
Secretary  
Australian Manufacturing Workers' Union, Victorian Branch

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 2017 - FR2017/286**

I acknowledge receipt of the financial report for the year ended 30 September 2017 for the Australian Manufacturing Workers' Union, Victorian Branch (AMWU-VIC). The financial report was lodged with the Registered Organisations Commission (ROC) on 5 March 2017.

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

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 2018 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**Auditor's Statement**

Declaration relating to management use of going concern basis of accounting

Item 39 of the Reporting Guidelines requires that the Auditor's Statement include 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 financial statement is appropriate.

Please ensure that next year's financial report includes the abovementioned declaration.

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) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**  
**Financial Reporting Advisor**  
**Registered Organisations Commission**

# Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



## Victorian State Office

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## Finance Department

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

## VICTORIAN STATE COUNCIL

## CERTIFICATE OF STATE SECRETARY

I, Steven 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 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 New South Wales State Council on 21 February 2018 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,  
Steven Dargavel

Signature

21 February, 2018

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

**VICTORIAN BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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

VICTORIAN BRANCH

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Victorian Branch, which comprises the statement of financial position as at 30 September 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Victorian Branch, presents fairly, in all material respects the reporting unit's financial position as at 30 September 2017 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*.

#### Emphasis of Matter - Going Concern

Without modifying our opinion above, we draw attention to Note 1 to the financial statements. At 30 September 2017, the Union has positive net assets of \$2,325 (2016, -\$5,390). The financial statements have been prepared on a going concern basis following receipt of a letter of ongoing financial support from the national chapter.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Automotive, Food, Metals,

Engineering, Printing and Kindred Industries Union, Victorian Branch operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Committee of Management for the Financial Report**

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

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

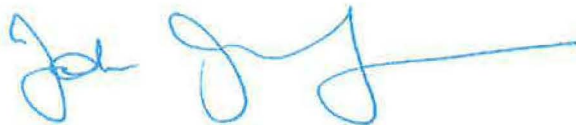
This description forms part of our auditor's report.

**Declaration by the auditor**

I, John Gavens, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

*Crowe Horwath Melbourne*

**Crowe Horwath Melbourne**



**John Gavens**

**Partner**

Melbourne, Victoria 3000

15 December 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/164



# **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 (RO Act)*, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Victorian Branch for the financial year ended 30 September 2017.

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 *RO Act*.

#### **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 Victorian Branch's principal activities during the financial year.

#### **Results of Principal Activities**

During the year to 30 September 2017 the AFMEPKIU negotiated and registered 223 enterprise bargaining agreements nationally, 44 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 2017 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 Victorian Branch's principal activities resulted in a surplus for the financial year of \$7,715.

#### **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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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 *RO Act*. In accordance with section 174(1) of the *RO Act* 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 National Council is responsible for remuneration of all officers. The top five salary rates for officers of the Victorian Branch are as follows:

| <b>Level</b> | <b>Position</b>                               | <b>Per Annum</b> |
|--------------|---|------------------|
| 4            | Organiser                                     | \$86,008.00      |
| 5            | Senior Organiser                              | \$90,303.20      |
| 6            | Team Leader/Assistant State Secretary Level 1 | \$94,853.20      |
| 7            | Assistant State Secretary Level 2             | \$101,465.00     |
| 8            | State Secretary                               | \$107,408.60     |

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 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 2017, are as follows:

| <b>Name</b>     | <b>Office</b>  | <b>Actual Amount of Relevant Remuneration Salary, Super &amp; Service Increment</b> | <b>Actual Amount of Relevant Remuneration Travel &amp; Other Allowances</b> | <b>Form and Value of Relevant Non-Cash Benefits</b> |
|-----------------|--|---|---|---|
| Steven Dargavel | State Secretary  | \$126,754.38  | \$1,103.16  | Provision of a Motor Vehicle - \$9,273.32           |
| Tom Hale        | Assistant State Secretary/National Assistant Secretary | \$125,886.86  | \$2,169.16  | Provision of a Motor Vehicle - \$13,648.78          |

The following officers left the employment of the Victorian Branch during the year ended 30 September 2017 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:

| <b>Name</b> | <b>Office</b> | <b>Actual Amount of Relevant Remuneration</b> | <b>Form and Value of Relevant Non-Cash Benefits</b> |
|-------------|---------------|---|---|
| Victor Jose | Organiser     | \$244,923.04(inclusive of \$46,223.44 AL/LSL  | Provision of a Motor Vehicle -                      |

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

**VICTORIAN BRANCH**

|                 |           |   |   |
|-----------------|-----------|---|---|
|                 |           | Entitlement)  | \$1,523.92                                      |
| Tony Mavromatis | Organiser | \$238,022.33<br>(inclusive of<br>\$48,901.81 AL/LSL<br>Entitlement) | Provision of a<br>Motor Vehicle -<br>\$3,016.10 |
| Colin Muir      | Organiser | \$202,191.59<br>(inclusive of<br>\$44,315.57 AL/LSL<br>Entitlement) | Provision of a<br>Motor Vehicle -<br>\$1,594.11 |
| David Roach     | Organiser | \$143,105.73<br>(inclusive of<br>\$22,828.84 AL/LSL<br>Entitlement) | Provision of a<br>Motor Vehicle -<br>\$4,755.69 |

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 | \$34,998.50     |

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

Officers' Material Personal Interests

For the year ended 30 September 2017, the Officers of the AFMEPKIU Victorian State Branch have declared no material personal interests.

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

**VICTORIAN BRANCH**

Payments to related parties or declared persons

For the year ended 30 September 2017, the AFMEPKIU VICTORIAN State Branch has made no reportable payments to any related party or declared person or body of the Union.

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 Jalocho                      | 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 |

No officer received fees or other remuneration for being a trustee or a director in relation to a superannuation entity.

Other Relevant Information

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

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

**VICTORIAN BRANCH**

**OPERATING REPORT (cont'd)**

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

**Number of Members**

(a) The number of persons who were recorded in the register of members on 30 September 2017 was 24,332.

**Number of Employees**

(b) The number of persons who were employees of the reporting unit on 30 September 2017 was 0.

**Names of Committee of Management Members and period positions held during the financial year**

(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   | 1 October 2016 to 31 January 2017     |
| D. Andrews    | 1 October 2016 to 30 September 2017   |
| J. Blackwell  | 1 October 2016 to 15 February 2017    |
| C. Borg       | 1 October 2016 to 30 September 2017   |
| D. Attard     | 31 January 2017 to 30 September 2017  |
| S. Brooks     | 1 October 2016 to 30 September 2017   |
| G. Brown      | 1 October 2016 to 30 September 2017   |
| P. Candy      | 1 October 2016 to 30 September 2017   |
| C.L. Cleave   | 1 October 2016 to 30 September 2017   |
| D. Corben     | 1 October 2016 to 30 September 2017   |
| J. Cummaudo   | 1 October 2016 to 30 September 2017   |
| S. Dargavel   | 1 October 2016 to 30 September 2017   |
| P. Difelice   | 1 October 2016 to 30 September 2017   |
| S. Dodd       | 1 October 2016 to 30 September 2017   |
| K. Doyle      | 1 October 2016 to 30 September 2017   |
| T. Hale       | 1 October 2016 to 30 September 2017   |
| J. James      | 1 October 2016 to 30 September 2017   |
| C. Kelly      | 1 October 2016 to 30 September 2017   |
| J. Mathieson  | 1 October 2016 to 30 September 2017   |
| T. Mavromatis | 30 September 2016 to 31 December 2016 |
| W. Morris     | 1 June 2017 to 30 September 2017      |
| N/ Mitchell   | 1 October 2016 to 30 September 2017   |
| B. Morgan     | 1 October 2016 to 30 September 2017   |
| C. O'Connor   | 1 October 2016 to 30 September 2017   |
| V. Pepi       | 1 October 2016 to 30 September 2017   |
| A. Piccolo    | 1 October 2016 to 30 September 2017   |
| R. Kenna      | 1 June 2017 to 30 September 2017      |
| M. Rob        | 1 October 2016 to 30 September 2017   |
| D. Rozario    | 1 October 2016 to 30 September 2017   |
| M. Terry      | 1 October 2016 to 30 September 2017   |
| A. Thomas     | 1 October 2016 to 30 September 2017   |
| S. Wise       | 1 October 2016 to 30 September 2017   |

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|             |                                     |
|-------------|-------------------------------------|
| L. White    | 1 October 2016 to 30 September 2017 |
| Mathew Bull | 1 October 2016 to 30 September 2017 |
| Mick Bull   | 1 October 2016 to 30 September 2017 |
| D. Canning  | 1 October 2016 to 30 September 2017 |
| L. Keilor   | 1 October 2016 to 30 September 2017 |
| A. Peach    | 1 October 2016 to 30 September 2017 |
| M. Sikk     | 1 October 2016 to 30 September 2017 |
| M. Spiteri  | 1 October 2016 to 30 September 2017 |
| P. Walsh    | 1 October 2016 to 30 September 2017 |
| J. Wilson   | 1 October 2016 to 30 September 2017 |

Signed in accordance with a resolution of State Council



Steven Dargavel

State Secretary



Michael Terry

State President

15 December 2017

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

**VICTORIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 15 December 2017 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 2017.

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of *the Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (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 to which they relate;
- (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 to which the GPFR relates and since the end of that year:
  - (i) meetings of the Branch committee of management were held in accordance with the rules of the organisation and of the branch concerned; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and of the branch concerned; and
  - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches 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 has 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 reporting period.

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



Victorian Secretary – Steven Dargavel

15 December 2017



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UNION**

**VICTORIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 SEPTEMBER 2017**

|  | Note | 2017<br>\$       | 2016<br>\$       |
|--|------|------------------|------------------|
| <b>INCOME</b>                                      |      |                  |                  |
| Capitation Fees                                    |      | -                | -                |
| Levies   |      | -                | -                |
| Grants and/or Donations                            |      | -                | -                |
| Membership Contributions                           |      | -                | -                |
| Remittances from National Council General Fund     |      | 2,236,416        | 1,628,718        |
| Board Fees   |      | 34,999           | 30,910           |
| Interest Received                                  |      | 36               | 31               |
| <b>TOTAL INCOME</b>                                |      | <u>2,271,451</u> | <u>1,659,659</u> |
| <b>EXPENDITURE</b>                                 |      |                  |                  |
| Affiliation fees                                   | 3(a) | 244,988          | 206,683          |
| Bank charges                                       |      | 504              | 539              |
| Capitation fees                                    |      | -                | -                |
| Consideration to employers for payroll deductions  |      | -                | -                |
| Compulsory levies                                  |      | -                | -                |
| Computing  |      | 3,060            | 957              |
| Conference & meeting expenses                      |      | 46,078           | 54,796           |
| Delegation/employee expenses – office holders      |      | 84,198           | 115,761          |
| Delegation/employee expenses – other employees     |      | 52,895           | 51,602           |
| Delegation expenses – members                      |      | 130,654          | 103,517          |
| Employee expenses                                  |      | -                | -                |
| Fees/allowances – meeting and conferences          |      | -                | -                |
| Freight  |      | 760              | 408              |
| General office expenses                            |      | 57,828           | 58,080           |
| Grants or donations                                | 3(b) | 5,688            | 8,273            |
| Insurance  |      | 86,179           | 62,424           |
| Motor vehicle expenses                             |      | 326,596          | 293,965          |
| Newsletter expenses                                |      | 47,648           | 71,817           |
| Payroll tax  |      | 336,540          | 321,369          |
| Penalties – via RO Act or RO Regulations           |      | -                | -                |
| Photocopying                                       |      | 9,397            | 9,677            |
| Postage  |      | 38,923           | 38,377           |
| Printing   |      | 1,086            | 1,474            |
| Publicity  |      | 70,853           | 49,819           |
| Professional services                              | 4    | 666,677          | 135,159          |
| Research   |      | 15,271           | 6,665            |
| Stationery   |      | 23,544           | 23,989           |
| Telephone  |      | 14,369           | 32,826           |
| <b>TOTAL EXPENDITURE</b>                           |      | <u>2,263,736</u> | <u>1,648,177</u> |
| <b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>         |      | <u>7,715</u>     | <u>11,482</u>    |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE<br/>YEAR</b> |      | <u>7,715</u>     | <u>11,482</u>    |

The above statement should be read in conjunction with the notes

**AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES  
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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2017**

|                                   | Note | 2017<br>\$    | 2016<br>\$     |
|-----------------------------------|------|---------------|----------------|
| <b>ASSETS</b>                     |      |               |                |
| <b>Current Assets</b>             |      |               |                |
| Cash and cash equivalents         | 5    | 38,230        | 32,801         |
| Receivables                       | 6    | <u>-</u>      | <u>-</u>       |
| <b>Total Current Assets</b>       |      | <u>38,230</u> | <u>32,801</u>  |
| <b>TOTAL ASSETS</b>               |      | <u>38,230</u> | <u>32,801</u>  |
| <b>TOTAL LIABILITIES</b>          |      |               |                |
| <b>Current Liabilities</b>        |      |               |                |
| Trade and other payables          | 7    | 35,905        | 38,191         |
| Employee provisions*              |      | <u>-</u>      | <u>-</u>       |
|                                   |      | <u>35,905</u> | <u>38,191</u>  |
| <b>NET ASSETS (LIABILITIES)</b>   |      | <u>2,325</u>  | <u>(5,390)</u> |
| <b>ACCUMULATED FUNDS (LOSSES)</b> |      | <u>2,325</u>  | <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 CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

|   | <b>Note</b> | <b>Accumulated<br/>Funds<br/>(Losses)<br/>\$</b> |
|---|-------------|--|
| <b>Balance at 30 September 2015</b>     |             |  |
| Net Surplus (Deficit) for the year      |             | (16,872)   |
| Total comprehensive income for the year |             | <u>11,482</u>                                    |
| <b>Balance at 30 September 2016</b>     |             | <u>(5,390)</u>                                   |
| Net Surplus (Deficit) for the year      |             | 7,715  |
| Total comprehensive income for the year |             | <u>-</u>   |
| <b>Balance at 30 September 2017</b>     |             | <u>2,325</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 2017**

|  | Note | 2017<br>\$         | 2016<br>\$         |
|--|------|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |      |                    |                    |
| Remittances from National Council                              | 8(c) | 2,236,416          | 1,628,718          |
| Interest received  |      | 36                 | 31                 |
| Payments to suppliers and employees                            | 8(c) | <u>(2,231,023)</u> | <u>(1,619,754)</u> |
| <b>NET CASH PROVIDED BY (USED IN)<br/>OPERATING ACTIVITIES</b> | 8(b) | <u>5,429</u>       | <u>8,995</u>       |
| <b>NET INCREASE (DECREASE) IN CASH HELD</b>                    |      |                    |                    |
| Cash at the beginning of the year                              |      | <u>32,801</u>      | <u>23,806</u>      |
| <b>CASH AT THE END OF THE YEAR</b>                             | 8(a) | <u>38,230</u>      | <u>32,801</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 2017**

**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 (AASB) and the *Fair Work (Registered Organisations) Act 2009 (RO Act)*. 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.

**Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**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 2017 (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.

**Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

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.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

**Expenditure**

Expenses represent amounts paid directly by the Branch for operational costs. Other operational expenses e.g. 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.

**Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts.

**Financial Assets**

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**Loan and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and

## **NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)**

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

receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### **Derecognition of financial assets**

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

#### **Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### **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*.

#### **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.

#### **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.

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017(Cont'd)**

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

**Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**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.

**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 September 2017. These are outlined in the table below.

| Reference | Title                             | Summary  | Application date of standard                        | Impact on financial report                   | Application date for the Branch |
|-----------|-----------------------------------|--|---|--|---------------------------------|
| AASB 1058 | Income of Not-for-Profit Entities | This standard establishes principles and guidance when accounting for:<br>a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and<br>b. The receipt of volunteer services. | For financial years commencing after 1 January 2019 | The Branch is yet to assess its full impact. | 1 October 2019                  |



**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)**

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

**Future Australian Accounting Standard requirements (Cont'd)**

| <b>Reference</b>               | <b>Title</b>                          | <b>Summary</b>  | <b>Application date of standard</b>                        | <b>Impact on financial report</b>            | <b>Application date for the Branch</b> |
|--------------------------------|---------------------------------------|---|--|--|--|
| 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 2019        | The Branch is yet to assess its full impact. | 1 October 2019                         |
| AASB 16 (issued February 2017) | 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 Branch is yet to assess its full impact. | 1 October 2019                         |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)**

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION – SECTION 272**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

**Note 3 Expenditure**

|   | <b>2017</b>    | <b>2016</b>    |
|---|----------------|----------------|
|   | <b>\$</b>      | <b>\$</b>      |
| <b>3a. Affiliation Fees</b>             |                |                |
| 3CR Community Radio                     | 6,315          | -              |
| Australian Asian Workers Links          | -              | 1,364          |
| Combined Pensioners Association         | 55             | 45             |
| Council of Ageing                       | 175            | -              |
| Ballarat Trade & Labour Council         | 10,088         | 10,088         |
| Bendigo Trade & Labour Council          | 2,500          | 1,000          |
| Geelong Trade & Labour Council          | 7,162          | 10,116         |
| Gippsland Trades & Labour Council       | 4,018          | 4,786          |
| Goulburn Valley Trades & Labour Council | 4,030          | 4,550          |
| North East Trades & Labour Council      | 4,712          | 2,361          |
| South East Trades & Labour Council      | 392            | -              |
| South West Trades & Labour Council      | 1,177          | 1,569          |
| Sunraysia Trades & Labour Council       | 228            | 910            |
| Victorian Trades Hall Council           | 204,136        | 169,894        |
|   | <u>244,988</u> | <u>206,683</u> |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2017 (Cont'd)**

**3b. Grants or Donations \$1,000 or less**

|           |              |              |
|-----------|--------------|--------------|
| Grants    | -            | -            |
| Donations | 5,688        | 4,455        |
|           | <u>5,688</u> | <u>4,455</u> |

**Grants or Donations over \$1,000**

|           |          |              |
|-----------|----------|--------------|
| Grants    | -        | -            |
| Donations | -        | 3,818        |
|           | <u>-</u> | <u>3,818</u> |

**4. PROFESSIONAL SERVICES**

|  |        |        |
|--|--------|--------|
| Auditors - Auditing the financial report | 10,000 | 10,600 |
| - Other Services                         | -      | 1,174  |

**Legal Costs**

|                     |                |                |
|---------------------|----------------|----------------|
| Litigation          | 605,691        | 123,385        |
| Other Legal Matters | 50,986         | -              |
|                     | <u>666,677</u> | <u>135,159</u> |

**5. CASH AND CASH EQUIVALENTS**

|              |               |               |
|--------------|---------------|---------------|
| Cash at Bank | 38,230        | 32,801        |
|              | <u>38,230</u> | <u>32,801</u> |

**6. RECEIVABLES**

|  | <b>2017</b> | <b>2016</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| <b>Receivable from other reporting units</b> |             |             |
| Net amount receivable - National Council     | -           | -           |
| Other receivables                            | -           | -           |
| Less provision for doubtful debts            | -           | -           |
| Total receivable from other receivable       | <u>-</u>    | <u>-</u>    |

**7. TRADE AND OTHER PAYABLES**

|   |               |               |
|---|---------------|---------------|
| Trade and other payables                          | 35,905        | 38,191        |
| Other payables – legal costs                      | -             | -             |
| Consideration to employers for payroll deductions | -             | -             |
| Payables to other reporting units                 | -             | -             |
|   | <u>35,905</u> | <u>38,191</u> |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2017 (Cont'd)**

|   | 2017<br>\$       | 2016<br>\$       |
|---|------------------|------------------|
| <b>8. CASH FLOW</b>   |                  |                  |
| (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>38,230</u>    | <u>32,801</u>    |
| (b) Reconciliation of cash flow from operations with Net Surplus (Deficit)  |                  |                  |
| Net Surplus (Deficit)   | 7,715            | 11,482           |
| Changes in Assets and Liabilities:  | -                | -                |
| (Increase) decrease in receivables  | -                | -                |
| Increase (decrease) in payables   | <u>(2,286)</u>   | <u>(2,487)</u>   |
| <b>CASH FLOW FROM OPERATIONS</b>  | <u>5,429</u>     | <u>8,995</u>     |
| (c) <b>CASH FLOW INFORMATION – Reporting Units</b>  |                  |                  |
| Cash inflows  | -                | -                |
| Remittances from National Council   | 2,236,416        | 1,628,718        |
| Interest  | <u>36</u>        | <u>31</u>        |
|   | <u>2,236,452</u> | <u>1,628,749</u> |
| Cash outflows   | <u>2,231,023</u> | <u>1,619,754</u> |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER  
2017 (Cont'd)**

**9. RELATED PARTIES**

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

|   | <b>2017</b> | <b>2016</b> |
|---|-------------|-------------|
|   | <b>\$</b>   | <b>\$</b>   |
| Net amount receivable - National Office | -           | -           |
|   | -           | -           |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)**

**10. FINANCIAL RISK MANAGEMENT**

*(a) General objectives, policies and processes*

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

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

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

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

*(b) Credit risk*

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

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

|  | 2017          | 2016          |
|--|---------------|---------------|
|  | \$            | \$            |
| Cash and cash equivalents                | <u>38,230</u> | <u>32,801</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 2017 (Cont'd)**

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

(c) *Liquidity risk*

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

The Branch is not significantly exposed to this risk; as at 30 September 2017 it had \$ 38,230 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2017 totalled \$ 35,905

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 2017</b>                  | <b>Floating<br/>interest<br/>rate</b> | <b>Non interest<br/>Bearing</b> | <b>Total</b>    |
|---|---------------------------------------|---------------------------------|-----------------|
|   | <b>\$</b>                             | <b>\$</b>                       | <b>\$</b>       |
| <b>Financial Assets</b>                   |                                       |                                 |                 |
| Cash and cash equivalents                 | 38,230                                | -                               | 38,230          |
|   | <u>38,230</u>                         | <u>-</u>                        | <u>38,230</u>   |
| Weighted average Interest rate            | 0.1%                                  |                                 | 0.1%            |
| <b>Financial Liabilities</b>              |                                       |                                 |                 |
| Payables                                  | -                                     | (35,905)                        | (35,905)        |
|   | <u>-</u>                              | <u>(35,905)</u>                 | <u>(35,905)</u> |
| <b>Net Financial Assets (Liabilities)</b> | <u>38,230</u>                         | <u>(35,905)</u>                 | <u>2,325</u>    |

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Cont'd)**

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

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

| <b>30 September 2016</b>       | <b>Floating<br/>interest<br/>rate</b> | <b>Non<br/>interest<br/>bearing</b> | <b>Total</b>   |
|--------------------------------|---------------------------------------|-------------------------------------|----------------|
|                                | <b>\$</b>                             | <b>\$</b>                           | <b>\$</b>      |
| <b>Financial Assets</b>        |                                       |                                     |                |
| Cash and cash equivalents      | <u>32,801</u>                         | <u>-</u>                            | <u>32,801</u>  |
|                                | <u>32,801</u>                         | <u>-</u>                            | <u>32,801</u>  |
| Weighted average Interest rate | 0.1%                                  |                                     | 0.1%           |
| <b>Financial Liabilities</b>   |                                       |                                     |                |
| Payables                       | <u>-</u>                              | <u>(38,191)</u>                     | <u>-</u>       |
| <b>Net Financial Assets</b>    | <u>32,801</u>                         | <u>(38,191)</u>                     | <u>(5,390)</u> |

**Sensitivity Analysis**

| <b>2017</b> | <b>Carrying<br/>Amount</b> | <b>+2%<br/>(0.2 basis<br/>points)<br/><br/>Profit</b> | <b>-2%<br/>(0.2<br/>basis<br/>points)<br/><br/>Loss</b> |
|-------------|----------------------------|---|---|
|             | <b>\$</b>                  | <b>\$</b>   | <b>\$</b>   |
| Cash Assets | <u>38,230</u>              | <u>764</u>  | <u>(764)</u>  |
| <b>2016</b> |                            |   |   |
| Cash Assets | <u>32,801</u>              | <u>656</u>  | <u>(656)</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  
2017 (Cont'd)**

**11. SUBSEQUENT EVENTS**

There were no events that occurred after 30 September 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

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

There were no contingency liabilities, assets, or commitments as at 30 September 2017.

**13. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

**14. ADDITIONAL BRANCH INFORMATION**

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

Level 1  
251 Queensberry Street  
Carlton South Vic 3053