Australian Government
Registered Organisations Commission

10 April 2019

State Secretary
South Australian Branch
Australian Manufacturing Workers' Union

Dear State Secretary

Re: – Financial reporting – Australian Manufacturing Workers' Union, South Australian Branch - for year ending 30 September 2018 (FR2018/286)

I refer to the financial report of the South Australian 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.

Nil activities disclosure

Item 21 of the Reporting Guidelines (RGs) states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement ('ODS'). There was no disclosure in relation to the following:

- RG15(b) - have a payable with another reporting unit

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.[1]

[1] For comparison see the ODS in the 2018 reports for the NSW and Victorian branches.

Auditor's declaration

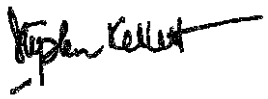
The auditor's statement included a declaration reflecting RG38 of the superseded (4th ed.) reporting guidelines. RG29(a) in the current (5th ed.) reporting guidelines sets out a different declaration. Please see attached an illustrative extract of the model auditor's statement for comparison.

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.

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

SOUTH AUSTRALIAN STATE COUNCIL

CERTIFICATE OF STATE SECRETARY

I, John Camillo, being the State Secretary of the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union South Australian State Council certify:

- that the documents lodged herewith are copies of the Full Report, referred to in Section 268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to members 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 South Australian State Council on 13 March 2019 in accordance with section 266(3) of the Fair Work (Registered Organisations) Act 2009.

State Secretary,
John Camillo

Signature

13 March, 2019

JOHN CAMILLO
State Secretary
Australian Manufacturing Workers' Union
Registered as AFMEPKIU
SA State Office
53 – 61 Dale Street
Port Adelaide SA 5015
Telephone 08 8366 5800
Facsimilies
08 8364 2219
08 8364 0563
amwusa@amwu.org.au

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

SOUTH AUSTRALIA BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

SOUTH AUSTRALIA BRANCH

CONTENTS

	Page
Report required Under Subsection 255(2A)	1
Operating Report	2
Committee of Management Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Accumulated Losses	10
Statement of Cash Flows	11
Notes to and forming part of the Accounts	12
Independent Audit Report	25

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

SOUTH AUSTRALIA BRANCH

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 South Australia Branch for the year ended 30 September 2018.

Categories of expenditures	2018 $	2017 $
Remuneration and other employment-related costs and expenses – employees	81,985	90,509
Advertising	1,559	4,408
Operating costs	209,622	228,653
Donations to political parties	-	-
Legal costs	2,900.00	13,592.00

South Australia State Secretary – John Camillo

27/11/18 2018

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

SOUTH AUSTRALIA BRANCH

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, South Australia 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 *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 South Australia 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, 21 of which were from South Australia.

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 South Australia Branch's principal activities resulted in a surplus for the financial year of $14,234.00

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

(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 South Australia Branch's top five salary rates are as follows:

Level	Position	Per Annum
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.

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

SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

Board Fees

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

Organisation	Amount Received
Construction Industry Long Service Leave Board	$3,304.00

Key Relationships

The AFMEPKIU South Australia 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**
Ascensio Accountants	FCM Travel Solutions
Holdfast Insurance Brokers Pty Ltd	Qantas
Legal Services	**Vehicle Services**
Anderson Solicitors	Summit Leasing Pty Ltd

Associated Entities

The AFMEPKIU South Australia 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 South Australia State Branch have declared no material personal interests.

Payments to related parties or declared persons

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

State Officers or Members who are Trustees of a Superannuation Entity

The details of each officer or member of the South Australia 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
Stuart Gordon	Media Super	Member Representative Director

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

SOUTH AUSTRALIA BRANCH

OPERATING REPORT (cont'd)

Prescribed Information Required Under the Fair Work (Registered Organisations) Regulations 2009 (Con't)

Number of Members

(a) The number of persons who were recorded in the register of members on 30 September 2018 was 5,186

Number of Employees

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

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
Shawn Matthews	1 October 2017 to 22 March 2018
Vacant (Manufacturing membership)	23 March 2018 to 30 September 2018
Matthew Primiero	1 October 2017 to 30 September 2018
John Camillo	1 October 2017 to 30 September 2018
Cath McKechnie	1 October 2017 to 30 September 2018
Scott Batchelor	1 October 2017 to 30 September 2018
Nick Lawrie	1 October 2017 to 30 September 2018
Don Palihakkara	1 October 2017 to 30 September 2018
Scott Baker	1 October 2017 to 30 September 2018
Darryl Waterman	1 October 2017 to 3 November 2017
Alex Christensen	1 October 2017 to 30 September 2018
Vacant (Food)	1 October 2017 to 28 November 2017
Leon Clark	29 November 2017 to 30 September 2018
Clive Hopgood	1 October 2017 to 23 October 2017
Stuart Gordon	1 October 2017 to 30 September 2018
Glen Dallimore	1 October 2017 to 30 September 2018
Mark Plunkett	1 October 2017 to 30 September 2018
Derek Winter	1 October 2017 to 30 September 2018
Kevin Ralph	1 October 2017 to 30 September 2018
Gordon Wilson	1 October 2017 to 30 September 2018
Peter Bauer	1 October 2017 to 30 September 2018
Derek Christie	1 October 2017 to 30 September 2018
Vacant (Manufacturing Membership)	1 October 2017 to 28 November 2017
Michelle Sanders	29 November 2017 to 30 September 2018
Steve McMillan	1 October 2017 to 30 September 2018
Darryl Scanlan	1 October 2017 to 30 September 2018
Claire Strudwick	1 October 2017 to 17 March 2018
Vacant (Food)	18 March 2018 to 30 September 2018
Nicole Coppock	20 March 2018 to 30 September 2018
Michael Kearns	20 March 2018 to 30 September 2018

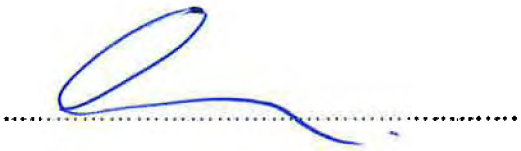
AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING & KINDRED INDUSTRIES UNION

SOUTH AUSTRALIA BRANCH

Signed in accordance with a resolution of State Council

South Australia State Secretary – John Camillo

27/11/18 2018



South Australia Vice President – Gordon Wilson

27/11/18 2018

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

SOUTH AUSTRALIA BRANCH

COMMITTEE OF MANAGEMENT'S CERTIFICATE

On the 27 November 2018 the State Council of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union South Australia 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 South Australia 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.

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

John Camillo

South Australia State Secretary

27/11/18 2018

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

SOUTH AUSTRALIA BRANCH

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 $	2017 $
REVENUE			
Remittances from National Council General Fund		306,989	317,030
Interest revenue		7	15
Board Fees		3,304	1,239
TOTAL REVENUE		310,300	318,284
EXPENDITURE			
Affiliation	2a	31,430	35,100
Bank charges		363	435
Conference & meeting expenses		24,444	18,062
Delegation/employee expenses – office holders	2b	14,263	16,969
Delegation/employee expenses – other employees	2b	1,807	2,217
Delegation expenses – members	2b	20,156	18,012
General office expenses		7,119	7,828
Donations	2c	5,740	800
Insurance		18,722	26,998
Legal costs	2d	2,900	13,592
Motor vehicle expenses		66,938	72,402
Newsletter expenses		5,770	11,581
Payroll tax		65,915	71,323
Photocopying		1,492	1,276
Postage		10,394	14,112
Printing		536	5,142
Publicity		1,559	4,408
Professional services	2e	5,680	5,680
Research		1,196	986
Stationery		3,052	3,741
Telephone		6,590	6,498
TOTAL EXPENDITURE		296,066	337,162
NET SURPLUS / (DEFICIT) FOR THE YEAR		14,234	(18,878)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		14,234	(18,878)

The above statement should be read in conjunction with the notes

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

SOUTH AUSTRALIA BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	Note	2018 $	2017 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	14,924	690
Total Current Assets		14,924	690
TOTAL ASSETS		14,924	690
TOTAL LIABILITIES			
Current Liabilities		-	-
Other payables	4	17,245	17,245
Total Current Liabilities		17,245	17,245
TOTAL LIABILITIES		17,245	17,245
NET ASSETS / (LIABILITIES)		-	(16,555)
ACCUMULATED FUNDS / (LOSSES)		(2,321)	(16,555)

The above statement should be read in conjunction with the notes

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

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

	Accumulated Funds (Losses) $
Balance at 30 September 2016	2,323
Net surplus (deficit) for the year	(18,878)
Total comprehensive income for the year	-
Balance at 30 September 2017	(16,555)
Net surplus (deficit) for the year	14,234
Total comprehensive income for the year	-
Balance at 30 September 2018	(2,321)

The above statement should be read in conjunction with the notes

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

SOUTH AUSTRALIA BRANCH

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 $	2017 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Remittances from National Council	5(c)	306,989	317,030
Board fees received		3,304	1,239
Interest received		7	15
Payments to suppliers and employees	5(c)	(296,066)	(337,162)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	5(b)	14,234	(18,878)
NET INCREASE (DECREASE) IN CASH HELD		14,234	(18,878)
Cash at the beginning of the year		690	19,568
CASH AT THE END OF THE YEAR	5(a)	14,924	690

The above statement should be read in conjunction with the notes

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 South Australia 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 South Australia 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 South Australia 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 **South Australia** Branch in the preparation of the financial report.

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

All members' contributions are paid direct to 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.

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
Capitaion 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 South Australia 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 South Australia 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 South Australia Branch.

Leases
No finance or operating leases obligations are established or recorded in the title of the South Australia 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.

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.

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'.

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.

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

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

SOUTH AUSTRALIA BRANCH

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

2. Expenses

		2018 $	2017 $
2a.	**Affiliation / Capitation Fees**		
	Asbestos Victims Association	0	10
	SA May Day Committee	0	350
	Graham F Smith Peace Trust	100	0
	Unions SA	31,330	34,740
		31,430	35,100
2b	**Employee expenses of Office Holders:**		
	Other employee expenses	14,263	16,969
	Subtotal employee expenses of Office Holders	14,263	16,969
	Employee expenses other than Office Holders:		
	Other employee expenses	1,807	2,217
	Subtotal employee expenses other than Office Holders	1,807	2,217
2c.	**Donations**		
	Total expenses that were $1,000 or less	740	800
	Total expenses that exceeded $1,000	5,000	-
	Total Grants and Donations	**5,740**	**800**
2d.	**Legal costs**		
	Litigation	-	-
	Other legal costs	2,900	13,592
	Total legal costs	**2,900**	**13,592**
2e.	**Professional Services**		
	Auditors - Auditing the financial report	5,680	5,680
	- Other Services	-	-
	Total professional fees	**5,680**	**5,680**

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

SOUTH AUSTRALIA BRANCH

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

3.	**Cash and Cash Equivalents**	**2018 $**	**2017 $**
	Cash at Bank	14,924	690
	Other Payables		
4.			
	Other payable	17,245	17,245
	Total Other Payables	**17,245**	**17,245**

5. Cash flow

(a) Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash at bank	14,92	690

(b) Reconciliation of cash flow from operations with Net Surplus/(Deficit)

Net Surplus/(Deficit)	14,234	(18,878)
Changes in Assets and Liabilities:		
(Increase)/decrease in prepayments	-	-
(Decrease) in payables	-	-
Cash Flows from Operations	14,234	(18,878)

(c) Cash Flow Information - Reporting Units

Cash inflows		
Remittances from National Council	306,989	317,030
Cash outflows		
Payments to National Council	292,762	335,908
Total Cash Outflows	**14,234**	**(18,878)**

6. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

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

7. 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).

8. 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.

8. FINANCIAL RISK MANAGEMENT (Cont'd)

(b) Credit risk

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

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

	2018	2017
	$	$
Cash and cash equivalents	14,924	690

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 $14,924.00 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2018 total $17,245.00

.

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:

8. FINANCIAL RISK MANAGEMENT (Cont'd)

Interest rate risk (cont'd)

30 September 2018	Floating interest rate	Non interest Bearing	Total
	$	$	$
Financial Assets			
Cash and cash equivalents	-	14,924	14,924
Trade Receivables	-	-	-
Weighted average Interest rate	0%	0%	0%
Financial Liabilities			
Payables	-	17,245	17,245
Net Financial Assets/(Liabilities)	-	-	(2,321)

30 September 2017	Floating interest rate	Non interest bearing	Total
	$	$	$
Financial Assets			
Cash and cash equivalents	690	-	690
Trade Receivables	-	-	-
Weighted average Interest rate	0%	0%	0%
Financial Liabilities			
Payables	-	17,245	17,245
Net Financial Assets/(Liabilities)	-	-	(16,555)

Sensitivity Analysis

	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
2018	$	$	$
Cash Assets	14,924	7	(7)
2017			
Cash Assets	690	-	-

8. FINANCIAL RISK MANAGEMENT (Cont'd)

(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.

9. 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.

10. KEY MANAGEMENT PERSONNEL COMPENSATION

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

11. ADDITIONAL BRANCH INFORMATION

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

53-61 Dale Street, Port Adelaide S A 5015

12. 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).

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

SOUTH AUSTRALIA BRANCH

OFFICER DECLARATION STATEMENT

I John Camillo, being the Secretary of the Automotive, Food, Metals, Engineering, Printing & Kindred Industries Union South Australia 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.

.....

South Australia State Secretary – John Camillo

27/11/18 2018

ASCENSIO
ACCOUNTANTS

- Taxation
- Audit
- Valuations
- Business Advisory

ABN 73 505 227 015

Suite 12 / 116 Melbourne Street, North Adelaide SA 5006

INDEPENDENT AUDITOR'S REPORT

To the members of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union - South Australia Branch

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report of Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union, presents fairly, in all material respects the reporting unit's financial position as at 30 September 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union - South Australia Branch operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 Reporting Unit'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 Reporting Unit'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 my 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 Reporting Unit 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 Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit 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 are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

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

Ascensio Accountants

N Rugari

Natale Rugari
Director

Suite12, 116 Melbourne Street, North Adelaide S A 5006

27 November 2018

AA2017/32 (as registered by the RO Commissioner under the Act):