



10 April 2019

State Secretary  
Queensland Branch  
Australian Manufacturing Workers' Union

Dear State Secretary

**Re: – Financial reporting – Australian Manufacturing Workers' Union, Queensland Branch - for year ending 30 September 2018 (FR2018/293)**

I refer to the financial report of the Queensland Branch of the Australian Manufacturing Workers' Union in respect of the year ending 30 September 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 27 March 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Agreement to receive financial support

The ODS included a statement that the reporting unit did not agree to receive financial support from another reporting unit to continue as a going concern (see RG10). This might be considered inconsistent with the statement in Note 1, on page 16, under the heading "Going concern basis of accounting", which states "*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.*" If I have correctly apprehended the nature of the financial relationship between the Branch and the National Council, and the meaning of the statement at Note 1, the ODS should not have included this nil activity item.<sup>1</sup>

Auditor's declaration

The auditor's statement included a declaration reflecting RG38 of the superseded (4<sup>th</sup> ed.) reporting guidelines. RG29(a) in the current (5<sup>th</sup> ed.) reporting guidelines sets out a different declaration. Please see attached an illustrative extract of the model auditor's statement for comparison.

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<sup>1</sup> For comparison see the ODS in the 2018 reports for the NSW and Victorian branches.

### Notice setting out sections 272(1), (2) & (3)

There should be included in the accounts a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of the RO Act, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) 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 not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

The Notice was omitted from the Notes to the GPFR.

### Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully



Stephen Kellett  
Financial Reporting  
Registered Organisations Commission



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**QUEENSLAND STATE COUNCIL**

**CERTIFICATE OF STATE SECRETARY**

I, Rohan Webb being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union Qld 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 20 December 2018; 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 Qld State Council on 27 March 2019 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,  
Rohan Webb

Signature

27 March, 2019

Australian Manufacturing Workers' Union  
Registered as AFMEPKIU  
**Queensland State Office**  
366 Upper Roma Street  
BRISBANE QLD 4000  
PO Box 13006  
George Street QLD 4003  
Telephone 07 3236 2550  
Facsimile 07 3236 2089  
ABN 59459725116

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**FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**AUTOMOTIVE, FOOD, METALS, ENGINEERING,  
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**QUEENSLAND BRANCH**

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**REPORT REQUIRED UNDER SUBSECTION 255(2A)**

The State Council presents the expenditure report, as required under subsection 255(2A), on the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch for the year ended 30 September 2018.

<b>Categories of expenditures</b>	<b>2018 \$</b>	<b>2017 \$</b>
Remuneration and other employment-related costs and expenses - employees	383,637	411,784
Advertising	319,338	160,320
Operating costs	581,429	654,220
Donations to political parties	5,284	1,511
Legal costs	249,996	166,508

.....*R. Webb*.....

Queensland State Secretary – Rohan Webb

22 November 2018

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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, Queensland Branch for the financial year ended 30 September 2018.

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 the *RO Act*.

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

The AFMEPKIU's principal industrial objectives are aimed at the improvement of wages and working conditions for members throughout industry. This has been done primarily by way of industrial awards and enterprise agreements. The AFMEPKIU has also been active in trying to influence governments at all levels on a wide range of political issues.

**Significant Changes in Principal Activities**

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

**Results of Principal Activities**

During the year to 30 September 2018 the AFMEPKIU negotiated and registered 288 enterprise bargaining agreements nationally, 81 of which were from Queensland.

The AFMEPKIU's National Office is responsible for applying to improve industrial awards covering our members. During the year ending 30 September 2018 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 Queensland Branch's principal activities resulted in a surplus for the financial year of \$41,475.

**Significant Changes in Financial Affairs**

There were no significant changes in the financial affairs of the Branch during the financial year.

**The Right of Members to Resign**

Rule 43(8) of the AFMEPKIU Rules states that A member may resign his or her membership by notifying his or 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

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**OPERATING REPORT (cont'd)**

- (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.

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

Salaries

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

<b>Level</b>	<b>Position</b>	<b>Per Annum</b>
4	Organiser	\$88,158.20
5	Senior Organiser	\$92,560.00
6	Team Leader/Assistant State Secretary Level 1	\$97,224.40
7	Assistant State Secretary Level 2	\$104,002.60
8	State Secretary	\$110,094.40

Note: AFMEPKIU base superannuation is paid at a range of between 10.5% and 12.5%, and annual leave loading is calculated at 17.5%. A maximum service increment of \$4,000.00 is payable to Officers with over 16 years of service.

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**OPERATING REPORT (cont'd)**

Board Fees

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

<b>Organisation</b>	<b>Amount received</b>
Australian Super	\$12,425
QLeave	\$5,250

Such board fees are paid to the National Council, as all employees of the Union are also employed by the National Council.

Key Relationships

The AFMEPKIU Queensland State Branch has developed key relationships over a long period with a number of suppliers of various goods and services. These relationships are conducted on normal commercial terms, and are periodically tested against market price:

<b>Supplier</b>	
<b>Financial &amp; Professional Services</b>	<b>Travel Services</b>
MGI Audit Pty Ltd	FCM Travel Solutions
Warren Saunders Ins Brokers	Qantas
<b>Legal Services</b>	American Express
Maurice Blackburn Lawyers	Cabcharge Australia Pty Ltd
Taylor & Scott	<b>Printing &amp; Publicity Services</b>
<b>Vehicle Services</b>	Lifestyle Australia Pty Ltd
Summit Leasing Pty Ltd	Blue Gum Clothing Co. Pty Ltd
	QLM Label Makers Pty Ltd

Associated Entities

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

Officers' Material Personal Interests

For the year ended 30 September 2018, the Officers of the AFMEPKIU Queensland State Branch have declared no material personal interests.

Payments to related parties or declared persons

For the year ended 30 September 2018, the AFMEPKIU Queensland State Branch has made no reportable payments to any related party or declared person or body of the Union.

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**OPERATING REPORT (cont'd)**

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

The details of each officer or member of the Queensland Branch who are either;

- Trustee(s) of a superannuation entity; or
- A director of a company that is a trustee of a superannuation entity.

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation, are as follows:

<b>Name of officer or member</b>	<b>Superannuation Fund</b>	<b>Position Held</b>
Rohan Webb	Australian Super	Director

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

**Number of Members**

- (a) The number of persons who were recorded in the register of members on 30 September 2018 was 12,970.

**Number of Employees**

- (a) The number of persons who were employees of the reporting unit on 30 September 2018 was nil.

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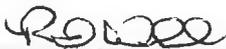
**OPERATING REPORT (cont'd)**

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

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

<b>Name</b>	<b>Period Position Held</b>
Ann-Marie Allan	01/10/2017 to 30/09/2018
Anthony Head	01/10/2017 to 30/09/2018
Antonino Crisafully	01/10/2017 to 30/09/2018
Ashley Blades	01/10/2017 to 30/09/2018
Bernard Misztal	01/10/2017 to 30/09/2018
Bill Thanas	01/10/2017 to 30/09/2018
Brian Devlin	01/10/2017 to 30/09/2018
Christopher Harper	01/10/2017 to 30/09/2018
Daniel Dougherty	01/10/2017 to 30/09/2018
Edward Couch	01/10/2017 to 30/09/2018
Geoff Lowry	01/10/2017 to 30/09/2018
Ian McComb	01/10/2017 to 30/09/2018
Ivan Reis	01/10/2017 to 30/09/2018
Karen Smith	24/05/2018 to 30/09/2018
James Thompson	01/10/2017 to 30/09/2018
Jason Lund	01/10/2017 to 30/09/2018
Jeff Frew	01/10/2017 to 30/06/2018
Katelyn Dougherty	01/10/2017 to 17/01/2018
Mark Johnstone	01/10/2017 to 30/09/2018
Paul Ellis	01/10/2017 to 30/09/2018
Peta Devitt	01/10/2017 to 30/09/2018
Rieland Plate	22/08/2018 to 30/09/2018
Rohan Webb	01/10/2017 to 30/09/2018
Steve Fainges	01/10/2017 to 30/09/2018
Steven Robertson	01/10/2017 to 30/09/2018
Terry Bradley	01/10/2017 to 30/09/2018
Vladimir Nikolic	01/10/2017 to 30/09/2018

Signed in accordance with a resolution of State Council



Queensland State Secretary – Rohan Webb

22 November 2018

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**COMMITTEE OF MANAGEMENT'S CERTIFICATE**

On the 22 November 2018 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the State Council for the year ended 30 September 2018:

The State Council declares that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- d) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the GPFR relates and since the end of that year:
  - (i) Meetings of the Branch committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned with; and
  - (ii) The financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of a 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 Commissioner duly made under Section 272 of the RO Act; and
  - (vi) No orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.
- f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Queensland State Council.



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Rohan Webb

Queensland State Secretary

22 November 2018

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 \$	2017 \$
<b>REVENUE</b>			
Remittances from National Council General Fund		1,487,475	1,361,149
Board Fees		17,675	19,440
Interest revenue		16	21
Other revenue (legal fees reimbursement)		75,992	17,420
<b>TOTAL REVENUE</b>		<u>1,581,158</u>	<u>1,398,030</u>
<b>OTHER INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL INCOME</b>		1,581,158	1,398,030
<b>EXPENDITURE</b>			
Affiliation fees	2a	133,867	133,156
Bank charges		392	406
Conference & meeting expenses		29,380	32,510
Delegation/employee expenses – office holders		120,383	88,089
Delegation/employee expenses – other employees		72,430	130,975
Delegation expenses – members		76,857	90,884
General office expenses		95,066	127,735
Grants or donations	2b	34,867	28,561
Insurance		17,129	20,874
Legal costs	2c	249,996	166,508
Motor vehicle expenses		136,549	129,443
Newsletter expenses		1,242	6,889
Payroll tax		190,824	192,720
Photocopying		2,903	2,994
Postage		19,812	31,566
Printing		3,932	1,611
Publicity		319,338	160,320
Professional services	2d	10,500	10,000
Research		3,068	6,336
Stationery		8,368	17,351
Telephone		12,780	15,415
<b>TOTAL EXPENDITURE</b>		<u>1,539,684</u>	<u>1,394,343</u>
<b>NET SURPLUS / (DEFICIT) FOR THE YEAR</b>		<u>41,475</u>	<u>3,687</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>41,475</u>	<u>3,687</u>

The above statement should be read in conjunction with the notes

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**STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	3	37,628	20,020
Other Assets	4	<u>49,662</u>	<u>47,456</u>
Total Current Assets		<u>87,290</u>	<u>67,476</u>
<b>TOTAL ASSETS</b>		<u>87,290</u>	<u>67,476</u>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables	5	<u>14,042</u>	<u>35,703</u>
Total Current Liabilities		<u>14,042</u>	<u>35,703</u>
<b>TOTAL LIABILITIES</b>		<u>14,042</u>	<u>35,703</u>
<b>NET ASSETS</b>		<u>73,248</u>	<u>31,773</u>
<b>ACCUMULATED FUNDS</b>			
Accumulated funds		<u>73,248</u>	<u>31,773</u>

The above statement should be read in conjunction with the notes

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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	<b>Accumulated Funds (Losses) \$</b>
<b>Balance at 30 September 2016</b>	28,086
Net surplus (deficit) for the year	3,687
Total comprehensive income for the year	<u>-</u>
<b>Balance at 30 September 2017</b>	<u>31,773</u>
Net surplus (deficit) for the year	41,475
Total comprehensive income for the year	<u>-</u>
<b>Balance at 30 September 2018</b>	<u>73,248</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 2018**

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Remittances from National Council	6(c)	1,487,476	1,455,000
Other income		75,992	17,420
Board fees received		17,675	19,440
Interest received		16	21
Payments to suppliers and employees		<u>(1,563,551)</u>	<u>(1,484,973)</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	6(b)	<u>17,608</u>	<u>6,908</u>
<b>NET INCREASE (DECREASE) IN CASH HELD</b>		17,608	6,908
Cash at the beginning of the year		<u>20,020</u>	<u>13,112</u>
<b>CASH AT THE END OF THE YEAR</b>	6(a)	<u>37,628</u>	<u>20,020</u>

The above statement should be read in conjunction with the notes

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, 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 Queensland Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. 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 Queensland 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 Queensland 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.

The following is a summary of the significant accounting policies adopted by the Queensland Branch in the preparation of the financial report.

**Revenue**

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

All members' contributions are paid direct to National Council. Remittances from National Council are the amounts reimbursed by the National Council to cover Branch expenses and are recognised when received by the Branch.

Donation income is recognised when it is received.

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

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

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

**Expenditure**

Expenses represent amounts paid directly by the Branch for operational costs. Other operational expenses such as 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.

**Capitation fees and levies**

Capitation fees and levies are recognized on an accruals basis and recorded as a revenue and/or expenses in the year to which it relates.

**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.

A liability is recognised in the Queensland Branch for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Provision is made for separation and redundancy benefit payments. The Queensland Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination

**Property, Plant and Equipment**

All fixed assets are recorded in the financial reports of the National Council and the depreciation regarding those assets is charged in the National Council accounts. No fixed assets are recorded in the books and records of the Queensland Branch.

**Leases**

No finance or operating leases obligations are established or recorded in the title of the Queensland Branch. Any finance and operating leases utilised by the Branch are obligations of the National Council and recorded in the financial reports of the National Council.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

**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 instruments**

Financial assets and liabilities are recognised when a Branch become party to the contractual provisions of an instrument.

Financial asset and financial liabilities are initially measured at fair value. Transactions costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial Assets**

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

**Loan and receivables**

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

The effective interest method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

For certain categories of financial assets, such trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observed changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised in the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit and loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains and losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised costs, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised costs would have been had the impairment not been recognised.

**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'.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

**Income Tax**

No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

**Goods and Services Tax (GST)**

Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to the taxation authority is included as part of receivables or payables as appropriate.

Cash flows are included in the statement of cash flows on a gross basis.

**Going concern basis of accounting**

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

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

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

**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.

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

**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 2018. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Branch
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: 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 not expected to be materially impacted by this new standard.	1 October 2019
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 not expected to be materially impacted by this new standard.	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 not expected to be impacted by this standards as it holds no operating leases at year end.	1 October 2019

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

<b>2. Expenses</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>2a. Affiliation Fees</b>		
Union Shopper	32,362	35,600
Queensland Council of Unions	96,055	96,956
Labour History	100	100
Qld Asbestos Related Disease Support Association	800	-
APAN	-	500
NT Trades and Labour Council	4,550	-
	<u>133,867</u>	<u>133,156</u>
<b>2b. Donations</b>		
Total expenses that were \$1,000 or less	13,485	11,598
Total expenses that exceeded \$1,000	<u>21,382</u>	<u>16,963</u>
<b>Total Grants and Donations</b>	<u>34,867</u>	<u>28,561</u>
<b>2c. Legal costs</b>		
Litigation	205,177	150,818
Other legal costs	44,820	15,690
<b>Total legal costs</b>	<u>249,997</u>	<u>166,508</u>
<b>2d. Professional Services</b>		
Auditors - Auditing the financial report	10,500	10,000
- Other Services	-	-
<b>Total professional fees</b>	<u>10,500</u>	<u>10,000</u>

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

<b>3. Cash and Cash Equivalents</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	<u>37,628</u>	<u>20,020</u>
<b>4. Other Assets</b>		
Prepayments	<u>49,662</u>	<u>47,456</u>
<b>Total Other Assets</b>	<u>49,662</u>	<u>47,456</u>
<b>5. Trade Payables</b>		
Trade payables	<u>14,042</u>	<u>35,703</u>
<b>Subtotal trade payables</b>	<u>14,042</u>	<u>35,703</u>
<b>Payables to other reporting units</b>		
Payables to National Council	<u>-</u>	<u>-</u>
<b>Subtotal payables to other reporting units</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>14,042</u>	<u>35,703</u>
<b>6. Cash flow</b>		
<b>(a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
Cash at bank	<u>37,628</u>	<u>20,020</u>
<b>(b) Reconciliation of cash flow from operations with Net Surplus/(Deficit)</b>		
Net Surplus	41,475	3,687
Changes in Assets and Liabilities:		
(Increase)/decrease in prepayments	(2,206)	(396)
(Decrease) in payables	<u>(21,661)</u>	<u>3,617</u>
<b>Cash Flows from Operations</b>	<u>17,608</u>	<u>6,908</u>
<b>(c) Cash Flow Information - Reporting Units</b>		
Cash inflows		
Remittances from National Council	<u>1,487,476</u>	<u>1,455,000</u>
Cash outflows		
Payments to National Council	<u>-</u>	<u>-</u>
<b>Total Cash Outflows</b>	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

There are no contingent liabilities, assets or commitments as at 30 September 2018.

**8. RELATED PARTIES**

- (a) The aggregate amount of remuneration paid to officers during the financial year is included in the National Council's Financial Report.
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is included in the National Council's Financial Report
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (d) The ultimate controlling entity of the Branch is the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, National Council.
- (e) Transactions with Ultimate Controlling Entity:
  - (i) Remittances from National Council are disclosed in the statement of comprehensive income.
  - (ii) There were no amounts receivable from the National Office as at 30 September 2018 (2017: nil).

**9. FINANCIAL RISK MANAGEMENT**

*(a) General objectives, policies and processes*

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

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

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

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

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**9. FINANCIAL RISK MANAGEMENT (Cont.)**

*(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:

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	<u>37,628</u>	<u>20,020</u>

The cash and cash equivalents are held in a high quality Australian financial institution

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 2018 it had \$37,628 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2018 total \$14,042.

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

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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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

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

<b>30 September 2018</b>	<b>Floating interest rate</b>	<b>Non interest Bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	37,628	-	37,628
Receivables	-	49,662	49,662
Weighted average Interest rate	0.01%	0%	
<b>Financial Liabilities</b>			
Payables	-	14,042	-
<b>Net Financial Assets/(Liabilities)</b>	<b>37,628</b>	<b>35,620</b>	<b>73,248</b>

<b>30 September 2017</b>	<b>Floating interest rate</b>	<b>Non interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>			
Cash and cash equivalents	20,020	-	20,020
Trade Receivables	-	47,456	47,456
Weighted average Interest rate	0.01%	0%	
<b>Financial Liabilities</b>			
Payables	-	35,703	-
<b>Net Financial Assets/(Liabilities)</b>	<b>20,020</b>	<b>11,753</b>	<b>31,773</b>

**Sensitivity Analysis**

	<b>Carrying Amount</b>	<b>+0.5% (50 basis points) Profit</b>	<b>-0.5% (50 basis points) Loss</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2018</b>			
Cash Assets	37,628	188	(188)
<b>2017</b>			
Cash Assets	20,020	100	(100)

(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 REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**10. SUBSEQUENT EVENTS**

There were no events that occurred after 30 September 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

**11. KEY MANAGEMENT PERSONNEL COMPENSATION**

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

**12. ADDITIONAL BRANCH INFORMATION**

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

366 Upper Roma Street  
BRISBANE QLD 4000

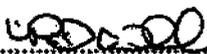
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**OFFICER DECLARATION STATEMENT**

I Rohan Webb, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union Queensland Branch, declare that the following did not occur during the reporting period ending 30 September 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive periodic or membership subscriptions
- Receive capitation fees form another reporting unit
- Pay Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies, as these are paid by the National Council and are included in the financial report of the National Council only
- Receive revenue via compulsory levies
- Receive donations or grants
- Received revenue from undertaking recovery of wages activity
- Incur fee as consideration for employers making payroll deductions of membership subscriptions
- Pay capitation fees to another reporting unit
- Pay any other expenses to another reporting unit
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay a person fees or allowances to attend conferences of meeting as a representation of the reporting unit
- Pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- Have a receivable with other reporting unit(s)
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable for Wages and Salaries, Superannuation, Leave and Other Entitlements, Separation and Redundancies
- Have a payable for Employee Provisions as these are held by the National Council and are included in the financial report of the National Council only
- Have a payable in respect of legal costs relating to litigation
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit.

  
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Queensland State Secretary – Rohan Webb

22 November 2018

## **Independent Audit Report to the Members of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union – Queensland Branch**

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union – Queensland Branch (the Branch), which comprises the statement of financial position as at 30 September 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the Officer Declaration Statement, and the subsection 255(2A) report.

In our opinion, the accompanying financial report of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union – Queensland Branch, presents fairly, in all material respects the Branch's financial position as at 30 September 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

#### **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 Branch 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.

#### **Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial 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 my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch'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 Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Declaration**

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

*M.C.F*

**MGI Audit Pty Ltd**



**G I Kent**

Director – Audit & Assurance

Brisbane

22 November 2018

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2