



**Australian Government**

**Australian Industrial Registry**

Level 36, 80 Collins Street  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9655 0401  
Email: melbourne@air.gov.au

Mr Doug Cameron  
National Secretary  
Automotive, Food, Metals, Engineering,  
Printing and Kindred Industries Union  
PO Box 160  
GRANVILLE NSW 2142

Dear Mr Cameron,

**Re: Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union  
Financial Reports for year ended 30 September 2005  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

<b>National Council</b>	<b>FR2005/542</b>	<b>New South Wales</b>	<b>FR2005/543</b>
<b>Queensland</b>	<b>FR2005/544</b>	<b>South Australia</b>	<b>FR2005/545</b>
<b>Tasmania</b>	<b>FR2005/546</b>	<b>Victoria</b>	<b>FR2005/547</b>
<b>Western Australia</b>	<b>FR2005/548</b>		

Thank you for the financial reports of the above named organisation and its branches for the year ended 30 September 2005. The documents were lodged in the Industrial Registry on 24 March 2006. Please excuse the delay in responding to you, our attention in recent months has been diverted to the new Workchoices legislation.

The documents have been filed.

Having examined the lodged financial reports I make the following comments to assist you in preparing financial documents in the future. You do not need to take any further action in respect of the documents which have been lodged.

### **New South Wales Branch**

I would like to make the following comments regarding this financial report:

- A 'Committee of Management's Certificate' has been included with the other financial documents. Reference is made in the certificate to the New South Wales *Industrial Relations Act 1996*, suggesting that it has been prepared for lodgement with the State Commission. This certificate is not required under the RAO Schedule;
- The document which sets out all of the information required by the Committee of Management Statement is entitled 'Branch's Statement' (see section 253(2)(c) of the RAO Schedule and Reporting Guidelines 23 and 24). Would you please ensure in future years that this document is properly entitled 'Committee of Management Statement'.
- The lodged documents include an Accounting Officer's Certificate. The Accounting Officer's Certificate was a document required under the former financial reporting requirements of the *Workplace Relations Act 1996*. This certificate is not required under the RAO Schedule as it has, in effect, been replaced by the Operating Report.
- While a comparison of signatures suggests that it was executed by the State Secretary, Mr Paul Bastian, the Operating Report does not identify the signatory either by name or position. In order to verify that the Report has been prepared by a member of the Committee of Management or a 'designated officer' (as required by RAO s.254 and s.243), it is necessary for the Report to identify its signatory. Would you please ensure that this occurs in the future.

## **South Australian Branch**

### Auditor's Report

The Auditor's Report is undated. The Australian Accounting Standards require the Auditor's Report to be dated. In particular, AUS 702 *'The Audit Report on a General Purpose Financial Report'* states that the date is one of the essential elements of the Audit Report (see AUS 702.13(i)). Similarly, section 257(9) of the RAO Schedule requires the Auditor's Report to be *'...dated as at the date that the auditor signs the report...'* You are requested to bring this matter to the Auditor's attention.

### Committee of Management Statement

Item 17(e)(iv) of the Reporting Guidelines which have been issued by the Industrial Registrar requires a declaration by the Committee of Management that:

*where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.*

Paragraph (e)(iv) of the Committee of Management Statement of the South Australian Branch states *'as the organisation does not consists of 2 or more reporting units...'*. This statement is incorrect. The organisation consists of a Federal Office and a number of branches, each being a reporting unit.

Section 242 of the RAO Schedule determines what constitutes a 'reporting unit' for the purposes of the Act:

#### *Organisations not divided into branches*

(2) Where an organisation is not divided into branches, the *reporting unit* is the whole of the organisation.

#### *Organisations divided into branches*

(3) Where an organisation is divided into branches, each branch will be a *reporting unit* unless a certificate issued by the Industrial Registrar stating that the organisation is, for the purpose of compliance with this Part, divided into reporting units on an alternative basis (see section 245) is in force.

## **Queensland Branch**

The Operating Report is required to state whether any officer or member of the Branch is a trustee of a superannuation entity (or a director of a company that is a trustee of a superannuation entity) – see section 254(2)(d) of the RAO Schedule.

In the event that no officer or member of the Branch is a trustee or director of a superannuation entity, the Operating Report should include a comment to this effect.

## **Employee-Related Expenses – Victorian and Tasmanian Branches**

The Victorian Branch's Statement of Financial Performance includes an item for 'Salaries' of \$47,027 and the Tasmanian Branch includes an item for 'Employee Expense' of \$94,870. Both of these Branches, however, include in Note 1 the following statements:

*(iv) 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.*

*(v) 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.*

You are requested to rectify these apparent discrepancies in future financial reports.

### **Consistency of Accounting Policies Between Branches**

Section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines require the financial records of each reporting unit of an organisation to be kept, as far as practicable, on a consistent basis.

All of the reporting units other than the Tasmanian Branch have a very similarly worded statement in Note 1 that the financial report has been prepared on a cash basis rather than an accrual basis as required by applicable Accounting Standards. Each Note 1 (other than for Tasmania) goes on to state that 'The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of national council *and all branches* following advice from the Australian Industrial Registry that the terms of section 252(3) of the Workplace Relations Act 1996 in effect create a standing exemption from the Australian Accounting Standard that mandates accrual accounts' (emphasis added).

The one exception is the Tasmanian Branch, which contains no statement in Note 1 that the financial reports have been prepared on a cash basis. Further, Note 18 of the Tasmanian accounts states 'Previously, AMWU reported on a cash basis. On transition to accrual accounting for the year ended 30 September 2004...' There is, however, a statement in paragraph (e)(iv) of the Committee of Management Statement for the Tasmanian Branch that the financial records of the reporting unit have been kept in a 'consistent manner to each of the other reporting units'.

It would appear that the Tasmanian Branch has adopted accounting policies which are not consistent with National Council or the other reporting units of the Union. You are requested to examine this issue in order to meet the requirements of section 252(2) of the RAO Schedule and Item 17(e)(iv) of the Reporting Guidelines in future years.

Please do not hesitate to contact me by email at [robert.pfeiffer@air.gov.au](mailto:robert.pfeiffer@air.gov.au) or on (03) 8661 7817 if you wish to discuss this letter.

Copies of the financial reports have been placed on the website maintained by the Industrial Registry at <http://www.e-airc.gov.au/188V>.

Yours sincerely,

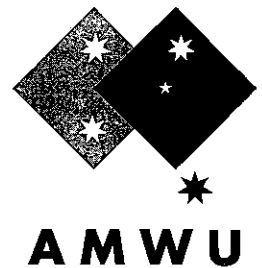


Robert Pfeiffer  
Statutory Services Branch

31 August 2006

# Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



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

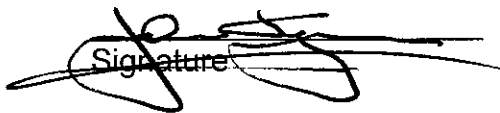
### WESTERN AUSTRALIA STATE COUNCIL

#### CERTIFICATE OF STATE SECRETARY

I John Kilday Ferguson, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industrial Union W.A. State Council certify:

- That the documents lodged herewith are copies of the Full Report, referred to in section 268 of the ROA Schedule; and
- That the Full Report was provided to members in the month of January 2006; 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 W.A. State Council on Monday 6 February 2006 in accordance with section 266 of the ROA Schedule.

John Kilday Ferguson  
State Secretary

  
Signature

Date: 6<sup>th</sup> February 2006

WA State Office  
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East Perth WA 6004  
PO Box J667  
GPO Perth WA 6842  
Telephone (08) 9223 0800  
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**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
PRINTING AND KINDRED INDUSTRIES UNION**

**WESTERN AUSTRALIAN BRANCH**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

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

**WESTERN AUSTRALIAN BRANCH**

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

**WESTERN AUSTRALIAN BRANCH**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS**

**Scope**

*The Financial Report and the Responsibility of the State Council and Branch Secretary*

The financial report comprises the statement of Financial Performance, statement of Financial Position, statement of Cash flows, accompanying notes to the financial report, and the state council's statement of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian State Council, for the year ended 30 September 2005.

The State Council and Branch Secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Workplace Relations Act 1996*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We have conducted an independent audit in order to express an opinion to the members of the Branch. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Workplace Relations Act 1996*, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view, which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the State Council and the Secretary of the Branch.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

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**HEWITT**

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**TURNER &**

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**GELEVITIS**

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**BUSINESS  
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Wealth Creation  
Asset Protection  
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Strategic Planning  
Accounting Services  
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**PRINCIPALS**

**Timothy Turner**  
B.BUS (ACC), FCPA,  
FAIM, FTIA  
Registered Company Auditor

**Vick Gelevitis**  
B.BUS (ACC), FCPA,  
NTAA, FTIA

**ASSOCIATE**

**Darryl Rodrigues**  
B.Sc, B.BUS (ACC), CPA

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

**WESTERN AUSTRALIAN BRANCH**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS  
(Continued)**

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Workplace Relations Act 1996*.

**Audit Opinion**

In our opinion, the financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch is in accordance with:

- (a) the *Workplace Relations Act 1996* including:
  - (i) giving a true and fair view of the branch's financial position as at 30 September 2005 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards; and
  - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.

**Inherent Uncertainty Regarding Litigation**

Without qualification to the opinion expressed above, attention is drawn to the following matter. As indicated in Note 9 to the financial statements, the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch is a defendant in litigation amounting to approx. four million dollars. As discussed in Note 9, the circumstances of the case are such that the ultimate outcome of the litigation cannot presently be determined with an acceptable degree of reliability and accordingly no provision for any liability that may result has been made in the financial statements.

Signed at Perth, this 27<sup>th</sup> day of October, 2005.

  
HEWITT TURNER & GELEVITIS  
AUDIT ASSURANCE DIVISION

  
TIMOTHY TURNER  
REGISTERED COMPANY AUDITOR

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HEWITT  
TURNER &  
GELEVITIS

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

**WESTERN AUSTRALIAN BRANCH**

**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005**

The State Council, being the Committee of Management for the purposes of the *Workplace Relations Act 1996*, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Branch for the year ended 30 September 2005.

**Review of the Branch's Principal Activities**

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian State Council's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout the industry. This has been done primarily by way of industrial awards and enterprise agreements. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian State Council has also been active in trying to influence governments at all levels in a wide range of political issues.

**Significant Changes in Nature of Principal Activities**

There were no significant changes in the nature of the State Council's principal activities during the financial year.

**Results of Principal Activities**

The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian State Council's principal activities resulted in a deficit for the financial year, after abnormal items, of (\$8,088).

**Significant Changes in the Unions Financial Affairs**

The National Council has determined to keep its financial records on the cash basis as they relate to the income and expenditure of National Council. As the Branch must keep its financial records, as far as practicable, in a consistent manner to each of the other branches and National Council, the Branch has, for the year ended 30 September 2005, also kept its financial records on the cash basis as they relate to the income and expenditure of the Branch.

This is a change in accounting policy in that in previous years the Branch kept its financial records on the accrual basis as they related to the income and expenditure of the Branch. The change in the accounting policy has not significantly effected the financial position of the Branch for the year.

No other matters or circumstances arose during the reporting year, which significantly affected the financial affairs of the Union.

**The Rights of Members to Resign**

Rule 43(8) of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Rules states that a member may resign his/her membership by notifying his/her State secretary in writing, addressed and delivered to that officer.

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

**WESTERN AUSTRALIAN BRANCH**

**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT'D)**

**The Rights of Members to Resign (cont'd)**

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 of 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 Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Rules interferes with a member's right to resign from the union as set out under section 174 of the Workplace Relations Act 1996.

**State Officers or Members who are Trustees of a Superannuation Entity**

There are no officers or members of the State who are trustees of a Superannuation entity.

**Prescribed Information Required under the Workplace Relations (RAO) Regulations 2003**

- a) the number of persons that were recorded in the register on members on 30 September 2005 was 12,362;
  
- b) the number of persons who were employees of the reporting unit on 30 September 2005 was 22, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis;

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

**WESTERN AUSTRALIAN BRANCH**

**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005 (CONT'D)**

**Prescribed Information Required under the Workplace Relations (RAO) Regulations  
2003 (Cont'd)**

- c) the names of each person who has been a member of the committee of management of the State 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>Title of Officer</b>
J L Grant	State Vice-President
J Ferguson	State Secretary
C Saunders	State President
D G Hicks	Hon. Secretary (TSA)
R O Knox	Hon. Secretary Print
J P Lopez	Hon. Secretary Food
M Anderton	Member (Resigned 22 February 2005)
S Currie	Member
B A King	Member
C Seivers	Member
B T Feeney	Member
B Harper	Member
P Weston	Member
M Golesworthy	Member
G J Daccache	Member
M Dellavanzo	Member
P C Cook	Member
J E Mossenton	Member
A Lindsey	Member

All members of the committee of management have been in office since the start of the financial year to the date of this report unless otherwise stated.

John Kilday Ferguson  
Name

State Secretary  
Title

  
Signature

24.10.05  
Date

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

**WESTERN AUSTRALIAN BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT**

On 24 October 2005 the State Council of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch passed the following resolution in relation to the *general purpose financial report (GPFR)* of the reporting unit for the financial year ended 30 September 2005:

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

- (a) the financial report and notes comply with the Australian Accounting Standards to the extent detailed in Note 1 to the Financial Report;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 30 September 2005;
- (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;
- (e) during the financial year ended 30 September 2005 and since the end of the financial year:
  - (i) meetings of the State Council were held in accordance with the rules of the organisation and the rules of a Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
  - (iii) the financial records of the Branch have been kept and maintained in accordance with Schedule 1B to the *Workplace Relations Act 1996* and the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003*; 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 and National Council of the organisation; and
  - (v) no information has been sought in any request of a member of the Branch or a Registrar under section 272 of Schedule 1B of the *Workplace Relations Act 1996*; and
  - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the *Workplace Relations Act 1996*.

For Western Australian State Council: *John Kilday Ferguson*

Title of Office held: *State Secretary*

Signature:



Date: 24.10.05

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

**WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>EXCESS OF ASSETS OVER LIABILITIES</b>			
State Council General Fund		<u>31,785</u>	<u>39,873</u>
<b>Represented by Net Assets as follows:</b>			
<b>ASSETS</b>			
Cash at Bank – State Council General Fund		9,312	17,642
GST Input Account		23,944	23,201
<b>TOTAL ASSETS</b>		<u><b>33,256</b></u>	<u><b>40,843</b></u>
<b>LIABILITIES</b>			
Salary Deductions – Delegates Group Tax		1,025	-
GST Output Account		446	970
<b>TOTAL LIABILITIES</b>		<u><b>1,471</b></u>	<u><b>970</b></u>
<b>NET ASSETS</b>		<u><b>31,785</b></u>	<u><b>39,873</b></u>

**To be read in conjunction with the accompanying notes**

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

**WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>INCOME</b>			
Remittances from National Council			
General Fund		562,024	464,823
Local Purpose		3,213	3,175
Interest Received From Bank		494	417
<b>TOTAL INCOME</b>		<u><b>565,731</b></u>	<u><b>468,415</b></u>
<b>EXPENDITURE</b>			
Affiliation Fees		44,760	43,940
Bank Charges & Other		857	827
Computing		1,284	1,914
Delegations – Employees		97,840	74,973
Delegations – Members		50,687	51,165
Donations		1,573	127
Freight		3,421	5,928
General office expenses		43,515	38,108
Insurance		14,399	12,969
Motor Vehicle Expenses		89,722	62,327
Newsletters		-	1,551
Payroll Tax		71,673	65,045
Photocopying		13,911	15,117
Postage		11,973	11,700
Printing		1,070	9,431
Professional Services	4	28,381	2,688
Publicity		335	6,456
Rent		6,013	4,482
<b>BALANCE CARRIED FORWARD</b>		<u><b>481,414</b></u>	<u><b>407,665</b></u>

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

**WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 SEPTEMBER 2005  
(Continued)**

	Note	2005 \$	2004 \$
<b>EXPENDITURE (CONTINUED)</b>			
BALANCE BROUGHT FORWARD		481,414	408,748
Research		12,998	13,004
Salaries & Expenses – Employees		16,948	13,812
Stationary		5,609	6,416
Telephone & Telex		56,850	60,248
<b>TOTAL EXPENDITURE</b>		<u><b>573,819</b></u>	<u><b>502,228</b></u>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(8,088)</b>	<b>(33,813)</b>
Accumulated Funds at beginning of the Year		<u>39,873</u>	<u>73,686</u>
<b>ACCUMULATED FUNDS AT END OF THE YEAR</b>		<u><b>31,785</b></u>	<u><b>39,873</b></u>

**To be read in conjunction with the accompanying notes**

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

**WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	NOTE	2005 \$	2004 \$
<b>CASHFLOWS FROM OPERATING ACTIVITIES</b>			
Remittances from National Council			
- General Fund		561,500	463,025
- Local Purpose Allocation		3,213	3,175
Interest received		494	417
Payments to suppliers & employees		(573,537)	(454,966)
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>		<u>(8,330)</u>	<u>11,651</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(8,330)	2,815
<b>CASH AT BEGINNING OF THE FINANCIAL YEAR</b>		<u>17,642</u>	<u>5,991</u>
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	5	<u>9,312</u>	<u>17,642</u>

**The accompanying notes form part of these financial statements.**



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

**WESTERN AUSTRALIAN BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with the *Workplace Relations Act 1996*, applicable Accounting Standards and other mandatory professional reporting requirements, with the exception that the financial report has been prepared on the cash basis rather than the accruals basis as required by applicable Accounting Standards. The Union has determined to adopt the cash basis of accounting in the preparation of the financial reports of National Council and all branches following advice from the Australian Industrial Registry that the terms of Section 252(3) of the *Workplace Relations Act 1996* in effect create a standard exemption from the Australian Accounting Standard that mandates accrual accounts. Section 253(3) states that financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

The financial report has been prepared on a cash basis as regards the income and expenditure of the Branch and on the basis of historical costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the Western Australian Branch in the preparation and presentation of the financial report:

- a) The Western Australian Branch operates as a branch of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union.
  - (i) All members' contributions are paid directly to the National Council.
  - (ii) Apart from miscellaneous interest, income represents the amount reimbursed by the National Council to cover Branch based expenses. Reimbursements are made on an as required basis and are recognised when received by the Branch.
  - (iii) Expenses represent amounts paid directly by the Branch for operational costs.
  - (iv) Other operating expenses eg. salaries which relate to the Branch are paid for by the National Council and are included on the financial report of the National Council only.
  - (v) 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.

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- (vi) 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.
- (vii) 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*.
- (viii) Goods and Services Tax (GST)

Revenues and expenses are recognised net of GST, except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of an item of expense; or
- (b) for receivables and payables which are recognised 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.

**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, including litigation claims that may be brought against the Western Australian Branch.

**c) Impact of adoption of Australian Equivalents to International Financial Reporting Standards**

The State Council is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRS will be reflected in the financial statements for the year ending 30 September 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 September 2005 are required to be re-stated. The majority of the AIFRS transitional adjustments will be made retrospective against retained earnings at 1 October 2004.

The State Council is of the opinion that there are no material differences in the Branch's accounting policies on conversion to AIFRSs. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the State Council.

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**NOTE 2. CHANGE IN ACCOUNTING POLICY**

This year the branch has accounted for income and expenditure as a cash basis. In previous years the Branch has prepared financial reports on an accruals basis in respect of the income and expenditure of the Branch.

The change in the accounting policy has not significantly effected the financial position of the Branch for the year.

**NOTE 3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the *Workplace Relations Act 1996*, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of Schedule 1B, which read as follows:

272(1) *A member of a reporting unit, or a Registrar 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;*

272(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 be not less than 14 days after the application is given to the reporting unit;*

272(3) *A reporting unit must comply with an application made under subsection (1).*

**NOTE 4. PROFESSIONAL SERVICES**

	2005	2004
	\$	\$
Professional Services consist of:		
Audit Fees – Western Australian Branch	4,279	6,111
Legal Expenses	24,102	(3,423)
	<u>28,381</u>	<u>2,668</u>

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<b>NOTE 5. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS</b>	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Operating Surplus/(Deficit) for the year	(8,088)	(33,813)
<u>Changes in Assets and Liabilities</u>		
(Increase)/decrease in GST Input Account	(743)	47,585
Increase/(decrease) in GST Output Account	(524)	(1,798)
Increase/(decrease) in Group Tax Payable	1,025	(323)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(8,330)</b>	<b>11,651</b>

**NOTE 6. FINANCIAL INSTRUMENTS**

a) Interest Rate Risk

The Branch's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

<b>30 September 2005</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>				
Cash	9,312	-	-	9,312
Receivables	-	-	23,944	23,944
	9,312	-	23,944	33,256
Weighted average interest rate	1.55%	-		
<b>Financial Liabilities</b>				
Payables	-	-	1,471	1,471
<b>NET FINANCIAL ASSETS / (LIABILITIES)</b>	<b>9,312</b>	<b>-</b>	<b>31,785</b>	<b>31,785</b>

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**NOTE 6. FINANCIAL INSTRUMENTS (Cont'd)**

<b>30 September 2004</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest</b>	<b>Non- Interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>				
Cash	17,642	-	-	17,642
Receivables	-	-	23,201	23,201
	17,642	-	23,201	40,843
Weighted average interest rate	1.55%	-		
<b>Financial Liabilities</b>				
Payables	-	-	970	970
<b>NET FINANCIAL ASSETS / (LIABILITIES)</b>	<b>17,642</b>	<b>-</b>	<b>22,231</b>	<b>39,873</b>

**b) Credit Risk Exposure**

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligation, causing the Branch to incur financial loss.

The credit risk exposure of the Branch to financial assets, which has been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg. Receivables and payables) approximate net fair values.

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**NOTE 7. RELATED PARTY TRANSACTIONS**

- a) The aggregate amount of remuneration paid to officers during the financial year is disclosed 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 disclosed 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 Financial Performance.
  - ii. Net amounts receivable from the National Office are as follows:

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
Net amounts receivable National Office	23,498	22,231
	<u>23,498</u>	<u>22,231</u>

During the 2004/05 financial year, the AMWU National Council remitted to the Western Australian Branch GST debt outstanding of \$41,976.

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**NOTE 8. CAPITAL COMMITMENTS**

At the date of signing this report there are no known outstanding capital commitments.

**NOTE 9. CONTINGENT LIABILITIES**

2005  
\$

Estimates of the maximum amounts of contingent liabilities that may become payable:

A claim has been brought against the Union by Bell a Bike Rottnest Pty Ltd. The amount disclosed is based on legal advice and represents the maximum amount that the Western Australian Branch may be liable for.

The action is being rigorously defended by the Union.  
*(Bell a Bike Rottnest Pty Ltd & Ors v AFMEPKIU – WA Branch & Ors)*

4,000,000

TOTAL

4,000,000

**NOTE 10. ADDITIONAL BRANCH INFORMATION**

The registered office and principal place of business of the Branch is 121 Royal Street, East Perth in the State of Western Australia.

**NOTE 11. SUBSEQUENT EVENTS**

At the date of signing this report there are no subsequent events that have occurred or are likely to occur that require disclosure.

**\*\*\* END OF NOTES TO FINANCIAL STATEMENTS \*\*\***