



5 April 2018

Mr Steven McCartney
State Secretary
Australian Manufacturing Workers' Union
Western Australian Branch

By e-mail: steve.mccartney@amwu.asn.au

Dear Mr McCartney

**Australian Manufacturing Workers' Union, Western Australian Branch
Financial Report for the year ended 30 September 2017 - FR2017/285**

I acknowledge receipt of the financial report for the year ended 30 September 2017 for the Australian Manufacturing Workers' Union, Western Australian Branch (AMWU-WA). The financial report was lodged with the Registered Organisations Commission (ROC) on 5 March 2018.

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

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. Committee of Management Statement

Reference to s.272

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General Manager, Fair Work Commission.

The AMWU-WA Committee of Management statement, at reference (e)(v), refers to 'General Manager'. In future, please ensure that this reference is to the 'Commissioner'.

2. General Purpose Financial Report (GPFR)

Disclosure of legal costs

Reporting Guideline 16(j) requires legal costs to be disclosed by litigation and by other legal matters. Note 7 to the GPFR discloses \$11,745 of legal expenses. In future, please ensure that this note is presented in accordance with Reporting Guideline 16(j).

Activities under Reporting Guidelines (RG) not disclosed

Item 21 of the RG states that if the activities identified in item 20 has not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG item no such disclosure has been made:

- Item 20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions

3. 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

Yours faithfully



KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission



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 Australia 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 Western Australia State Council on 20th February 2018 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary
Steven James McCartney


(Signature)

Dated: 20th February 2018

WA State Office
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East Perth WA 6004
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WESTERN AUSTRALIA BRANCH

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

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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, Western Australian 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

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

Results of Principal Activities

During the year to 30 September 2017 the AFMEPKIU negotiated and registered 223 enterprise bargaining agreements nationally, 29 of which were from Western Australia.

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 Western Australia State Branch's principal activities resulted in a deficit for the financial year of **(\$15,373)**.

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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OPERATING REPORT (Cont'd)

The Right of Members to Resign

Rule 43(8) of the AFMEPKIU Rules state 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.

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OPERATING REPORT (Cont'd)

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

Salaries

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

Level	Position	Per Annum
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 Western Australia Branch who are the two highest paid in terms of relevant remuneration for the year ended 30 September 2017 are as follows:

Name	Office	Actual Amount of Relevant Remuneration - Salary, Super & Service Increment	Actual Amount of Relevant Remuneration - Travel & Other Allowances	Form and Value of Relevant Non-Cash Benefits
Steven McCartney	State Secretary	\$122,377.27	\$3,616.16	Provision of a Motor Vehicle - \$13,567.29
Alan Lindsey	Hon. Secretary Print	\$109,889.78	\$1,913.00	Provision of a Motor Vehicle - \$15,205.69

The following officers left the employment of the Western Australia 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:

Name	Office	Actual Amount of Relevant Remuneration	Form and Value of Relevant Non-Cash Benefits
Tony Hall	Hon. State President	\$198,382.69 (inclusive of \$17,346.38 AL/LSL Entitlement)	Provision of a Motor Vehicle - \$2,185.95

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OPERATING REPORT (Cont'd)

Statement of Salaries, Board Fees, Associated Entities, Key Relationships & Disclosure Statements (cont'd)

Board Fees

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

Organisation	Amount received
Construction Industry Safety Advisory Committee	\$1,452

Associated Entities

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

Key Relationships

The AFMEPKIU Western Australia 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	Supplier
Financial Services	Printing & Publicity Services
Oracle Group (Australia) Pty Ltd	Blue Gum Clothing Co Pty Ltd
HTG Partners	CGM Communications (Campaign Capital)
	OfficeMate
IT & Communications Services	G & G Trade Publishing & Distribution
Telstra Corporation Ltd	Advance Press (2013) Pty Ltd
Market Creations	Officemax Australia Limited
	Benzl Brands – Worksense Pty Ltd
Legal Services	Lifestyle Australia Pty Ltd
Turner Freeman Lawyers	Minuteman Press (Abbotsford)
W G McNally Jones Staff	
Eureka Lawyers	Travel Services
	FCM Travel Solutions
Vehicle Services	
Avis Australia	
RAC Insurance Pty Ltd	
Summit Auto Lease Australia	

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WESTERN AUSTRALIA BRANCH

OPERATING REPORT (Cont'd)

Statement of Salaries, Board Fees, Associated Entities, Key Relationships & Disclosure Statements (cont'd)

Officers' material personal interests

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

Payments to related parties or declared persons

For the year ended 30 September 2017, the AFMEPKIU Western Australian 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 Western Australia State Branch who is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

Name of officer or member	Superannuation Fund	Position Held
Steven James McCartney	Westscheme/Australian Super	Advisory Board Member

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 2017 was **8,176**.
- b) The number of persons who were employees of the reporting unit on 30 September 2017 was **0**.

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WESTERN AUSTRALIA BRANCH

OPERATING REPORT (Cont'd)

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

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

Name	Title of Officer	Period Position Held
T Hall	Hon. State President	1/10/16 – 16/1/17
C Seivers	Vice President	1/10/16 - 30/9/17
S J McCartney	State Secretary	1/10/16 - 30/9/17
G McLaren	Asst State Secretary	29/8/17 - 30/9/17
A W Lindsey	Hon. Secretary Print	1/10/16 - 30/9/17
J Kemp	Secretary RMD	1/10/16 - 30/9/17
B A King	Manufacturing Member	1/10/16 - 30/9/17
J G Tattersall	Manufacturing Member	1/10/16 - 30/9/17
L L O'Loughlin	Manufacturing Member	1/10/16 - 30/9/17
S Jones	Manufacturing Member	22/6/17 - 30/9/17
K Runge	Manufacturing Member	22/6/17 - 30/9/17
C Clarke	Manufacturing Member	1/10/16 - 30/9/17
J Cochrane	Manufacturing Member	1/10/16 - 30/9/17
M Dellavanzo	Food Member	1/10/16 - 30/9/17
I Dobson	Manufacturing Member	1/10/16 - 30/9/17
S Irlam	Manufacturing Member	1/10/16 - 30/9/17
S McCartney	Manufacturing Member	1/10/16 - 30/9/17
J Primrose	Manufacturing Member	1/10/16 - 30/9/17
G Small	Print Member	1/10/16 - 30/9/17

Signed in accordance with a resolution of State Council


S J McCartney
State Secretary


G McLaren
Asst. State Secretary

4 | 12 | 2017
Date

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WESTERN AUSTRALIA BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 4 December 2017 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 2017:

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 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 have been made by Fair Work Commission under section 273 of the *RO Act*.

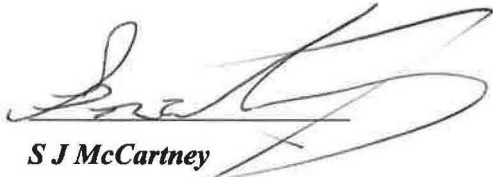
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WESTERN AUSTRALIA BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT (Cont'd)

- (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 Western Australian State Council:



S J McCartney

State Secretary

Date: 4/12/2017

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WESTERN AUSTRALIA BRANCH

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

	Note	2017 \$	2016 \$
INCOME			
Capitation Fees		-	-
Levies		-	-
Grants and/or donations		-	-
Membership Contributions		-	-
Remittances from National Council			
- General Fund		1,211,429	1,100,545
Board Fees		1,452	4,926
Interest Received		21	21
TOTAL INCOME		<u>1,212,902</u>	<u>1,105,492</u>
EXPENDITURE			
Affiliation Fees	3(a)	64,453	61,799
Bank Charges		380	455
Capitation Fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory Levies		-	-
Computing		2,471	1,415
Conference & Meeting Expenses		7,487	27,087
Delegation/Employee expenses – Office Holders		11,945	17,616
Delegation/Employee expenses – Other Employees		144,941	95,193
Delegation expenses – Members		49,580	46,673
Employee expenses		20,435	-
Fees/allowances – meeting and conferences		-	-
Freight		10,580	8,097
General office expenses		36,995	57,375
Grants or Donations	3(b)	89,654	52,132
Insurance		18,269	19,149
Motor Vehicle Expenses		128,195	106,343
Newsletter expenses		6,372	8,008
Payroll Tax		128,623	143,398
Penalties – via RO Act or RO Regulations		-	-
Photocopying		1,761	1,861
Postage		16,904	9,962
Printing		9,193	2,625
Publicity		130,877	108,767
Professional Services	4	296,344	245,294
Rents Paid		21,819	24,330

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WESTERN AUSTRALIA BRANCH

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

	Note	2017 \$	2016 \$
Research		7,480	11,837
Stationery		5,216	5,752
Telephone		18,301	30,192
TOTAL EXPENDITURE		<u>1,228,275</u>	<u>1,085,360</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>(15,373)</u>	<u>20,132</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>(15,373)</u>	<u>20,132</u>

The above statement should be read in conjunction with the notes.

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WESTERN AUSTRALIA BRANCH

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	37,777	35,108
Receivables	6	13,904	13,918
Total Current Assets		51,681	49,026
TOTAL ASSETS		51,681	49,026
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	26,481	8,453
Total Current Liabilities		26,481	8,453
TOTAL LIABILITIES		25,200	8,453
NET ASSETS/(LIABILITIES)		25,200	40,573
ACCUMULATED FUNDS/(LOSSES)		25,200	40,573

The above statement should be read in conjunction with the notes.

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WESTERN AUSTRALIA BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS/(LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	Accumulated Funds/ (Losses) \$
Balance at 30 September 2015		20,441
Net Surplus/(Deficit) for the year		<u>20,132</u>
Balance at 30 September 2016		<u>40,573</u>
Net Surplus/ (Deficit) for the year		<u>(15,373)</u>
Balance at 30 September 2017		<u>25,200</u>

The above statement should be read in conjunction with the notes.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	NOTE	2017 \$	2016 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council			
- General Fund	8(c)	1,211,429	1,100,545
Interest received		21	21
Payments to suppliers & employees	8(c)	(1,208,781)	(1,085,564)
NET CASH PROVIDED BY/ (USED IN) OPERATING ACTIVITIES	8(b)	<u>2,669</u>	<u>15,002</u>
NET INCREASE/ (DECREASE) IN CASH HELD		2,669	15,002
Cash at Beginning of Year		<u>35,108</u>	<u>20,106</u>
CASH AT END OF YEAR	8(a)	<u>37,777</u>	<u>35,108</u>

The above statement should be read in conjunction with the notes.

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WESTERN AUSTRALIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
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, Western Australian Branch is a not-for-profit entity.

The financial report is for the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australia Branch. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union is an organisation registered under the *RO Act*. The Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, Western Australia 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 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 amounts of assets and liabilities.

(b) Critical judgments in applying the Western Australian 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The following is a summary of significant accounting policies adopted by the Western Australia 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 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.

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 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.

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.

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WESTERN AUSTRALIA BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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 company
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: 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 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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Future Australian Accounting Standard requirements (Cont'd)

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

**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) and (3) of Section 272 which reads as follows:

- 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 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).

3. Expenditure

	2017	2016
	\$	\$
3a. Affiliation Fees		
Unions WA (Trades & Labour Council)	63,885	61,731
Australian Society for the Study of Labour History (ASSLH)	50	50
TLC Emergency Welfare Foundation	18	18
First Nations Work Alliance (FNWA)	500	-
	64,453	61,799
3b. Grants and/or Donations \$1,000 or less		
Grants	-	-
Donations	11,426	6,391
Total grants or donations \$1,000 or less	11,426	6,391
Grants	-	-
Donations	78,228	45,741
Total grants or donations over \$1,000	78,228	45,741

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

	2017	2016
	\$	\$
4. PROFESSIONAL SERVICES		
Auditors – Auditing the financial report	3,928	3,873
Legal Costs		
Litigation	287,715	236,302
Other legal matters	4,701	5,119
	296,344	245,294
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	37,777	35,108
	37,777	35,108
6. RECEIVABLES		
Receivable from other reporting units		
Net amount receivable – National Council	-	-
Less Provision for Doubtful Debts	-	-
Other Receivables		
Prepaid expenses	13,904	13,918
	13,904	13,918
7. TRADE & OTHER PAYABLES		
Trade Creditors & Accruals	14,736	8,453
Other Payables – Legal Costs	11,745	-
Payables to other reporting units	-	-
	26,481	8,453

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

	2017 \$	2016 \$
8. CASHFLOW		
(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	37,777	35,108
	37,777	35,108
(b) Reconciliation of Cash Flow from Operations with Net Surplus/(Deficit)		
Net Surplus/(Deficit)	(15,373)	20,132
Changes in Assets and Liabilities		
(Increase)/Decrease in Receivables	14	875
Increase/(Decrease) in Payables	18,028	(6,005)
CASH FLOW FROM OPERATIONS	2,669	15,002
(c) CASH FLOW INFORMATION – Reporting Units		
Cash inflows		
Remittances from National Council	1,211,429	1,100,545
Cash outflows		
Payments to suppliers and employees	1,208,781	1,085,564

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (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 Statement of Comprehensive income.
 - (ii) Net amounts receivable from the National Office are as follows:

	2017	2016
	\$	\$
Net amount receivable – National Office	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

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 instruments risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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

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

(b) Credit Risk

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

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

	2017	2016
	\$	\$
Cash and cash equivalents	37,777	35,108
The cash and cash equivalents are held in a high quality Australian financial institution		
Prepaid expenses	13,904	13,918
Total receivables	13,904	13,918

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

10. FINANCIAL RISK MANAGEMENT

(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 \$37,777 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities as at 30 September 2017 totalled \$26,481.

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).

(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 the market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

30 September 2017	Floating interest rate	Non- interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	37,777	-	37,777
Receivables	-	13,904	13,904
	<u>37,777</u>	<u>13,904</u>	<u>51,681</u>
Weighted average Interest rate	0.01%		
Financial Liabilities			
Payables	-	(26,483)	(26,483)
NET FINANCIAL ASSETS/ (LIABILITIES)	<u>37,777</u>	<u>(12,579)</u>	<u>25,198</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

10. FINANCIAL RISK MANAGEMENT

(e) Interest Rate Risk (continued)

30 September 2016	Floating interest rate	Non- interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	35,108	-	35,108
Receivables	-	13,918	13,918
	35,108	13,918	49,026
 Weighted average Interest rate	 0.01%		
Financial Liabilities			
Payables	-	(8,453)	(8,453)
 NET FINANCIAL ASSETS/ (LIABILITIES)	35,108	5,465	40,573

Sensitivity Analysis	Carrying Amount	+0.50%(50 basis points) Profit	-0.50%(50 basis points) Loss
	\$	\$	\$
2017			
Cash Assets	37,777	189	(189)
 2016			
Cash Assets	35,108	175	(175)

(f) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate risk.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017 (Continued)**

11. SUBSEQUENT EVENTS

There were no subsequent 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

There were no contingent liabilities, assets or commitments 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 121 Royal Street, East Perth in the State of Western Australia.

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

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, Western Australian 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.

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HTG Partners is a CPA Practice



WESTERN AUSTRALIA BRANCH

Responsibilities for 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

This description forms part of our auditor's report.

Declaration by the auditor

I, Timothy Paul Turner, declare that I am an approved auditor, a member of the Australian Society of Certified Practising Accountants and hold a current Public Practice Certificate.



HTG Partners
Certified Practising Accountants



TIMOTHY PAUL TURNER
Partner

4/63 Shepperton Road, Victoria Park WA 6100

Date: 7th December 2017.
Registration Number (as registered by the RO Commission under the Act): AA2017/123