



10 March 2020

Rohan Webb
State Secretary, Queensland Branch
Australian Manufacturing Workers' Union (AMWU)

Dear Secretary

Re: – Australian Manufacturing Workers' Union (AMWU), Queensland Branch - financial report for year ending 30 September 2019 (FR2019/271)

I refer to the financial report of the Australian Manufacturing Workers' Union (AMWU), Queensland Branch. The documents were lodged with the Registered Organisations Commission (ROC) on 6 March 2020.

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. Please note that the financial report for the year ending 30 September 2020 may be subject to an advanced compliance review.

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

Statement of financial position

A transcription error appears in the statement of financial position for total assets. The relevant 2019 comparative figure in the 2020 report should show the correct value.

Reporting Requirements

The ROC website provides several 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 that reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at 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 Queensland 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 23 December 2019; 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 Queensland State Council on 27 February, 2020 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,
Rohan Webb

Signature

27 February, 2020

Australian Manufacturing
Workers' Union
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QUEENSLAND BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

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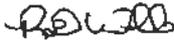
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REPORT REQUIRED UNDER SUBSECTION 255(2A)

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 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	352,564	383,637
Advertising	185,674	319,338
Operating costs	679,435	581,429
Donations to political parties	2,176	5,284
Legal costs	154,719	249,996



Queensland State Secretary – Rohan Webb

28 November 2019

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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 2019.

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 2019 the AFMEPKIU negotiated and registered 338 enterprise bargaining agreements nationally, 62 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 2019 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 deficit for the financial year of \$64,556.

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:

Level	Position	Per Annum
4	Organiser	\$90,363.00
5	Senior Organiser	\$94,874.00
6	Team Leader/Assistant State Secretary Level 1	\$99,655.40
7	Assistant State Secretary Level 2	\$106,602.60
8	State Secretary	\$112,847.80

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:

Organisation	Amount received
Australian Super	\$21,050
QLeave	\$3,375
Qld Heritage Council	\$3,000

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:

Supplier	
Financial & Professional Services	Travel Services
MGI Audit Pty Ltd	FCM Travel Solutions
Warren Saunders Insurance Brokers	Qantas
Legal Services	American Express
Maurice Blackburn Lawyers	Printing & Publicity Services
Vehicle Services	Lifestyle Australia Pty Ltd
Summit Leasing Pty Ltd	Blue Gum Clothing
	Pacific Merchandise
	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 2019, 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 2019, 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:

Name of officer or member	Superannuation Fund	Position Held
None		

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 2019 was 11,790.

Number of Employees

- (a) The number of persons who were employees of the reporting unit on 30 September 2019 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:

Name	Period Position Held
Abi Winter	11/07/2019 to 30/09/2019
Adam Davis	11/07/2019 to 30/09/2019
Andrew Lockwood	11/07/2019 to 30/09/2019
Ann-Marie Allan	01/10/2018 to 30/09/2019
Anthony Head	01/10/2018 to 30/09/2019
Antonino Crisafulli	01/10/2018 to 30/09/2019
Ashley Blades	01/10/2018 to 10/07/2019
Bernard Misztal	01/10/2018 to 10/07/2019
Bill Thanas	01/10/2018 to 30/09/2019
Bonnie Avenell	22/11/2018 to 30/09/2019
Brian Devlin	01/10/2018 to 30/09/2019
Chris Harper	01/10/2018 to 10/07/2019
Daniel Dougherty	01/10/2018 to 30/09/2019
Darryl Piper	11/07/2019 to 30/09/2019
Denise White	11/07/2019 to 30/09/2019
Edward Couch	01/10/2018 to 30/09/2019
Geoff Lowry	01/10/2018 to 10/07/2019
Ian Dishot	11/07/2019 to 30/09/2019
Ian McComb	01/10/2018 to 30/06/2019
Ivan Reis	01/10/2018 to 30/09/2019
James Thompson	01/10/2018 to 30/09/2019
Jason Lund	01/10/2018 to 10/07/2019
Jesse Hawke	11/07/2019 to 30/09/2019
Karen Smith	01/10/2018 to 30/09/2019
Lloyd Pumpa	11/07/2019 to 30/09/2019
Mark Johnstone	01/10/2018 to 10/07/2019
Paul Ellis	01/10/2018 to 10/07/2019
Peta Devitt	01/10/2018 to 30/09/2019
Rieland Plate	23/08/2018 to 14/11/2018
Rohan Webb	01/10/2018 to 30/09/2019
Shane Lord	11/07/2019 to 30/09/2019
Steven Fainges	01/10/2018 to 10/07/2019
Steven Robertson	01/10/2018 to 30/09/2019
Vladimir Nikolic	01/10/2018 to 10/07/2019
William Phipps	11/07/2019 to 30/09/2019

Signed in accordance with a resolution of State Council



Queensland State Secretary – Rohan Webb

28 November 2019

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COMMITTEE OF MANAGEMENT'S CERTIFICATE

On the 28 November 2019 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 2019:

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 order 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

28 November 2019

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**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 \$	2018 \$
REVENUE			
Remittances from National Council General Fund		1,251,104	1,487,475
Board fees		27,425	17,675
Interest revenue		20	16
Other revenue (legal fees reimbursement)		-	75,992
TOTAL REVENUE		<u>1,278,549</u>	<u>1,581,158</u>
OTHER INCOME (SPONSORSHIP INCOME)		<u>31,464</u>	<u>-</u>
TOTAL INCOME		<u>1,310,013</u>	<u>1,581,158</u>
EXPENDITURE			
Affiliation fees	2a	105,349	133,867
Bank charges		397	392
Conference & meeting expenses		75,333	29,380
Delegation/employee expenses – office holders		104,222	120,383
Delegation/employee expenses – other employees		47,304	72,430
Delegation expenses – members		158,733	76,857
General office expenses		140,837	95,066
Grants or donations	2b	16,266	34,867
Insurance		17,842	17,129
Legal costs	2c	154,719	249,996
Motor vehicle expenses		119,461	136,549
Newsletter expenses		2,768	1,242
Payroll tax		183,196	190,824
Photocopying		2,588	2,903
Postage		19,730	19,812
Printing		1,612	3,932
Publicity		185,674	319,338
Professional services	2d	11,000	10,500
Research		7,870	3,068
Stationery		8,035	8,368
Telephone		10,360	12,780
Sponsorship		1,273	-
TOTAL EXPENDITURE		<u>1,374,569</u>	<u>1,539,684</u>
NET (DEFICIT) / SURPLUS FOR THE YEAR		<u>(64,556)</u>	<u>41,475</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(64,556)</u>	<u>41,475</u>

The above statement should be read in conjunction with the notes

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QUEENSLAND BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	18,778	37,628
Other assets	4	<u>34,398</u>	<u>49,662</u>
Total Current Assets		<u>53,176</u>	<u>87,290</u>
TOTAL ASSETS		<u>53,716</u>	<u>87,290</u>
LIABILITIES			
Current Liabilities			
Trade payables	5	<u>44,484</u>	<u>14,042</u>
Total Current Liabilities		<u>44,484</u>	<u>14,042</u>
TOTAL LIABILITIES		<u>44,484</u>	<u>14,042</u>
NET ASSETS		<u>8,692</u>	<u>73,248</u>
ACCUMULATED FUNDS			
Accumulated funds		<u>8,692</u>	<u>73,248</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 2019**

	Accumulated Funds (Losses) \$
Balance at 30 September 2017	31,773
Net surplus for the year	41,475
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2018	<u>73,248</u>
Net deficit for the year	(64,556)
Total comprehensive income for the year	<u>-</u>
Balance at 30 September 2019	<u>8,692</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 2019**

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	6(c)	1,251,104	1,487,476
Other income		31,464	75,992
Board fees received		27,425	17,675
Interest received		20	16
Payments to suppliers and employees		<u>(1,328,863)</u>	<u>(1,563,551)</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	6(b)	<u>(18,850)</u>	<u>17,608</u>
NET (DECREASE) INCREASE IN CASH HELD		(18,850)	17,608
Cash at the beginning of the year		<u>37,628</u>	<u>20,020</u>
CASH AT THE END OF THE YEAR	6(a)	<u>18,778</u>	<u>37,628</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 2019

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 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 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 2019

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 2019

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 Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

Classification and subsequent measurement

As at the reporting date, the Branch's financial assets consisted of cash and cash equivalents and trade and other receivables which are measured at amortised cost in accordance with the below accounting policy.

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

- (i) Trade receivables and other receivables

For trade and other receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Classification and subsequent measurement

As at the reporting date, the Branch's financial liabilities include trade and other payables which are measured at amortised cost in accordance with the below accounting policy.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

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 2019

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Adoption of New Australian Accounting Standard requirements

Adoption of AASB 9

AASB 9 Financial Instruments (AASB 9) replaces AASB139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 retrospectively, with an initial application date of 1 October 2018. The Branch has not restated the comparative information, which continues to be reported under AASB 139.

AASB 9 did not have a significant impact on the Branch's accounting policies. Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified as amortised cost. The effect of adopting AASB 9 on the carrying amounts of financial assets at 1 October 2018 relates solely to the new impairment requirements applying the ECL model with the primary input of the ECL model comprising the historical write offs of bad debts. Since the Branch has incurred minimal write offs in previous financials years, the ECL assessment has resulted in an immaterial credit loss and no additional impairment allowance has been recognised by the Branch.

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1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 2019. 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 (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)	Revenue	AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15.	For financial years commencing on or after 1 January 2019	The impact of applying the new standard will not have a material impact on the Branch's accounting policies or the amounts recognised in the financial statements.	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 standard 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 2019

2. Expenses	2019	2018
	\$	\$
2a. Affiliation Fees		
Union Shopper	8,092	32,362
Queensland Council of Unions	97,157	96,055
Labour History	100	100
Qld Asbestos Related Disease Support Association	-	800
NT Trades and Labour Council	-	4,550
Total Affiliation Fees	<u>105,349</u>	<u>133,867</u>
2b. Donations		
Total expenses that were \$1,000 or less	8,166	13,485
Total expenses that exceeded \$1,000	8,100	21,382
Total Grants and Donations	<u>16,266</u>	<u>34,867</u>
2c. Legal costs		
Litigation	149,956	205,177
Other legal costs	4,763	44,820
Total legal costs	<u>154,719</u>	<u>249,997</u>
2d. Professional Services		
Auditors - Auditing the financial report	<u>11,000</u>	<u>10,500</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Cash and Cash Equivalents	2019	2018
	\$	\$
Cash at Bank	<u>18,778</u>	<u>37,628</u>
4. Other Assets		
Prepayments	<u>34,398</u>	<u>49,662</u>
5. Trade Payables		
Trade payables	<u>15,627</u>	<u>14,042</u>
Subtotal trade payables	<u>15,627</u>	<u>14,042</u>
Other Payables		
Legal Costs – litigation	<u>28,857</u>	<u>-</u>
Subtotal payables to other reporting units	<u>28,857</u>	<u>-</u>
Total trade payables	<u>44,484</u>	<u>14,042</u>
6. Cash flow		
(a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash at bank	<u>18,778</u>	<u>37,628</u>
(b) Reconciliation of cash flow from operations with Net Surplus/(Deficit):		
Net (Deficit)/surplus	(64,556)	41,475
Changes in Assets and Liabilities:		
(Increase)/decrease in prepayments	15,264	(2,206)
Increase/(decrease) in payables	<u>30,442</u>	<u>(21,661)</u>
Cash Flows from Operations	<u>(18,850)</u>	<u>17,608</u>
(c) Cash Flow Information - Reporting Units		
Cash inflows		
Remittances from National Council	<u>1,251,104</u>	<u>1,487,476</u>
Cash outflows		
Payments to National Council	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There are no contingent liabilities, assets or commitments as at 30 September 2019.

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 was no amounts receivable from the National Office as at 30 September 2019 (2018: 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:

	2019	2018
	\$	\$
Cash and cash equivalents	<u>18,778</u>	<u>37,628</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 2019 it had \$18,778 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2019 total \$44,484.

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 2019

9. FINANCIAL RISK MANAGEMENT (Cont'd)

(e) Interest rate risk (Cont'd)

30 September 2019	Floating interest rate	Non-interest Bearing	Total
	\$	\$	\$
Financial Assets			
Cash and cash equivalents	18,778	-	18,778
Receivables	-	-	-
Weighted average Interest rate	0.01%	0%	
Financial Liabilities			
Payables	-	44,484	44,484
Net Financial Assets/(Liabilities)	18,778	(44,484)	(25,706)

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

Sensitivity Analysis

	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
2019			
Cash Assets	18,778	94	(94)
2018			
Cash Assets	37,628	188	(188)

(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 2019

10. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2019, 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

13. SECTION 272 FAIR WORK (REGISTERED ORGANISATION) ACT 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

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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 2019:

The reporting unit did not:

- 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 to Office Holders or other than Office Holders, 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 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 to Office Holders or other than Office Holders, as these are paid by the National Council and are included in the financial report of the National Council only
- Have a payable for Employee Provisions for Office Holders or other than Office Holders, as these are paid 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 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.



Queensland State Secretary – Rohan Webb

28 November 2019

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 2019, 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 2019, 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.

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

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.

I declare that I am an auditor registered under the RO Act.

M.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

28 November 2019

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