



11 May 2023

Mr Timothy Dawson
Secretary
Transport Workers' Union of Australia-Western Australian Branch

Sent via email: info@twuwa.org.au

CC: legal@twu.com.au

lpg@butlersettineri.com.au

Dear Mr Dawson

**Transport Workers' Union of Australia-Western Australian Branch
Financial Report for the year ended 31 December 2022 – FR2022/232**

I acknowledge receipt of the amended financial report for the year ended 31 December 2022 for the Transport Workers' Union of Australia-Western Australian Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 11 May 2023.

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

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 next year's financial report may be subject to an advanced compliance review.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 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 on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ken Morgan', enclosed within a faint, circular watermark or seal.

KEN MORGAN
Financial Reporting Specialist
Fair Work Commission

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

AUDITED GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

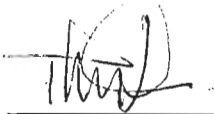
31 DECEMBER 2022

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2022

I Timothy Dawson being The Branch secretary of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") certify:

- that the documents lodged herewith are copies of the full report for The Branch for the period ended 31 December 2022 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 9th March 2023 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 21st April 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



TIMOTHY DAWSON

BRANCH SECRETARY

Dated: 4/05/2023

**TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TRANSPORT WORKERS' UNION OF AUSTRALIA – WESTERN AUSTRALIAN BRANCH**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transport Workers' Union of Australia – Western Australian Branch (the "Reporting Unit"), which comprises the statement of financial position as at 31 December 2022 and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the Branch Committee of Management's statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia – Western Australian Branch as at 31 December 2022, 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 Reporting Unit 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 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 (including Independence Standards) (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 of the Reporting Unit 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.

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, 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 Reporting Unit 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 Reporting Unit'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 Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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 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 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 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 our 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 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 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.

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.

I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. We have nothing to report in this regard.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER

Director

Registration Number : AA2017/20

Perth

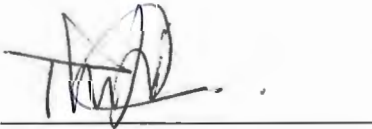
Dated : 7 March 2023

**TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2022.

Categories of expenditures	2022 (\$)	2021 (\$)
Remuneration and other employment-related costs and expenses – employees	1,752,663	1,887,325
Advertising	17,893	7,175
Operating costs	935,303	878,016
Donations to political parties	-	20,000
Legal costs	121,947	112,604



**TIMOTHY DAWSON
BRANCH SECRETARY**

Dated: 7th March 2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2022.

Principal activities

The principal activities of the Transport Workers' Union – Western Australian Branch ("Branch") during the reporting period were to provide industrial and organising services to the members consistent with the objects of The Branch and particularly the object of protecting and improving the interest of the members.

The Branch's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by The Branch.

There were no significant changes in the nature of The Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes to The Branch's financial affairs during the reporting period.

Right of members to resign

Clause 11 of The National rules details the right of a member to resign from The Branch:

11. Resignation from membership

- (1) A member may resign from membership by notice in writing addressed and delivered to The Branch Secretary of The Branch in which the member is enrolled.
- (2) A notice of resignation from membership takes effect:
 - (a) if the member has ceased to be eligible:
 - i. on the day on which the notice is received by the Union;
 - ii. on the day specified in the notice;whichever is later; or
 - (b) in any other case:
 - i. at the end of 2 weeks after the notice is received by The Branch Secretary; or
 - ii. on the day specified in the notice; whichever is later.

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from The Branch took effect, may be sued for, and recovered in accordance with rule 81 as a debt to The Branch.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by The Branch when it was delivered.
- (5) A notice of resignation that has been received by The Branch is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from membership is valid, even if it was not effected in accordance with this rule, if the member is informed in writing by The Branch that the resignation has been accepted.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Timothy Dawson is a Director of the TWU Superannuation Fund.

Number of members

The number of persons that were, as at 31 December 2022, recorded in the register as members was 6,618 (2021: 6,582).

Number of employees

The number of persons who were, as at 31 December 2022, employees of The Branch, including both full-time employees and part-time employees was 17 (2021: 14).

Names of committee of management members and period positions held during the financial year

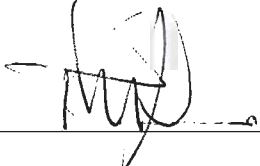
The name of each person who was a member of the Committee of Management of The Branch during the financial year ended 31 December 2022, and the period for which he or she held such a position during that year is detailed as follows:

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

Committee Member

Period Position Held

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch Secretary	Timothy Dawson	01/01/22 – 31/12/22
Representative	Ray McMillan	01/01/22 – 31/12/22
Representative	John Davis	01/01/22 – 31/12/22
Representative	Michael Lawson	01/01/22 – 31/12/22
Representative	Bruce Spaul	01/01/22 – 31/12/22
Representative	Ralph Roth	01/01/22 – 31/12/22
Representative	Andrew Payne	01/01/22 – 31/12/22
Representative	Joanne Woodford	01/01/22 – 31/12/22
Representative	Tony Fleming	01/01/22 – 31/12/22
Representative	Lee Pattison	01/01/22 – 31/12/22
Representative	Travis Leacock	01/01/22 – 31/12/22
Representative	Patricia Bushby	01/01/22 – 31/12/22



TIMOTHY DAWSON

BRANCH SECRETARY

Dated: 7th March 2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

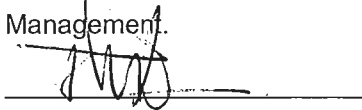
FOR THE YEAR ENDED 31 DECEMBER 2022

On 7th March 2023 the Branch Committee of Management of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 31 December 2022:

The Branch Committee of Management 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 reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit 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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Branch Committee of Management.



TIMOTHY DAWSON
BRANCH SECRETARY

Dated: 7th March 2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		\$	\$
Revenue from contracts with customers	3		
Membership subscriptions		3,408,796	3,622,903
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Revenue from recovery of wages activity	3G	-	-
Total revenue from contracts with customers		<u>3,408,796</u>	<u>3,622,903</u>
Income for furthering objectives	3		
Grants and/or donations	3C	200,922	-
Income recognised from volunteer services	3D	-	-
Total income for furthering objectives		<u>200,922</u>	<u>-</u>
Other income			
Investment income	3H	3,732	3,722
Rental income	3I	12,602	20,782
Other income	3J	221,132	336,938
Total other income		<u>237,466</u>	<u>361,442</u>
Total income		<u>3,847,184</u>	<u>3,984,345</u>
Expenses			
Employee expenses	4A	1,752,663	1,887,325
Capitation fees and other expense to another reporting unit	4B	599,755	639,080
Affiliation fees	4C	118,350	142,116
Administration expenses	4D	67,243	73,447
Grants or donations	4E	-	20,000
Depreciation and amortisation	4F	217,852	181,088
Legal costs	4G	121,947	112,604
Other expenses	4H	953,196	885,190
Audit and accountancy fees	13	68,473	33,107
Total expenses		<u>3,899,479</u>	<u>3,973,957</u>
Surplus (deficit) for the year		(52,295)	10,388
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Total comprehensive income for the year		<u>(52,295)</u>	<u>10,388</u>

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

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	1,219,339	1,362,008
Trade and other receivables	5B	346,784	366,748
Other current asset	5C	69,162	28,115
Total current assets		1,635,285	1,756,871
Non-current assets			
Property, plant and equipment	6A	2,092,015	2,153,860
Investment property	6B	1,110,000	1,140,000
Intangibles	6C	51,792	72,523
Right-of-use assets	6D	29,072	37,629
Total non-current assets		3,282,879	3,404,012
Total assets		4,918,164	5,160,883
LIABILITIES			
Current liabilities			
Trade payables	7A	150,686	191,508
Other payables	7B	126,841	131,772
Employee provisions	8A	596,561	855,930
Contract liabilities	5B	374,078	250,000
Lease liabilities	6D	24,624	24,802
Total current liabilities		1,272,790	1,454,012
Non-current liabilities			
Lease liabilities	6D	5,779	14,980
Total non-current liabilities		5,779	14,980
Total liabilities		1,278,569	1,468,992
Net assets		3,639,595	3,691,891
EQUITY			
General funds		664,153	664,153
Retained earnings		2,975,442	3,027,738
Total equity		3,639,595	3,691,891

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

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2021		664,153	3,017,350	3,681,503
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	10,388	10,388
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2021		664,153	3,027,738	3,691,891
Adjustment for errors		-	-	-
Surplus / (deficit)		-	(52,295)	(52,295)
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2022		664,153	2,975,442	3,639,595

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

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
OPERATING ACTIVITIES			
Cash received			
Membership Receipts		3,408,796	3,622,903
Donations and Grants		325,000	-
Receipts from other reporting units	10B	105	147,400
Interest		3,732	3,722
Other receipts		254,607	131,632
Cash used			
Payment to suppliers and employees		(3,427,337)	(3,164,465)
Payment to other reporting units	10B	(599,755)	(639,080)
Net cash (used in) / from operating activities	10A	<u>(34,852)</u>	<u>102,112</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment	6A	(64,688)	(91,463)
Purchase of intangibles	6C	(12,685)	(76,110)
Net cash from (used by) investing activities		<u>(77,373)</u>	<u>(167,573)</u>
FINANCING ACTIVITIES			
Cash used			
Repayment of lease liabilities	6D	(30,444)	(30,444)
Net cash from (used by) financing activities		<u>(30,444)</u>	<u>(30,444)</u>
Net (decrease) in cash held		(142,669)	(95,904)
Cash & cash equivalents at the beginning of the reporting period		1,362,008	1,457,912
Cash & cash equivalents at the end of the reporting period	5A	<u>1,219,339</u>	<u>1,362,008</u>

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

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.1 Basis of preparation of the financial statements

Transport Workers' Union of Australia – Western Australian Branch ("Branch") is a trade union with a principal place of business located at 143 Chisholm Crescent, Kewdale, Perth WA.

Transport Workers' Union of Australia – Western Australian Branch ("Branch") are the registered proprietors and owners of The Branch's office.

The financial statements are general purpose financial statements and 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 Organisation) Act 2009* (RO Act). For the purpose of preparing the general-purpose financial statements, The Branch is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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.

1.2 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

1.3 Comparative amounts

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.4 Significant accounting judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

There are no accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year.

No accounting standard has been adopted earlier than the application date stated in the standard.

AASB 2020-3 Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments

Amends numerous Standards as set out below:

- *Amendment to AASB 1, Subsidiary as a First-time Adopter*
- *Amendments to AASB 3, Reference to the Conceptual Framework*
- *Amendment to AASB 9, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
- *Amendments to AASB 116, Property, Plant and Equipment: Proceeds before Intended Use*
- *Amendments to AASB 137, Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendment to AASB 141, Taxation in Fair Value Measurements*

The amendments apply to annual reporting periods beginning on or after 1 January 2022.

The Branch does not anticipate early adoption of any either of the above Australian Accounting Standards.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on The Branch include:

TRANSPORT WORKERS' UNION OF AUSTRALIA

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.5 Future Australian Accounting Standards (continued)

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

This Standard applies to annual reporting periods beginning on or after 1 January 2024.

AASB 2021-2 Amendments Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The standard amends AASB 101 to require disclosure of material accounting policy information instead of significant accounting policies.

The standard amends AASB 108 to clarify the definition of an accounting estimate making it easier to differentiate it from an accounting policy. This distinction is necessary as their treatment and disclosure requirements are different. A change in accounting estimate is applied prospectively whereas as change in an accounting policy is applied retrospectively.

This standard applies to annual reporting periods beginning on or after 1 January 2023.

The Branch does not anticipate early adoption of either of the above Australian Accounting Standards.

1.6 Current versus non-current classification

The Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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Note 1 Summary of Significant Accounting Policies (continued)

1.6 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Branch classifies all other liabilities as non-current.

1.7 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where The Branch has a contract with a customer, The Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of The Branch.

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Note 1 Summary of Significant Accounting Policies (continued)

1.7 Revenue (continued)

Membership subscriptions (continued)

The Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect The Branch's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, The Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from The Branch at their standalone selling price, The Branch accounts for those sales as a separate contract with a customer.

Capitation fees

Where The Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, The Branch recognises the capitation fees on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Interest income

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

Rental income

Leases in which Transport Workers' Union of Australia as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

1.8 Employee benefits

A liability is recognised 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.8 Employee benefits (continued)

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 Branch in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The 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.

1.9 Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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Note 1 Summary of Significant Accounting Policies (continued)

1.9 Leases (continued)

Right-of-use assets (continued)

	2022	2021
Land & buildings	0 to 40 years	0 to 40 years
Plant and equipment	0 to 4 years	0 to 4 years

If ownership of the leased asset transfers to The Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using

the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, The Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by The Branch and payments of penalties for terminating the lease, if the lease term reflects The Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, The Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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Note 1 Summary of Significant Accounting Policies (continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when The Branch becomes a party to the contractual provisions of the instrument.

1.12 Financial assets

Contract assets and receivables

A contract asset is recognised when The Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on The Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, 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.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, 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 marketplace (regular way trades) are recognised on the trade date, i.e. the date that The Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

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.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and term deposits.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Derecognition (continued)

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

Trade receivables

For trade receivables that do not have a significant financing component, The Branch applies a simplified approach in calculating Expected Credit Losses (ECLs).

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 not recognised any ECLs at the reporting date.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost 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.

The Branch's financial liabilities include trade and other payables.

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Note 1 Summary of Significant Accounting Policies (continued)

1.13 Financial Liabilities (continued)

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

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 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before The Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when The Branch performs under the contract (i.e. transfers control of the related goods or services to the customer).

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Note 1 Summary of Significant Accounting Policies (continued)

1.15 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.

1.16 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations — land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit.

Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation.

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Note 1 Summary of Significant Accounting Policies (continued)

1.16 Land, buildings, plant and equipment (continued)

Depreciation (continued)

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years
Office refurbishments	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

1.17 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less subsequent accumulated depreciation and accumulated impairment.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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Note 1 Summary of Significant Accounting Policies (continued)

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	2022	2021
Intangibles	Up to 2.5 years	Up to 2.5 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if The Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must

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Note 1 Summary of Significant Accounting Policies (continued)

1.20 Non-current assets held for sale (continued)

be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an obligation for Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (**ATO**); and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.22 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by The Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, The Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2022, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Branch.

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FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 3 Revenue and income		
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees:		
Transport Workers Union – National Office	-	-
Subtotal capitation fees	<u>-</u>	<u>-</u>
Other revenue from another reporting unit:		
Transport Workers Union – National Office	-	-
Subtotal other revenue from another reporting unit	<u>-</u>	<u>-</u>
Total capitation fees and other revenue from another reporting unit	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Grants and/or donations		
Grants – government stimulus	200,922	-
Donations	-	-
Total grants and donations	<u>200,922</u>	<u>-</u>
Note 3D: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	<u>-</u>	<u>-</u>
Note 3E: Income recognised from transfers to enable <i>The Branch</i> to acquire or construct a recognisable non-financial asset to be controlled by <i>The Branch</i>		
Amount recognised from financial asset transfers	-	-
Total income recognised from transfers	<u>-</u>	<u>-</u>

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	2022	2021
	\$	\$
Note 3 Revenue and income (continued)		
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Other	-	-
Total net gain from sale of assets	<u>-</u>	<u>-</u>
Note 3G: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>
Note 3H: Investment income		
Interest		
Deposits	3,732	3,722
Loans	-	-
Debt instruments at fair value through other comprehensive income	-	-
Dividends	-	-
Total investment income	<u>3,732</u>	<u>3,722</u>
Note 3I: Rental income		
Properties	12,602	20,782
Total rental income	<u>12,602</u>	<u>20,782</u>

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	2022	2021
	\$	\$
Note 3 Revenue and income (continued)		
Note 3J: Other income		
National committee expenses reimbursement	105	19,168
National office wage reimbursement	-	128,232
Super fund director reimbursement	147,164	177,265
Advertising and sponsorship	27,500	12,273
Sundry income		
Accrued income	23,787	-
Other income	22,424	-
Sundry income	152	-
Total other income	221,132	336,938
 Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	173,355	173,355
Superannuation	17,771	16,918
Leave and other entitlements	13,692	11,508
Separation and redundancies	-	-
Other employee expenses	-	(152,124)
Subtotal employee expenses holders of office	204,818	49,657
 Employees other than office holders:		
Wages and salaries	1,592,733	1,548,006
Superannuation	212,672	240,207
Leave and other entitlements	(114,350)	37,818
Separation and redundancies	(158,710)	-
Other employee expenses	15,500	11,637
Subtotal employee expenses employees other than office holders	1,547,845	1,837,668
Total employee expenses	1,752,663	1,887,325

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	2022	2021
	\$	\$
Note 4 Expenses (continued)		
Note 4B: Capitation fees and other expense to another reporting unit		
Sustentation fees		
Transport Workers Union – National Office	599,755	639,080
Subtotal capitation fees	599,755	639,080
Other expense to another reporting unit		
Transport Workers Union – National Office	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	599,755	639,080
Note 4C: Affiliation fees/levies		
Australian Labour Party	62,455	82,606
Trades and Labour Council	55,895	59,510
Total affiliation fees/subscriptions	118,350	142,116
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies		
National Office levies	16,158	17,765
Fees/allowances - meeting and conferences	27,759	25,675
Conference and meeting expenses	23,326	30,007
Total administration expense	67,243	73,447
Note 4E: Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	20,000
Total grants or donations	-	20,000

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	2022	2021
	\$	\$
Note 4 Expenses (continued)		
Note 4F: Depreciation and amortisation		
Depreciation		
Buildings	64,755	44,505
Plant and equipment	71,055	88,333
Office refurbishment	20,710	16,840
Right of use assets	27,903	27,823
Total depreciation	184,423	177,501
Amortisation		
Intangibles	33,429	3,587
Total amortisation	33,429	3,587
Total depreciation and amortisation	217,852	181,088
 Note 4G: Legal costs		
Litigation	-	-
Other legal costs	121,947	112,604
Total legal costs	121,947	112,604

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	2022	2021
	\$	\$
Note 4 Expenses (continued)		
Note 4H: Other expenses		
Penalties – via RO Act or the <i>Fair Work Act</i> 2009	-	-
Advertising	17,893	7,175
Bank charges	19,780	43,580
Campaign expenses	14,053	1,326
Cleaning expenses	17,375	12,165
Computer operating expenses	51,418	84,542
Computer programming maintenance	-	8,024
Consultancy fees	70,195	-
Debt collection expenses	4,313	2,608
Employee fringe benefits expense	513	-
Freight and couriers	71	195
Fringe benefits tax	12,202	9,557
Funeral benefit	47,000	65,000
General expenses	10,516	3,685
Hire of equipment	-	935
HR expenses	4,059	-
Insurance	118,138	99,711
Interest on right-of-use	1,719	2,943
Motor vehicle expenses	64,033	73,037
Membership fees	4,885	-
Organisers' expenses - country	5,512	15,298
Payroll tax	69,088	64,686
Payments – FZ – IP	5,460	-
Presidential honorarium fees	11,700	11,700
Printing, stationery and stamps	66,653	82,921
Promotional products purchases	50,354	24,490
Property management	21	-
Relocation costs	-	450
Rates and electricity	80,197	94,860
Repairs and maintenance	9,940	4,544
SHM expenses	4,400	-
Staff amenities	15,387	2,520
Staff/Delegates training	6,140	1,871
Subscriptions	46,047	43,426
Sundry expenses	7,387	251
Superfund expense	15	-
Telephone	46,093	37,430

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Travelling and accommodation	69,484	84,197
Uniforms	-	1,283
Waste disposal	1,154	780
Total other expenses	<u>953,196</u>	<u>885,190</u>

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FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 5		
Current Assets		
Note 5A: Cash and cash equivalents		
Cash at bank	691,249	835,373
Cash on hand	1,738	3,033
Short term deposits	526,352	523,602
Total cash and cash equivalents	<u>1,219,339</u>	<u>1,362,008</u>
Note 5B: Trade and other receivables		
Receivables from other reporting unit(s)		
Transport Workers Union – National Office	45,604	81,748
Total receivables from other reporting unit(s)	<u>45,604</u>	<u>81,748</u>
Less allowance for expected credit losses		
Transport Workers Union – National Office	-	-
Total allowance for expected credit losses	<u>-</u>	<u>-</u>
Receivable from other reporting unit(s) (net)	<u>45,604</u>	<u>81,748</u>
Other receivables:		
GST receivable	-	-
Other	301,180	285,000
Total other receivables	<u>301,180</u>	<u>285,000</u>
Total trade and other receivables (net)	<u>346,784</u>	<u>366,748</u>
Contract liabilities		
Contract liabilities - current	374,078	250,000
Total contract liabilities	<u>374,078</u>	<u>250,000</u>

The contract liability relates to unspent grant funding received in relation to the Steering Healthy Minds program.

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Note 5B: Trade and other receivables (continued)

Grant funding was received in advance and was not expended in full. As any unspent funds are repayable to the providers, the unspent funding received is recorded as a liability at the reporting date.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$200,922.

	2022	2021
	\$	\$

Note 5C: Other current assets

Accrued interest	-	1,016
Outgoings clearing – Beaufort Street, Perth	11,188	-
Prepaid expenses	34,187	27,099
Sundry debtors	23,787	-
Total other current assets	69,162	28,115

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2022

	Land and Building \$	Office Refurbishments \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:				
carrying amount	1,538,200	509,057	932,997	2,980,254
accumulated depreciation	(17,781)	(98,534)	(710,079)	(826,394)
Total Property, Plant and Equipment	1,520,419	410,523	222,918	2,153,860

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 January 2022	1,520,419	410,523	222,918	2,153,860
Additions:				
Purchase of plant and equipment	-	6,300	58,388	64,688
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	(34,755)	(17,725)	(74,053)	(126,533)
Other movement	-	-	-	-
Disposals:	-	-	-	-
Other	-	-	-	-
Net book value 31 December 2022	1,485,664	399,098	207,253	2,092,015
Net book value as of 31 December 2022 represented by:				
Gross book value	1,538,200	515,357	991,385	3,044,942
Accumulated depreciation and impairment	(52,536)	(116,259)	(784,132)	(952,927)
Net book value 31 December 2022	1,485,664	399,098	207,253	2,092,015

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Note 6A: Property, Plant and Equipment (continued)

2021

	Land and Building \$	Office Refurbishments \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:				
carrying value	2,738,200	431,027	919,566	4,088,793
accumulated depreciation	(33,279)	(81,694)	(621,746)	(736,719)
Total Property, Plant and Equipment	2,704,921	349,333	297,820	3,352,074

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 January 2021	2,704,921	349,333	297,818	3,352,072
Additions:				
Purchase of plant and equipment	-	78,030	13,433	91,463
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	(44,502)	(16,840)	(88,333)	(149,675)
Other movement	-	-	-	-
Disposals:				
Other	(1,140,000)	-	-	(1,140,000)
Net book value 31 December 2021	1,520,419	410,523	222,918	2,153,860
Net book value as of 31 December 2021 represented by:				
Gross book value	1,538,200	509,057	932,997	2,980,254
Accumulated depreciation and impairment	(17,781)	(98,534)	(710,079)	(826,394)
Net book value 31 December 2021	1,520,419	410,523	222,918	2,153,860

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	2022	2021
	\$	\$
Note 6		
Non-current Assets (Continued)		
Note 6B: Investment property		
Opening balance as at 1 January	1,140,000	-
Transfer	-	1,200,000
Depreciation	(30,000)	(60,000)
Closing balance as at 31 December	<u>1,110,000</u>	<u>1,140,000</u>

Investment property consists of two properties that The Branch has decided to lease to earn rental income. Rental income earned and received during the year was \$12,602.

Note 6C: Intangibles

Membership database software at cost:

Purchased	88,795	76,110
Accumulated amortisation	(37,003)	(3,587)
Total intangibles	<u>51,792</u>	<u>72,523</u>

Reconciliation of opening and closing balances of intangibles

As at 1 January		
Gross book value	76,110	-
Accumulated amortisation and impairment	(3,587)	-
Net book value 1 January	<u>72,523</u>	<u>-</u>
Additions:		
Purchase of intangibles	12,685	76,110
Impairments	-	-
Amortisation	(33,416)	(3,587)
Other movements	-	-
Disposals		
Net book value 31 December	<u>51,792</u>	<u>72,523</u>
Net book value as of 31 December represented by:		
Gross book value	88,795	76,110
Accumulated amortisation and impairment	(37,003)	(3,587)
Net book value 31 December	<u>51,792</u>	<u>72,523</u>

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Note 6 Non-current Assets (Continued)

Note 6D: Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Plant and Equipment	Total
	\$	\$
As at 1 January 2021	65,452	65,452
Additions per AASB 16	-	-
Depreciation expense	(27,823)	(27,823)
Impairment	-	-
Disposal	-	-
As at 1 January 2022	37,629	37,629
Additions per AASB 16	19,346	19,346
Depreciation expense	(27,903)	(27,903)
Impairment	-	-
Disposal	-	-
As at 31 December 2022	29,072	29,072

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022	2021
	\$	\$
As at 1 January	(39,782)	(67,283)
Additions	(19,346)	-
Accretion of interest	(1,719)	(2,943)
Payments	30,444	30,444
As at 31 December	(30,403)	(39,782)
Current	(24,624)	(24,802)
Non-current	(5,779)	(14,980)
	(30,403)	(39,782)

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Note 6 Non-current Assets (Continued)

Note 6D: Leases (continued)

The following are the amounts recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense of right-of-use assets	(27,903)	(27,823)
Interest expense on lease liabilities	(1,719)	(2,943)
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	<u>(29,622)</u>	<u>(30,766)</u>

The Branch as a lessor

Amounts included in the income statement are as follows:

	2022	2021
	\$	\$
Lease income	<u>12,602</u>	<u>20,782</u>

Operating leases - as lessor

Three year lease with Tarlka Matuwa Piarku Aboriginal Corporation commencing 1st June 2022, with an option to renew for a period of 2 years from 1 June 2025 to 31 May 2027. The rent review date is 1st June 2023 and the method of rent review if the greater of consumer price index or 5%.

Two year lease with Aboriginal Art Centre Hub of WA Aboriginal Corporation commencing 17th October 2022 with an option to renew for a period of 3 years from 17 October 2024 to 16 October 2027. The rent review date is 15th August 2023 and the method of rent review is greater of consumer price index (capped at 6%) or 5%.

Risk management for rights retained in the underlying assets

The Branch is using an agent to manage the leasing of both the investment properties.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 6 Non-current Assets (Continued)

Note 6D: Leases (continued)

Maturity analysis of undiscounted lease payments for operating leases (as a lessor) as at 31 December are :

	2022	2021
	\$	\$
Within one year	43,000	-
After one year but not more than two years	40,207	-
After two years but not more than three years	10,932	-
After three years but not more than four years	-	-
After four years but not more than five years	-	-
After five years	-	-
	94,139	-

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	81,535	68,979
Subtotal trade creditors	81,535	68,979
Payables to other reporting unit(s)		
Transport Workers Union – National Office	69,151	122,529
Subtotal payables to other reporting unit(s)	69,151	122,529
Total trade payables	150,686	191,508

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	28,566
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
GST payable	74,813	77,281
Other	52,028	25,925
Total other payables	126,841	131,772

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	2022	2021
	\$	\$
Note 7 Current Liabilities (continued)		
Note 7B: Other payables (continued)		
Total other payables are expected to be settled in:		
No more than 12 months	126,841	131,772
More than 12 months	-	-
Total other payables	<u>126,841</u>	<u>131,772</u>

Note 8 Provisions

The amounts expected to be paid to fund employees for their pro rata entitlements to annual leave and long service leave are accrued fortnightly at current salary rates. Sick leave has not been accrued, as any sick leave entitlements are considered contingent and non-vesting.

The amounts expected to be paid to office holders in relation to severance pay is calculated on the period of continuous service as specified by the appropriate WA award. The calculation is based on the applicable number of weeks severance multiplied by ordinary time earnings.

	2022	2021
	\$	\$
Note 8A: Employee provisions		
Office holders:		
Annual leave	43,702	36,814
Long service leave	133,210	126,407
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>176,912</u>	<u>163,221</u>
Employees other than office holders:		
Annual leave	116,493	152,740
Long service leave	203,446	281,549
Separations and redundancies	-	-
Other	99,710	258,420
Subtotal employee provisions—employees other than office holders	<u>419,649</u>	<u>692,709</u>
Total employee provisions	<u>596,561</u>	<u>855,930</u>
Current	596,561	855,930
Non-current	-	-

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<i>Total employee provisions</i>	596,561	855,930
	2022	2021
	\$	\$

Note 9 Other funds

Note 9A: Other funds

Compulsory levy/voluntary contribution fund

Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-

Other fund(s) required by rules

Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Investment in asset(s)

Value of asset(s)	-	-
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	2022	2021
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:		
Cash and cash equivalents as per:		
Statement of cash flow	1,219,339	1,362,008
Statement of financial position	1,219,339	1,362,008
Difference	<u>-</u>	<u>-</u>
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	(52,295)	10,388
Adjustments for non-cash items		
Depreciation/amortisation	217,852	181,088
Interest on lease liabilities	1,719	2,943
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in trade receivables	19,964	(328,688)
(Increase)/decrease in other receivables & prepayments	(41,047)	26,520
Increase/(decrease) in trade payables	(45,754)	51,025
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	(259,369)	(91,164)
Increase/(decrease) in contract liabilities	124,078	250,000
Net cash from (used by) operating activities	<u>(34,852)</u>	<u>102,112</u>
Note 10B: Cash flow information*		
Cash inflows		
Transport Workers Union – National Office	105	147,400
Total cash inflows	<u>105</u>	<u>147,400</u>
Cash outflows		
Transport Workers Union – National Office	(599,755)	(639,080)
Total cash outflows	<u>(599,755)</u>	<u>(639,080)</u>

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Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

There are no capital commitments or contractual obligations as at 31 December 2022.

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2022	2021
	\$	\$
Revenue received from Transport Workers Union – Superannuation Fund includes the following:		
Expense reimbursement	147,164	177,265
Expenses paid to Australian Labour Party includes the following:		
Affiliation	62,455	57,450
Levies	-	25,156
Expenses paid to Unions WA include the following:		
Affiliation	55,895	59,510
Expenses paid to Transport Workers Union – National Office include the following:		
Sustentation	599,755	639,080
Expenses paid to Transport Workers Union – Superannuation Fund includes the following:		
Expense reimbursement	15	-
Amounts owed to Transport Workers Union – National Office includes the following:		
Sustentation	69,151	122,529
Other amounts owed to Transport Workers Union:		
Transport workers union – Super Fund	45,321	81,748
Transport works union – National Office	284	-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 12 Related Party Disclosures (continued)

Note 12A: Related party transactions for the reporting period (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2022, The Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 12B: Key management personnel remuneration for the reporting period

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	173,355	173,355
Annual leave accrued	6,889	6,349
Total short-term employee benefits	180,244	179,704
Post-employment benefits:		
Superannuation	17,771	16,918
Total post-employment benefits	17,771	16,918
Other long-term benefits:		
Long-service leave	6,803	5,159
Severance pay	-	(152,124)
Total other long-term benefits	6,803	(146,965)
Termination benefits	-	-
Total	204,818	49,657

Note 12C: Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members.

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	2022	2021
	\$	\$
Note 13 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	37,041	11,365
Other services	5,282	-
 Non-audit services:		
Accountancy work by related practice	17,150	21,742
Accountancy work by non-related practice	9,000	-
 Total audit and accountancy fees	68,473	33,107

Note 14 Financial Instruments

The Branch's policy is to review bank products and ensure the maximum rate of interest is earned on at call deposits.

Note 14A: Categories of Financial Instruments

Financial assets

At amortised cost:		
Cash and cash equivalents	1,219,339	1,362,008
Trade and other receivables	346,784	367,764
Total	1,566,123	1,729,772
Carrying amount of financial assets	1,566,123	1,729,772

Financial liabilities

Fair value through profit or loss:		
Trade and other payables	277,527	323,280
Total	277,527	323,280
Carrying amount of financial liabilities	277,527	323,280

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	2022	2021
	\$	\$
Note 14		
Financial Instruments (continued)		
Note 14B: Net income and expense from financial assets		
Interest revenue	3,732	3,722
Dividend revenue	-	-
Total designated as fair value through profit or loss	<u>3,732</u>	<u>3,722</u>
Net gain/(loss) on financial assets at fair value through profit or loss	-	-
Sub-total net income/(expense) from financial assets	<u>3,732</u>	<u>3,722</u>
Financial assets at fair value through other comprehensive income		
Interest revenue	-	-
Impairment	-	-
Gain/(loss) on disposal	-	-
Total financial assets at fair value through other comprehensive income	<u>-</u>	<u>-</u>
Net income/(expense) from financial assets	<u>-</u>	<u>-</u>
Note 14C: Net income and expense from financial liabilities		
At amortised cost		
Interest expense	1,719	2,943
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	<u>1,719</u>	<u>2,943</u>
Fair value through profit or loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Total held for trading	<u>-</u>	<u>-</u>
Designated as fair value through profit or loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit or loss	<u>-</u>	<u>-</u>
Net gain/(loss) at fair value through profit or loss	<u>1,719</u>	<u>2,943</u>
Net gain/(loss) from financial liabilities	<u>1,719</u>	<u>2,943</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 14 Financial Instruments (continued)

Note 14D: Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk of financial assets of the Branch which have been recognised on the Statement of Financial Position is the carrying amount, net of any allowance for expected credit losses. The Branch has limited exposure to credit risk due to its association with recognisable banking and financial institutions.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2022	2021
	\$	\$
Financial assets		
Trade and other receivables	346,784	366,748
Total	346,784	366,748
Financial liabilities		
Trade and other payables	277,527	323,280
Total	277,527	323,280

In relation to the entity's gross credit risk the following collateral is held \$nil.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2022	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default	-	298,934	2,530	45,320	-	346,784
Expected credit loss	-	-	-	-	-	-

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 14 Financial Instruments (continued)

Note 14D: Credit risk (continued)

31 December 2021	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default	-	356,748	10,000	-	-	366,748
Expected credit loss	-	-	-	-	-	-

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 2022 is the carrying amounts as illustrated above.

Note 14E: Liquidity risk

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due. The Branch has limited exposure to liquidity risk as there are few payables (as per Note 7A) and ample cash available to settle all payables as they fall due.

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	81,535	-	-	-	81,535
Other payables	-	195,992	-	-	-	195,992
Total	-	277,527	-	-	-	277,527

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	68,979	-	-	-	68,979
Other payables	-	254,301	-	-	-	254,301
Total	-	323,280	-	-	-	323,280

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 14 Financial Instruments (continued)

Note 14E: Liquidity risk (continued)

Lease liability maturities for 2022

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
2022						
Operating leases	-	24,624	5,779	-	-	30,403
Total	-	24,624	5,779	-	-	30,403
2021						
Operating leases	-	24,802	14,980	-	-	39,782
Total	-	24,802	14,980	-	-	39,782

Note 14F: Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rate interest rates. The Branch has no exposure to foreign currency risk as activities are wholly performed within Australia. The Branch's exposure to interest rate risk is limited to the money held in the bank accounts. Interest benefiting assets are managed in such a way as to maximise results for external market forces.

Interest rate risk

All financial assets recognised in the Statement of Financial Position are carried at cost and are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. The Branch's exposure to market interest rates relates primarily to the Branch's cash and cash.

Sensitivity analysis of the interest rate risk that the entity is exposed to for financial

	Risk variable	Change in risk variable %	Effect on	
			Profit or loss \$	Equity \$
year ended 31 December 2022	1,219,339	1.00	12,193	12,193
year ended 31 December 2021	1,362,008	1.00	13,620	13,620

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 15 Fair value measurement

Note 15A: Fair Value Measurement – Land and buildings

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

The following table contains the carrying amounts and related fair values for the Branch's land and buildings.

Note 15B: Fair value hierarchy

31 December 2022	Effective Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	31 Dec 2022	-	1,485,664	-
Investment Properties	31 Dec 2022	-	1,110,000	-
Total		-	2,595,664	-

31 December 2021	Effective Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	31 Dec 2021	-	1,485,664	-
Investment Properties	31 Dec 2021	-	1,110,000	-
Total		-	2,595,664	-

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) 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).

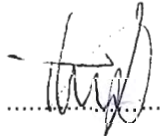
TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

OFFICER DECLARATION STATEMENT

I, Timothy Dawson, being the Branch Secretary of the Transport Workers' Union of Australia – Western Australian Branch, declare that the following activities did not occur during the reporting period ending 31 December 2022.

The reporting unit did not:

- acquire 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 or revocation by the General Manager, Fair Work Commission
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or 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

Signed by the officer: 

Dated: 7th March 2023



27 April 2023

Mr Timothy Dawson
Secretary
Transport Workers' Union of Australia-Western Australian Branch

Sent via email: info@twuwa.org.au

CC: legal@twu.com.au

lpg@butlersettineri.com.au

Dear Mr Dawson

**Transport Workers' Union of Australia-Western Australian Branch
Financial Report for the year ended 31 December 2022 – FR2022/232**

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Transport Workers' Union of Australia-Western Australian Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 21 April 2023.

The financial report has not been filed.

I have examined the report and identified non-compliance with timescale requirements, the details of which are set out below, that you are required to address before the report can be filed.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 5th edition of the reporting guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

1. Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the Fair Work Commission website, in particular, the fact sheet 'Financial reporting process' which explains the timeline requirements, and the fact sheet 'summary of financial reporting timelines' which sets out the timelines in diagrammatical format. The Fair Work Commission website also contains a '[Compliance Calculator](#)' to help organisations comply with the RO Act timelines.

I note that the following timescale requirements were not met:

Committee of management statement must be audited

The committee of management statement lodged with the financial report was dated 21 April 2023, which is after the statements were audited. Section 257(1) of the RO Act requires the full report, which includes the committee of management statement, to be audited.

After the GPFR has been prepared, but before it has been audited, the reporting unit's committee of management is required to meet and pass a resolution that contains certain declarations as specified in reporting guideline 26. The reporting unit is required to ensure that the committee of management meets prior to the audit of the GPFR.

If the dates specified on the committee of management statement and the auditor's statement are correct, the reporting unit is required to resubmit the financial statements, the notes to the statements and the committee of management statement to audit. The audit report is required to include the committee of management statement in its scope. The full report is required to be provided to members after the revised audit report is made. The full report is to be presented to a committee of management meeting and then a fresh designated officer's certificate and the full report must be lodged with the Fair Work Commission within 14 days of the meeting.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely



KEN MORGAN
Financial Reporting Specialist
Fair Work Commission

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

AUDITED GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2022

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2022

I Timothy Dawson being The Branch secretary of the Transport Workers' Union of Australia – Western Australian Branch (“Branch”) certify:

- that the documents lodged herewith are copies of the full report for The Branch for the period ended 31 December 2022 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 09/03/2023 and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 21/04/2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



TIMOTHY DAWSON

BRANCH SECRETARY

Dated: 21/04/2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TRANSPORT WORKERS' UNION OF AUSTRALIA – WESTERN AUSTRALIAN BRANCH**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transport Workers' Union of Australia – Western Australian Branch (the "Reporting Unit"), which comprises the statement of financial position as at 31 December 2022 and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the Branch Committee of Management's statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia – Western Australian Branch as at 31 December 2022, 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 Reporting Unit 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 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 (including Independence Standards) (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 of the Reporting Unit 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.

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, 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 Reporting Unit 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 Reporting Unit'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 Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility 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 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 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 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 our 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 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 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.

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.

I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. We have nothing to report in this regard.

DRY KIRKNESS (AUDIT) PTY LTD



LUCY P GARDNER

Director

Registration Number : AA2017/20

Perth

Dated : 7 March 2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2022

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2022.

Categories of expenditures	2022 (\$)	2021 (\$)
Remuneration and other employment-related costs and expenses – employees	1,752,663	1,887,325
Advertising	17,893	7,175
Operating costs	935,303	878,016
Donations to political parties	-	20,000
Legal costs	121,947	112,604



TIMOTHY DAWSON

BRANCH SECRETARY

Dated: 21/04/2023

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2022.

Principal activities

The principal activities of the Transport Workers' Union – Western Australian Branch ("Branch") during the reporting period were to provide industrial and organising services to the members consistent with the objects of The Branch and particularly the object of protecting and improving the interest of the members.

The Branch's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by The Branch.

There were no significant changes in the nature of The Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes to The Branch's financial affairs during the reporting period.

Right of members to resign

Clause 11 of The National rules details the right of a member to resign from The Branch:

11. Resignation from membership

(1) A member may resign from membership by notice in writing addressed and delivered to The Branch Secretary of The Branch in which the member is enrolled.

(2) A notice of resignation from membership takes effect:

(a) if the member has ceased to be eligible:

i. on the day on which the notice is received by the Union;

ii. on the day specified in the notice;

whichever is later; or

(b) in any other case:

i. at the end of 2 weeks after the notice is received by The Branch Secretary; or

ii. on the day specified in the notice; whichever is later.

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from The Branch took effect, may be sued for, and recovered in accordance with rule 81 as a debt to The Branch.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by The Branch when it was delivered.
- (5) A notice of resignation that has been received by The Branch is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from membership is valid, even if it was not effected in accordance with this rule, if the member is informed in writing by The Branch that the resignation has been accepted.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

Timothy Dawson is a Director of the TWU Superannuation Fund.

Number of members

The number of persons that were, as at 31 December 2022, recorded in the register as members was 6,618 (2021: 6,582).

Number of employees

The number of persons who were, as at 31 December 2022, employees of The Branch, including both full-time employees and part-time employees was 17 (2021: 14).

Names of committee of management members and period positions held during the financial year

The name of each person who was a member of the Committee of Management of The Branch during the financial year ended 31 December 2022, and the period for which he or she held such a position during that year is detailed as follows:

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

Committee Member

Period Position Held

<u>Position</u>	<u>Name</u>	<u>Period</u>
Branch Secretary	Timothy Dawson	01/01/22 – 31/12/22
Representative	Ray McMillan	01/01/22 – 31/12/22
Representative	John Davis	01/01/22 – 31/12/22
Representative	Michael Lawson	01/01/22 – 31/12/22
Representative	Bruce Spaul	01/01/22 – 31/12/22
Representative	Ralph Roth	01/01/22 – 31/12/22
Representative	Andrew Payne	01/01/22 – 31/12/22
Representative	Joanne Woodford	01/01/22 – 31/12/22
Representative	Tony Fleming	01/01/22 – 31/12/22
Representative	Lee Pattison	01/01/22 – 31/12/22
Representative	Travis Leacock	01/01/22 – 31/12/22
Representative	Patricia Bushby	01/01/22 – 31/12/22



TIMOTHY DAWSON

BRANCH SECRETARY

Dated: 21/04/2023

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

COMMITTEE OF MANAGEMENT STATEMENT

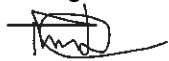
FOR THE YEAR ENDED 31 DECEMBER 2022

On 7th March 2023 the Branch Committee of Management of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 31 December 2022:

The Branch Committee of Management 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 reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit 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 committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Branch Committee of Management.



TIMOTHY DAWSON
BRANCH SECRETARY

Dated: 21/04/2023

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		\$	\$
Revenue from contracts with customers	3		
Membership subscriptions		3,408,796	3,622,903
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Revenue from recovery of wages activity	3G	-	-
Total revenue from contracts with customers		<u>3,408,796</u>	<u>3,622,903</u>
Income for furthering objectives	3		
Grants and/or donations	3C	200,922	-
Income recognised from volunteer services	3D	-	-
Total income for furthering objectives		<u>200,922</u>	<u>-</u>
Other income			
Investment income	3H	3,732	3,722
Rental income	3I	12,602	20,782
Other income	3J	221,132	336,938
Total other income		<u>237,466</u>	<u>361,442</u>
Total income		<u>3,847,184</u>	<u>3,984,345</u>
Expenses			
Employee expenses	4A	1,752,663	1,887,325
Capitation fees and other expense to another reporting unit	4B	599,755	639,080
Affiliation fees	4C	118,350	142,116
Administration expenses	4D	67,243	73,447
Grants or donations	4E	-	20,000
Depreciation and amortisation	4F	217,852	181,088
Legal costs	4G	121,947	112,604
Other expenses	4H	953,196	885,190
Audit and accountancy fees	13	68,473	33,107
Total expenses		<u>3,899,479</u>	<u>3,973,957</u>
Surplus (deficit) for the year		(52,295)	10,388
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Total comprehensive income for the year		<u>(52,295)</u>	<u>10,388</u>

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

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	1,219,339	1,362,008
Trade and other receivables	5B	346,784	366,748
Other current asset	5C	69,162	28,115
Total current assets		1,635,285	1,756,871
Non-current assets			
Property, plant and equipment	6A	2,092,015	2,153,860
Investment property	6B	1,110,000	1,140,000
Intangibles	6C	51,792	72,523
Right-of-use assets	6D	29,072	37,629
Total non-current assets		3,282,879	3,404,012
Total assets		4,918,164	5,160,883
LIABILITIES			
Current liabilities			
Trade payables	7A	150,686	191,508
Other payables	7B	126,841	131,772
Employee provisions	8A	596,561	855,930
Contract liabilities	5B	374,078	250,000
Lease liabilities	6D	24,624	24,802
Total current liabilities		1,272,790	1,454,012
Non-current liabilities			
Lease liabilities	6D	5,779	14,980
Total non-current liabilities		5,779	14,980
Total liabilities		1,278,569	1,468,992
Net assets		3,639,595	3,691,891
EQUITY			
General funds		664,153	664,153
Retained earnings		2,975,442	3,027,738
Total equity		3,639,595	3,691,891

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

TRANSPORT WORKERS' UNION OF AUSTRALIA

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2021		664,153	3,017,350	3,681,503
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	10,388	10,388
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2021		664,153	3,027,738	3,691,891
Adjustment for errors		-	-	-
Surplus / (deficit)		-	(52,295)	(52,295)
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2022		664,153	2,975,442	3,639,595

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

TRANSPORT WORKERS' UNION OF AUSTRALIA

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 \$	2021 \$
OPERATING ACTIVITIES			
Cash received			
Membership Receipts		3,408,796	3,622,903
Donations and Grants		325,000	-
Receipts from other reporting units	10B	105	147,400
Interest		3,732	3,722
Other receipts		254,607	131,632
Cash used			
Payment to suppliers and employees		(3,427,337)	(3,164,465)
Payment to other reporting units	10B	(599,755)	(639,080)
Net cash (used in) / from operating activities	10A	<u>(34,852)</u>	<u>102,112</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Cash used			
Purchase of plant and equipment	6A	(64,688)	(91,463)
Purchase of intangibles	6C	(12,685)	(76,110)
Net cash from (used by) investing activities		<u>(77,373)</u>	<u>(167,573)</u>
FINANCING ACTIVITIES			
Cash used			
Repayment of lease liabilities	6D	(30,444)	(30,444)
Net cash from (used by) financing activities		<u>(30,444)</u>	<u>(30,444)</u>
Net (decrease) in cash held		(142,669)	(95,904)
Cash & cash equivalents at the beginning of the reporting period		1,362,008	1,457,912
Cash & cash equivalents at the end of the reporting period	5A	<u>1,219,339</u>	<u>1,362,008</u>

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

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS

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Note 3	Revenue and income
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.1 Basis of preparation of the financial statements

Transport Workers' Union of Australia – Western Australian Branch (“Branch”) is a trade union with a principal place of business located at 143 Chisholm Crescent, Kewdale, Perth WA.

Transport Workers' Union of Australia – Western Australian Branch (“Branch”) are the registered proprietors and owners of The Branch's office.

The financial statements are general purpose financial statements and 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 Organisation) Act 2009* (RO Act). For the purpose of preparing the general-purpose financial statements, The Branch is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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.

1.2 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

1.3 Comparative amounts

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.4 Significant accounting judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

There are no accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year.

No accounting standard has been adopted earlier than the application date stated in the standard.

AASB 2020-3 Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments

Amends numerous Standards as set out below:

- *Amendment to AASB 1, Subsidiary as a First-time Adopter*
- *Amendments to AASB 3, Reference to the Conceptual Framework*
- *Amendment to AASB 9, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
- *Amendments to AASB 116, Property, Plant and Equipment: Proceeds before Intended Use*
- *Amendments to AASB 137, Onerous Contracts – Cost of Fulfilling a Contract*
- *Amendment to AASB 141, Taxation in Fair Value Measurements*

The amendments apply to annual reporting periods beginning on or after 1 January 2022.

The Branch does not anticipate early adoption of any either of the above Australian Accounting Standards.

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on The Branch include:

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.5 Future Australian Accounting Standards (continued)

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.

This Standard applies to annual reporting periods beginning on or after 1 January 2024.

AASB 2021-2 Amendments Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The standard amends AASB 101 to require disclosure of material accounting policy information instead of significant accounting policies.

The standard amends AASB 108 to clarify the definition of an accounting estimate making it easier to differentiate it from an accounting policy. This distinction is necessary as their treatment and disclosure requirements are different. A change in accounting estimate is applied prospectively whereas as change in an accounting policy is applied retrospectively.

This standard applies to annual reporting periods beginning on or after 1 January 2023.

The Branch does not anticipate early adoption of either of the above Australian Accounting Standards.

1.6 Current versus non-current classification

The Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.6 Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Branch classifies all other liabilities as non-current.

1.7 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where The Branch has a contract with a customer, The Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of The Branch.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.7 Revenue (continued)

Membership subscriptions (continued)

The Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect The Branch's promise to stand ready to provide assistance and support to the member as required.

For member subscriptions paid annually in advance, The Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from The Branch at their standalone selling price, The Branch accounts for those sales as a separate contract with a customer.

Capitation fees

Where The Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, The Branch recognises the capitation fees on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Interest income

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

Rental income

Leases in which Transport Workers' Union of Australia as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

1.8 Employee benefits

A liability is recognised 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.8 Employee benefits (continued)

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 Branch in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The 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.

1.9 Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.9 Leases (continued)

Right-of-use assets (continued)

	2022	2021
Land & buildings	0 to 40 years	0 to 40 years
Plant and equipment	0 to 4 years	0 to 4 years

If ownership of the leased asset transfers to The Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using

the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, The Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by The Branch and payments of penalties for terminating the lease, if the lease term reflects The Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, The Branch uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when The Branch becomes a party to the contractual provisions of the instrument.

1.12 Financial assets

Contract assets and receivables

A contract asset is recognised when The Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on The Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Initial recognition and measurement (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, 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 marketplace (regular way trades) are recognised on the trade date, i.e. the date that The Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate (**EIR**) method and are subject to impairment.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and term deposits.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.12 Financial Assets (continued)

Derecognition (continued)

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

Trade receivables

For trade receivables that do not have a significant financing component, The Branch applies a simplified approach in calculating Expected Credit Losses (ECLs).

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 not recognised any ECLs at the reporting date.

1.13 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost 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.

The Branch's financial liabilities include trade and other payables.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.13 Financial Liabilities (continued)

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

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 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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before The Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when The Branch performs under the contract (i.e. transfers control of the related goods or services to the customer).

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 1 Summary of Significant Accounting Policies (continued)

1.15 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.

1.16 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations — land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit.

Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.16 Land, buildings, plant and equipment (continued)

Depreciation (continued)

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Buildings	40 years	40 years
Plant and equipment	2 to 10 years	2 to 10 years
Office refurbishments	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

1.17 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less subsequent accumulated depreciation and accumulated impairment.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

Note 1 Summary of Significant Accounting Policies (continued)

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

	2022	2021
Intangibles	Up to 2.5 years	Up to 2.5 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if The Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.20 Non-current assets held for sale (continued)

be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.21 Taxation

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an obligation for Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (**ATO**); and
- for receivables and payables.

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

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified within operating cash flows.

1.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.22 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by The Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, The Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2022, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Branch.

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	2022	2021
	\$	\$
Note 3 Revenue and income		
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees:		
Transport Workers Union – National Office	-	-
Subtotal capitation fees	<u>-</u>	<u>-</u>
Other revenue from another reporting unit:		
Transport Workers Union – National Office	-	-
Subtotal other revenue from another reporting unit	<u>-</u>	<u>-</u>
Total capitation fees and other revenue from another reporting unit	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Grants and/or donations		
Grants – government stimulus	200,922	-
Donations	-	-
Total grants and donations	<u>200,922</u>	<u>-</u>
Note 3D: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	<u>-</u>	<u>-</u>
Note 3E: Income recognised from transfers to enable <i>The Branch</i> to acquire or construct a recognisable non-financial asset to be controlled by <i>The Branch</i>		
Amount recognised from financial asset transfers	-	-
Total income recognised from transfers	<u>-</u>	<u>-</u>

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FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 3 Revenue and income (continued)		
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Other	-	-
Total net gain from sale of assets	<u>-</u>	<u>-</u>
Note 3G: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>
Note 3H: Investment income		
Interest		
Deposits	3,732	3,722
Loans	-	-
Debt instruments at fair value through other comprehensive income	-	-
Dividends	-	-
Total investment income	<u>3,732</u>	<u>3,722</u>
Note 3I: Rental income		
Properties	12,602	20,782
Total rental income	<u>12,602</u>	<u>20,782</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
Note 3 Revenue and income (continued)		
Note 3J: Other income		
National committee expenses reimbursement	105	19,168
National office wage reimbursement	-	128,232
Super fund director reimbursement	147,164	177,265
Advertising and sponsorship	27,500	12,273
Sundry income		
Accrued income	23,787	-
Other income	22,424	-
Sundry income	152	-
Total other income	221,132	336,938
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	173,355	173,355
Superannuation	17,771	16,918
Leave and other entitlements	13,692	11,508
Separation and redundancies	-	-
Other employee expenses	-	(152,124)
Subtotal employee expenses holders of office	204,818	49,657
Employees other than office holders:		
Wages and salaries	1,592,733	1,548,006
Superannuation	212,672	240,207
Leave and other entitlements	(114,350)	37,818
Separation and redundancies	(158,710)	-
Other employee expenses	15,500	11,637
Subtotal employee expenses employees other than office holders	1,547,845	1,837,668
Total employee expenses	1,752,663	1,887,325

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
Note 4 Expenses (continued)		
Note 4B: Capitation fees and other expense to another reporting unit		
Sustentation fees		
Transport Workers Union – National Office	599,755	639,080
Subtotal capitation fees	599,755	639,080
Other expense to another reporting unit		
Transport Workers Union – National Office	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	599,755	639,080
Note 4C: Affiliation fees/levies		
Australian Labour Party	62,455	82,606
Trades and Labour Council	55,895	59,510
Total affiliation fees/subscriptions	118,350	142,116
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies		
National Office levies	16,158	17,765
Fees/allowances - meeting and conferences	27,759	25,675
Conference and meeting expenses	23,326	30,007
Total administration expense	67,243	73,447
Note 4E: Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	20,000
Total grants or donations	-	20,000

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FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 4		
Expenses (continued)		
Note 4F: Depreciation and amortisation		
Depreciation		
Buildings	64,755	44,505
Plant and equipment	71,055	88,333
Office refurbishment	20,710	16,840
Right of use assets	27,903	27,823
Total depreciation	<u>184,423</u>	<u>177,501</u>
Amortisation		
Intangibles	33,429	3,587
Total amortisation	<u>33,429</u>	<u>3,587</u>
Total depreciation and amortisation	<u><u>217,852</u></u>	<u><u>181,088</u></u>
Note 4G: Legal costs		
Litigation	-	-
Other legal costs	121,947	112,604
Total legal costs	<u><u>121,947</u></u>	<u><u>112,604</u></u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2022	2021
	\$	\$
Note 4 Expenses (continued)		
Note 4H: Other expenses		
Penalties – via RO Act or the <i>Fair Work Act 2009</i>	-	-
Advertising	17,893	7,175
Bank charges	19,780	43,580
Campaign expenses	14,053	1,326
Cleaning expenses	17,375	12,165
Computer operating expenses	51,418	84,542
Computer programming maintenance	-	8,024
Consultancy fees	70,195	-
Debt collection expenses	4,313	2,608
Employee fringe benefits expense	513	-
Freight and couriers	71	195
Fringe benefits tax	12,202	9,557
Funeral benefit	47,000	65,000
General expenses	10,516	3,685
Hire of equipment	-	935
HR expenses	4,059	-
Insurance	118,138	99,711
Interest on right-of-use	1,719	2,943
Motor vehicle expenses	64,033	73,037
Membership fees	4,885	-
Organisers' expenses - country	5,512	15,298
Payroll tax	69,088	64,686
Payments – FZ – IP	5,460	-
Presidential honorarium fees	11,700	11,700
Printing, stationery and stamps	66,653	82,921
Promotional products purchases	50,354	24,490
Property management	21	-
Relocation costs	-	450
Rates and electricity	80,197	94,860
Repairs and maintenance	9,940	4,544
SHM expenses	4,400	-
Staff amenities	15,387	2,520
Staff/Delegates training	6,140	1,871
Subscriptions	46,047	43,426
Sundry expenses	7,387	251
Superfund expense	15	-
Telephone	46,093	37,430

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Travelling and accommodation	69,484	84,197
Uniforms	-	1,283
Waste disposal	1,154	780
Total other expenses	<u>953,196</u>	<u>885,190</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and cash equivalents		
Cash at bank	691,249	835,373
Cash on hand	1,738	3,033
Short term deposits	526,352	523,602
Total cash and cash equivalents	1,219,339	1,362,008
Note 5B: Trade and other receivables		
Receivables from other reporting unit(s)		
Transport Workers Union – National Office	45,604	81,748
Total receivables from other reporting unit(s)	45,604	81,748
Less allowance for expected credit losses		
Transport Workers Union – National Office	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	45,604	81,748
Other receivables:		
GST receivable	-	-
Other	301,180	285,000
Total other receivables	301,180	285,000
Total trade and other receivables (net)	346,784	366,748
Contract liabilities		
Contract liabilities - current	374,078	250,000
Total contract liabilities	374,078	250,000

The contract liability relates to unspent grant funding received in relation to the Steering Healthy Minds program.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 5B: Trade and other receivables (continued)

Grant funding was received in advance and was not expended in full. As any unspent funds are repayable to the providers, the unspent funding received is recorded as a liability at the reporting date.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$200,922.

	2022	2021
	\$	\$

Note 5C: Other current assets

Accrued interest	-	1,016
Outgoings clearing – Beaufort Street, Perth	11,188	-
Prepaid expenses	34,187	27,099
Sundry debtors	23,787	-
Total other current assets	<u>69,162</u>	<u>28,115</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2022

	Land and Building \$	Office Refurbishments \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:				
carrying amount	1,538,200	509,057	932,997	2,980,254
accumulated depreciation	(17,781)	(98,534)	(710,079)	(826,394)
Total Property, Plant and Equipment	1,520,419	410,523	222,918	2,153,860

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 January 2022	1,520,419	410,523	222,918	2,153,860
Additions:				
Purchase of plant and equipment	-	6,300	58,388	64,688
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	(34,755)	(17,725)	(74,053)	(126,533)
Other movement	-	-	-	-
Disposals:				
Other	-	-	-	-
Net book value 31 December 2022	1,485,664	399,098	207,253	2,092,015
Net book value as of 31 December 2022 represented by:				
Gross book value	1,538,200	515,357	991,385	3,044,942
Accumulated depreciation and impairment	(52,536)	(116,259)	(784,132)	(952,927)
Net book value 31 December 2022	1,485,664	399,098	207,253	2,092,015

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Note 6A: Property, Plant and Equipment (continued)

2021

	Land and Building \$	Office Refurbishments \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:				
carrying value	2,738,200	431,027	919,566	4,088,793
accumulated depreciation	(33,279)	(81,694)	(621,746)	(736,719)
Total Property, Plant and Equipment	2,704,921	349,333	297,820	3,352,074

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 January 2021	2,704,921	349,333	297,818	3,352,072
Additions:				
Purchase of plant and equipment	-	78,030	13,433	91,463
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	(44,502)	(16,840)	(88,333)	(149,675)
Other movement	-	-	-	-
Disposals:				
Other	(1,140,000)	-	-	(1,140,000)
Net book value 31 December 2021	1,520,419	410,523	222,918	2,153,860
Net book value as of 31 December 2021 represented by:				
Gross book value	1,538,200	509,057	932,997	2,980,254
Accumulated depreciation and impairment	(17,781)	(98,534)	(710,079)	(826,394)
Net book value 31 December 2021	1,520,419	410,523	222,918	2,153,860

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2022	2021
	\$	\$
Note 6 Non-current Assets (Continued)		
Note 6B: Investment property		
Opening balance as at 1 January	1,140,000	-
Transfer	-	1,200,000
Depreciation	(30,000)	(60,000)
Closing balance as at 31 December	1,110,000	1,140,000

Investment property consists of two properties that The Branch has decided to lease to earn rental income. Rental income earned and received during the year was \$12,602.

Note 6C: Intangibles

Membership database software at cost:

Purchased	88,795	76,110
Accumulated amortisation	(37,003)	(3,587)
Total intangibles	51,792	72,523

Reconciliation of opening and closing balances of intangibles

As at 1 January		
Gross book value	76,110	-
Accumulated amortisation and impairment	(3,587)	-
Net book value 1 January	72,523	-
Additions:		
Purchase of intangibles	12,685	76,110
Impairments	-	-
Amortisation	(33,416)	(3,587)
Other movements	-	-
Disposals	-	-
Net book value 31 December	51,792	72,523
Net book value as of 31 December represented by:		
Gross book value	88,795	76,110
Accumulated amortisation and impairment	(37,003)	(3,587)
Net book value 31 December	51,792	72,523

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 6 Non-current Assets (Continued)

Note 6D: Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Plant and Equipment	Total
	\$	\$
As at 1 January 2021	65,452	65,452
Additions per AASB 16	-	-
Depreciation expense	(27,823)	(27,823)
Impairment	-	-
Disposal	-	-
	37,629	37,629
As at 1 January 2022	37,629	37,629
Additions per AASB 16	19,346	19,346
Depreciation expense	(27,903)	(27,903)
Impairment	-	-
Disposal	-	-
	29,072	29,072
As at 31 December 2022	29,072	29,072

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022	2021
	\$	\$
As at 1 January	(39,782)	(67,283)
Additions	(19,346)	-
Accretion of interest	(1,719)	(2,943)
Payments	30,444	30,444
	(30,403)	(39,782)
As at 31 December	(30,403)	(39,782)
Current	(24,624)	(24,802)
Non-current	(5,779)	(14,980)
	(30,403)	(39,782)

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 6 Non-current Assets (Continued)

Note 6D: Leases (continued)

The following are the amounts recognised in profit or loss:

	2022	2021
	\$	\$
Depreciation expense of right-of-use assets	(27,903)	(27,823)
Interest expense on lease liabilities	(1,719)	(2,943)
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	(29,622)	(30,766)

The Branch as a lessor

Amounts included in the income statement are as follows:

	2022	2021
	\$	\$
Lease income	12,602	20,782

Operating leases - as lessor

Three year lease with Tarlka Matuwa Piarku Aboriginal Corporation commencing 1st June 2022, with an option to renew for a period of 2 years from 1 June 2025 to 31 May 2027. The rent review date is 1st June 2023 and the method of rent review is the greater of consumer price index or 5%.

Two year lease with Aboriginal Art Centre Hub of WA Aboriginal Corporation commencing 17th October 2022 with an option to renew for a period of 3 years from 17 October 2024 to 16 October 2027. The rent review date is 15th August 2023 and the method of rent review is the greater of consumer price index (capped at 6%) or 5%.

Risk management for rights retained in the underlying assets

The Branch is using an agent to manage the leasing of both the investment properties.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 6 Non-current Assets (Continued)

Note 6D: Leases (continued)

Maturity analysis of undiscounted lease payments for operating leases (as a lessor) as at 31 December are :

	2022	2021
	\$	\$
Within one year	43,000	-
After one year but not more than two years	40,207	-
After two years but not more than three years	10,932	-
After three years but not more than four years	-	-
After four years but not more than five years	-	-
After five years	-	-
	94,139	-
	94,139	-

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	81,535	68,979
Subtotal trade creditors	81,535	68,979
Payables to other reporting unit(s)		
Transport Workers Union – National Office	69,151	122,529
Subtotal payables to other reporting unit(s)	69,151	122,529
Total trade payables	150,686	191,508

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	-	28,566
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
GST payable	74,813	77,281
Other	52,028	25,925
Total other payables	126,841	131,772
	126,841	131,772

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2022	2021
	\$	\$
Note 7 Current Liabilities (continued)		
Note 7B: Other payables (continued)		
Total other payables are expected to be settled in:		
No more than 12 months	126,841	131,772
More than 12 months	-	-
Total other payables	126,841	131,772

Note 8 Provisions

The amounts expected to be paid to fund employees for their pro rata entitlements to annual leave and long service leave are accrued fortnightly at current salary rates. Sick leave has not been accrued, as any sick leave entitlements are considered contingent and non-vesting.

The amounts expected to be paid to office holders in relation to severance pay is calculated on the period of continuous service as specified by the appropriate WA award. The calculation is based on the applicable number of weeks severance multiplied by ordinary time earnings.

	2022	2021
	\$	\$
Note 8A: Employee provisions		
Office holders:		
Annual leave	43,702	36,814
Long service leave	133,210	126,407
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	176,912	163,221
Employees other than office holders:		
Annual leave	116,493	152,740
Long service leave	203,446	281,549
Separations and redundancies	-	-
Other	99,710	258,420
Subtotal employee provisions—employees other than office holders	419,649	692,709
Total employee provisions	596,561	855,930
Current	596,561	855,930
Non-current	-	-
Total employee provisions	596,561	855,930

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	\$	\$
Note 9 Other funds		
Note 9A: Other funds		
Compulsory levy/voluntary contribution fund		
Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Investment in asset(s)		
Value of asset(s)	-	-

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	2022	2021
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:		
Cash and cash equivalents as per:		
Statement of cash flow	1,219,339	1,362,008
Statement of financial position	1,219,339	1,362,008
Difference	-	-
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	(52,295)	10,388
Adjustments for non-cash items		
Depreciation/amortisation	217,852	181,088
Interest on lease liabilities	1,719	2,943
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in trade receivables	19,964	(328,688)
(Increase)/decrease in other receivables & prepayments	(41,047)	26,520
Increase/(decrease) in trade payables	(45,754)	51,025
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	(259,369)	(91,164)
Increase/(decrease) in contract liabilities	124,078	250,000
Net cash from (used by) operating activities	(34,852)	102,112
Note 10B: Cash flow information*		
Cash inflows		
Transport Workers Union – National Office	105	147,400
Total cash inflows	105	147,400
Cash outflows		
Transport Workers Union – National Office	(599,755)	(639,080)
Total cash outflows	(599,755)	(639,080)

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Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

There are no capital commitments or contractual obligations as at 31 December 2022.

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2022	2021
	\$	\$
Revenue received from Transport Workers Union – Superannuation Fund includes the following:		
Expense reimbursement	147,164	177,265
Expenses paid to Australian Labour Party includes the following:		
Affiliation	62,455	57,450
Levies	-	25,156
Expenses paid to Unions WA include the following:		
Affiliation	55,895	59,510
Expenses paid to Transport Workers Union – National Office include the following:		
Sustentation	599,755	639,080
Expenses paid to Transport Workers Union – Superannuation Fund includes the following:		
Expense reimbursement	15	-
Amounts owed to Transport Workers Union – National Office includes the following:		
Sustentation	69,151	122,529
Other amounts owed to Transport Workers Union:		
Transport workers union – Super Fund	45,321	81,748
Transport works union – National Office	284	-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 12 Related Party Disclosures (continued)

Note 12A: Related party transactions for the reporting period (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2022, The Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 12B: Key management personnel remuneration for the reporting period

	2022	2021
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	173,355	173,355
Annual leave accrued	6,889	6,349
Total short-term employee benefits	180,244	179,704
Post-employment benefits:		
Superannuation	17,771	16,918
Total post-employment benefits	17,771	16,918
Other long-term benefits:		
Long-service leave	6,803	5,159
Severance pay	-	(152,124)
Total other long-term benefits	6,803	(146,965)
Termination benefits	-	-
Total	204,818	49,657

Note 12C: Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members.

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	2022	2021
	\$	\$
Note 13 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	37,041	11,365
Other services	5,282	-
Non-audit services:		
Accountancy work by related practice	17,150	21,742
Accountancy work by non-related practice	9,000	-
Total audit and accountancy fees	68,473	33,107

Note 14 Financial Instruments

The Branch's policy is to review bank products and ensure the maximum rate of interest is earned on at call deposits.

Note 14A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash and cash equivalents	1,219,339	1,362,008
Trade and other receivables	346,784	367,764
Total	1,566,123	1,729,772
Carrying amount of financial assets	1,566,123	1,729,772

Financial liabilities

Fair value through profit or loss:

Trade and other payables	277,527	323,280
Total	277,527	323,280
Carrying amount of financial liabilities	277,527	323,280

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	2022	2021
	\$	\$
Note 14 Financial Instruments (continued)		
Note 14B: Net income and expense from financial assets		
Interest revenue	3,732	3,722
Dividend revenue	-	-
Total designated as fair value through profit or loss	<u>3,732</u>	<u>3,722</u>
Net gain/(loss) on financial assets at fair value through profit or loss	-	-
Sub-total net income/(expense) from financial assets	<u>3,732</u>	<u>3,722</u>
Financial assets at fair value through other comprehensive income		
Interest revenue	-	-
Impairment	-	-
Gain/(loss) on disposal	-	-
Total financial assets at fair value through other comprehensive income	<u>-</u>	<u>-</u>
Net income/(expense) from financial assets	<u>-</u>	<u>-</u>
Note 14C: Net income and expense from financial liabilities		
At amortised cost		
Interest expense	1,719	2,943
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	<u>1,719</u>	<u>2,943</u>
Fair value through profit or loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Total held for trading	<u>-</u>	<u>-</u>
Designated as fair value through profit or loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit or loss	<u>-</u>	<u>-</u>
Net gain/(loss) at fair value through profit or loss	<u>1,719</u>	<u>2,943</u>
Net gain/(loss) from financial liabilities	<u>1,719</u>	<u>2,943</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 14 Financial Instruments (continued)

Note 14D: Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk of financial assets of the Branch which have been recognised on the Statement of Financial Position is the carrying amount, net of any allowance for expected credit losses. The Branch has limited exposure to credit risk due to its association with recognisable banking and financial institutions.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2022	2021
	\$	\$
Financial assets		
Trade and other receivables	346,784	366,748
Total	<u>346,784</u>	<u>366,748</u>
Financial liabilities		
Trade and other payables	277,527	323,280
Total	<u>277,527</u>	<u>323,280</u>

In relation to the entity's gross credit risk the following collateral is held \$nil.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default	-	298,934	2,530	45,320	-	346,784
Expected credit loss	-	-	-	-	-	-

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Note 14 Financial Instruments (continued)

Note 14D: Credit risk (continued)

31 December 2021	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default	-	356,748	10,000	-	-	366,748
Expected credit loss	-	-	-	-	-	-

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2022 and 2021 is the carrying amounts as illustrated above.

Note 14E: Liquidity risk

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due. The Branch has limited exposure to liquidity risk as there are few payables (as per Note 7A) and ample cash available to settle all payables as they fall due.

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	81,535	-	-	-	81,535
Other payables	-	195,992	-	-	-	195,992
Total	-	277,527	-	-	-	277,527

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	68,979	-	-	-	68,979
Other payables	-	254,301	-	-	-	254,301
Total	-	323,280	-	-	-	323,280

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 14 Financial Instruments (continued)

Note 14E: Liquidity risk (continued)

Lease liability maturities for 2022

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
2022						
Operating leases	-	24,624	5,779	-	-	30,403
Total	-	24,624	5,779	-	-	30,403
2021						
Operating leases	-	24,802	14,980	-	-	39,782
Total	-	24,802	14,980	-	-	39,782

Note 14F: Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rate interest rates. The Branch has no exposure to foreign currency risk as activities are wholly performed within Australia. The Branch's exposure to interest rate risk is limited to the money held in the bank accounts. Interest benefiting assets are managed in such a way as to maximise results for external market forces.

Interest rate risk

All financial assets recognised in the Statement of Financial Position are carried at cost and are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. The Branch's exposure to market interest rates relates primarily to the Branch's cash and cash.

Sensitivity analysis of the interest rate risk that the entity is exposed to for financial

	Risk variable	Change in risk variable %	Effect on	
			Profit or loss \$	Equity \$
year ended 31 December 2022	1,219,339	1.00	12,193	12,193
year ended 31 December 2021	1,362,008	1.00	13,620	13,620

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 15 Fair value measurement

Note 15A: Fair Value Measurement – Land and buildings

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

The following table contains the carrying amounts and related fair values for the Branch's land and buildings.

Note 15B: Fair value hierarchy

31 December 2022	Effective Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	31 Dec 2022	-	1,485,664	-
Investment Properties	31 Dec 2022	-	1,110,000	-
Total		-	<u>2,595,664</u>	-

31 December 2021	Effective Date of Valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Land and buildings	31 Dec 2021	-	1,520,419	-
Investment Properties	31 Dec 2021	-	1,140,000	-
Total		-	<u>2,660,419</u>	-

Note 16 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) 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, Timothy Dawson, being the Branch Secretary of the Transport Workers' Union of Australia – Western Australian Branch, declare that the following activities did not occur during the reporting period ending 31 December 2022.

The reporting unit did not:

- acquire 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 or revocation by the General Manager, Fair Work Commission
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or 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



Signed by the officer:

Dated: ...21/04/2023.....