



FAIR WORK
AUSTRALIA

18 March 2011

Mr Steven McCartney
State Secretary
"Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union" known as the
Australian Manufacturing Workers' Union (AMWU)
PO Box J667
PERTH WA 6842

By email: amwuwa@amwu.asn.au

Dear Mr McCartney,

Re: Fair Work (Registered Organisations) Act 2009 (RO Act) financial reports for year ended 30 September 2010 for WA Branch FR2010/2804

I refer to the above financial report for the AMWU WA Branch for the year ended September 2010 which was lodged 8 March 2011. The financial report has now been filed.

Comments to assist future financial reports

I draw your attention to the Reporting Guidelines of the General Manager of FWA made pursuant to s255 of the RO Act. Reporting guidelines 14(c) and (d) require reporting units to disclose in the Liabilities of the Balance Sheet any employee benefits (such as long service leave) in respect of office holders and any employee benefits in respect of employees other than office holders. In future please ensure such employee benefits are disclosed in the balance sheet.

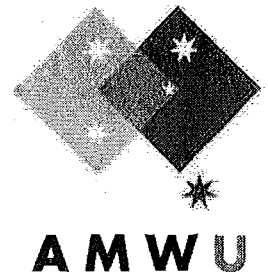
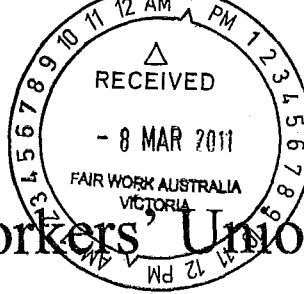
If you have any queries regarding the matters referred to in this letter, please contact me on (03) 8661 7933 or by email at olaf.richter@fwa.gov.au.

Yours sincerely,

Olaf Richter
Tribunal Services and Organisations
Fair Work Australia

Australian Manufacturing Workers' Union

(Registered as AFMEPKIU)



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

WESTERN AUSTRALIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I Steven James McCartney, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Western Australian 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' in the month of January 2011; 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 Western Australian State Council on Tuesday 22nd February 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

State Secretary
Steven James McCartney

(Signature)

Dated: 22nd February 2011

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121 Royal Street
East Perth WA 6004
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FR2010/2804



**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

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

WESTERN AUSTRALIAN BRANCH

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WESTERN AUSTRALIAN BRANCH

OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010

The State Council, being the Committee of Management for the purposes of the *Fair Work (Registered Organisations) Act 2009*, presents its operating report of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AFMEPKIU), Western Australian Branch for the financial year ended 30 September 2010.

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 the industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels in a wide range of political issues.

Significant Changes

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

Results of Principal Activities

The AFMEPKIU, (Western Australia) State Council's principal activities resulted in a deficit for the financial year of **(\$11,564)**. (2009: \$16,119 deficit).

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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WESTERN AUSTRALIAN BRANCH

**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010
(Cont'd)**

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules states that a member may resign his/her membership by notifying his/her State Secretary in writing, addressed and delivered to that officer.

A notice of resignation from membership takes effect:

- (a) Where the member ceases to be eligible to become a member of the organisation:
 - (i) On the day on which the notice is received by the organisation; or
 - (ii) On the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

whichever is later; or

- (b) In any other case:
 - (i) At the end of two weeks after the notice is received by the organisation; or
 - (ii) On the day specified in the notice;

whichever is later.

Any dues payable but not paid by a former member of the organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

A notice delivered to the State Secretary shall be taken to have been received by the organisation when it is delivered.

A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered to the State Secretary.

A resignation from membership is valid even if it is not effected in accordance with this Rule if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Nothing in Rule 43(8) of the AFMEPKIU Rules interferes with a member's right to resign from the union as set out under section 174(1) of the *Fair Work (Registered Organisations) Act 2009*. In accordance with section 174(1) of the *Fair Work (Registered Organisations) Act 2009* a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

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WESTERN AUSTRALIAN BRANCH

**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010
(Cont'd)**

State Officers or Members who are Trustees of a Superannuation Entity

There are no officers or members of the Western Australian State Branch who are trustees 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.

Other Relevant Information

The Western Australian Branch is not aware of any other relevant information.

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

- a) The number of persons who were recorded in the register of members on 30 September 2010 was **10,852**.

- b) The number of persons who were employees of the reporting unit on 30 September 2010 was **24.2**, 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,
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WESTERN AUSTRALIAN BRANCH


**OPERATING REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2010
(Cont'd)**

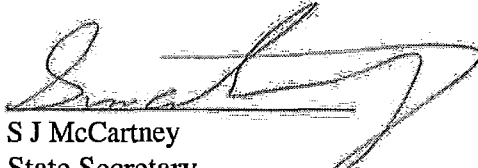
**Prescribed Information Required under the Fair Work (Registered Organisations)
Regulations 2009 (Cont'd)**

- c) The names of each person who has been a member of State Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Title of Officer	Period Position Held
A Duffy	State President	Full Year
D A Fox	State Vice-President	Full Year
S J McCartney	State Secretary	Full Year
A Lindsey	Hon. Secretary Print	Full year
J P Lopez	Hon. Secretary Food	Full year
John Sharp-Collett	Hon. Secretary Retired Members Division	Full Year
J Wilson	Hon Secretary – TSA Div	Until 1 June 2010
P Baker	Hon Secretary – TSA Div	From 1 June 2010
P Judge	Member	Full Year
D Baker	Member	Until 1 June 2010
M Dellavanzo	Member	Until 1 June 2010
L Morton	Member	Until 1 June 2010
B A King	Member	Full year
C Seivers	Member	Full year
B T Feeny	Member	Until 1 June 2010
G J Daccache	Member	Until 1 June 2010
G Tattersall	Member	Full year
P Boyle	Member	From 1 June 2010
T Hall	Member	From 1 June 2010
A Francisco	Member	From 1 June 2010
J Gregory	Member	From 1 June 2010

Signed in accordance with a resolution of State Council


T Hall
Acting State President


S J McCartney
State Secretary

30/11/10
Date

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

On 30 November 2010 the State Council of the 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 State Council for the year ended 30 September 2010:

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 September 2010;
- (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 2010 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 the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* and the *Fair Work (Registered Organisations) Regulations 2009*; 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 the General Manager of Fair Work Australia under section 272 of the *Fair Work (Registered Organisations) Act 2009*; and
 - (vi) no order for inspection of the financial records has been made by Fair Work Australia under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
- (f) during the financial year ended 30 September 2010 the Western Australian State Council did not participate in any recovery of wages activity.

For Western Australian State Council:



S.J. McCartney

State Secretary

Date: 30/11/10

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	2010	2009
		\$	\$
INCOME			
Remittances from National Council			
General Fund		707,891	707,450
Local Purpose			3,009
Interest Received From Bank		54	91
TOTAL INCOME		<u><u>707,945</u></u>	<u><u>710,550</u></u>
EXPENDITURE			
Affiliation Fees		37,263	35,860
Bank Charges & Other		702	821
Computing		2,126	1,501
Conference & Meeting Expenses		40,442	30,765
Conference & Meeting Fees & Allowances		4,706	3,044
Delegation/Employee expenses – Office Holders		45,084	41,027
Delegation/Employee expenses – Other Employees		95,407	148,215
Delegation expenses – members		32,914	58,814
Donations		8,723	9,380
Freight		8,429	6,952
General office expenses		61,064	54,234
Insurance		11,034	2,789
Motor Vehicle Expenses		99,152	103,402
Payroll Tax		89,454	80,414
Photocopying		5,698	7,460
Postage		6,746	5,550
Printing		1,983	-
Professional Services	4	105,080	71,020
Publicity		28,440	3,028
Rent		5,881	7,498
Research		-	5,740
Stationery		6,243	7,215
Telephone		22,938	41,940
TOTAL EXPENDITURE		<u><u>719,509</u></u>	<u><u>726,669</u></u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u><u>(11,564)</u></u>	<u><u>(16,119)</u></u>

The attached notes form part of the financial report.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2010**

	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	23,172	13,905
Receivables	6	12,372	13,446
Total Current Assets		<u>35,544</u>	<u>27,351</u>
TOTAL ASSETS		<u>35,544</u>	<u>27,351</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	28,223	8,466
Total Current Liabilities		<u>28,223</u>	<u>8,466</u>
TOTAL LIABILITIES		<u>28,223</u>	<u>8,466</u>
NET ASSETS		<u>7,321</u>	<u>18,885</u>
ACCUMULATED FUNDS		<u>7,321</u>	<u>18,885</u>

The attached notes form part of the financial report.

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WESTERN AUSTRALIAN BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	Note	Accumulated Funds \$
Balance at 30 September 2008		35,004
Net Surplus/(Deficit) for the year		<u>(16,119)</u>
Balance at 30 September 2009		<u>18,885</u>
Net Surplus/ (Deficit) for the year		<u>(11,564)</u>
Balance at 30 September 2010		<u>7,321</u>

The attached notes form part of the financial report.

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WESTERN AUSTRALIAN BRANCH

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

	NOTE	2010 \$	2009 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council			
- General Fund		707,891	707,450
- Local Purpose Allocation			3,009
Interest received		54	91
Payments to suppliers & employees		(698,678)	(707,337)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	8(b)	9,267	3,213
NET INCREASE/ (DECREASE) IN CASH HELD		9,267	3,213
Cash at Beginning of Year		<u>13,905</u>	<u>10,692</u>
CASH AT END OF YEAR	8(a)	<u>23,172</u>	<u>13,905</u>

The attached notes form part of the financial report.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Fair Work (Registered Organisations) Act 2009*.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and the notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 8 “Operating Segments” does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 “Impairment of Assets”.

BASIS OF PREPARATION

The financial report is for the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union is an organisation registered under the *Fair Work (Registered Organisations) Act 2009*. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch is a Branch of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the State Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair basis of accounting has been applied. Cost is based on fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

- (a) (i) **Revenue**
All members' contributions are paid direct to the National Council. Remittances from National Council are the amounts reimbursed by the National Council to cover Branch expenses and are recognised when received by the Branch.
- (ii) **Expenditure**
Expenses represent amounts paid directly by the Branch for operational costs. Other operational expenses eg salaries which relate to the Branch are paid for by the National Council and are included in the financial report of the National Council only.
- (iii) **Employee Entitlements**
Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.
- (iv) **Property, Plant & Equipment**
All fixed assets are recorded in the financial reports of the National Council and the depreciation regarding those assets is charged in the National Council accounts.
- (v) **Income Tax**
No provision for income tax is necessary as Trade Unions are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.
- (vi) **Accounting Standards Issued but not yet Effective**
There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.
- (vii) **Goods and Services Tax (GST)**
Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of the item of expense. Receivables and payables on the balance sheet 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 cash flow statement on a gross basis.

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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Going Concern Basis of Accounting

The financial report has been prepared on the basis that the Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The State Council believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the National Council has made an undertaking to provide financial support to the Branch.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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 Western Australian 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 amount of the asset and liabilities.

(b) Critical judgements in applying the Western Australian Branch's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL
MANAGER OF FAIR WORK AUSTRALIA**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of Section 272 of *Fair Work (Registered Organisations) Act 2009* which read as follows:

- 1) A member of a reporting unit, or the General Manager of Fair Work Australia, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must be not 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).

4. PROFESSIONAL SERVICES

	2010	2009
	\$	\$
Auditors – Auditing the financial report	3,225	5,905
Legal Expenses	101,855	65,115
	<u>105,080</u>	<u>71,020</u>

5. CASH AND CASH EQUIVALENTS

Cash at Bank	23,172	13,905
	<u>23,172</u>	<u>13,905</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

	2010	2009
	\$	\$
6. RECEIVABLES		
Prepaid expenses	12,372	13,446
	12,372	13,446
7. TRADE & OTHER PAYABLES		
Trade Creditors & Accruals	28,073	8,466
PAYG Payable	150	-
	28,223	8,466
8. CASH FLOW INFORMATION		
(a) For the purposes of the cash flow statement, cash includes cash on hand and at call deposits with banks and other financial institutions.		
Cash at Bank	23,172	13,905
(b) Reconciliation of cash flow from Operations with Net Surplus/ (Deficit)		
Net Surplus/ (Deficit)	(11,564)	(16,119)
<u>Changes in Assets and Liabilities</u>		
(Increase)/decrease in Receivables	1,074	11,371
Increase/ (decrease) in Payables	19,757	7,961
CASH FLOWS FROM OPERATIONS	9,267	3,213

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

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 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 Income Statement.
 - (ii) During the financial year the National Office remitted \$50,109.36 to the WA State Council being refund of the GST debt outstanding.

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 has overall responsibility for the determination of the Branch's risk management objectives and policies.

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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

10. FINANCIAL RISK MANAGEMENT (Cont'd)

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:

	2010	2009
	\$	\$
Cash and cash equivalents	<u>23,172</u>	<u>13,905</u>
The cash and cash equivalents are held in a high quality Australian financial institution.		
Prepaid expenses	12,372	13,446
Total Receivables	<u>12,372</u>	<u>13,446</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

c) Liquidity Risk

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

The Branch is not significantly exposed to this risk; as at 30 September 2010 it had \$23,172 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities as at 30 September 2010 totalled \$28,223.

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 cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

10. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities are summarised below:

30 September 2010	Floating Interest Rate	Fixed Interest	Non-Interest Bearing	Total
Financial Assets				
Cash and cash equivalents	23,172	-	-	23,172
Receivables	-	-	12,372	12,372
	23,172	-	12,372	35,544
Weighted average interest rate	1.55%			
Financial Liabilities				
Payables	-	-	(28,223)	(28,223)
NET FINANCIAL ASSETS / (LIABILITIES)	23,172	-	(15,851)	7,321
30 September 2009	Floating Interest Rate	Fixed Interest	Non- Interest Bearing	Total
Financial Assets				
Cash and cash equivalents	13,905	-	-	13,905
Receivables	-	-	13,446	13,446
	13,905	-	13,446	27,351
Weighted average interest rate	1.55%			
Financial Liabilities				
Payables	-	-	(8,466)	(8,466)
NET FINANCIAL ASSETS / (LIABILITIES)	13,905	-	4,980	18,885

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

WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

10. FINANCIAL INSTRUMENTS (Cont'd)

(e) Interest Rate Risk (cont'd)

Sensitivity Analysis

	Carrying Amount	+0.50% (50 basis points) Profit	-0.50% (50 basis points) Loss
2010	\$	\$	\$
Cash Assets	23,172	116	(116)
2009			
Cash Assets	13,905	69	(69)

(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.

11. SUBSEQUENT EVENTS

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

12. CONTINGENT LIABILITIES

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

- A claim has been brought against the Union and its officials by John Holland Pty Ltd. Due to the sensitive nature of the case it is not practical to estimate the potential effect of the claim.
(*John Holland Pty Ltd v AMWU & Ors*)

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WESTERN AUSTRALIAN BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2010 (Continued)**

12. CONTINGENT LIABILITIES (Cont'd)

- A claim has been brought against the Union and its officials by the Australian Building & Construction Commissioner (ABCC) relating to breaches of the *Building & Construction Industry Improvement Act 2005* and the *Workplace Relations Act 2004*. The maximum amount of the claim is **\$352,000** plus costs. However the Union is confident of settling the matter for a much lower figure.
(Australian Building Construction Commissioner v Benjamin Abbott & Ors).
- A claim has been brought against 98 members of the Union by United Group Resources Pty Ltd relating to breaches of the *Fair Work Act 2009*. The Union is not a party to this action and its liability is limited to the legal costs incurred in representing its members. The maximum amount of the claim cannot be ascertained at this time.
(United Group Resources Pty Ltd & Ors v Calabro & Ors).

The above actions are being vigorously defended by the Union.

13. 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.

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,
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WESTERN AUSTRALIAN BRANCH

INDEPENDENT AUDIT REPORT

To the members of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch.

Report on the Financial Report

We have audited the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch, which comprises the Statement of Financial Position as at 30 September 2010, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

Branch Committee of Management and the Branch Secretary's Responsibility for the Financial Report

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009*. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to the audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the branch committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

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

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Management Consultancy*

PRINCIPALS

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

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

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

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WESTERN AUSTRALIAN BRANCH

**INDEPENDENT AUDIT REPORT
(Continued)**

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional accounting bodies and the *Fair Work (Registered Organisations) Act 2009*.

Auditor's Opinion

In our opinion, the general purpose financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australian Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

**HEWITT
TURNER &
GELEVITIS**



**HEWITT TURNER & GELEVITIS
Certified Practicing Accountants**

TIMOTHY TURNER
Member of CPA Australia
And Holder of Current Public Practice Certificate
Registered Company Auditor
4/63 Shepperton Road, Victoria Park WA 6100

Date: 1st December 2010.