



Ref: FR2004/739-[179V]

Ms Julie Tisdale
Federal Research Officer
Transport Workers' Union of Australia
PO Box 7419
ST KILDA ROAD VIC 8004

Dear Ms Tisdale

Financial Return - year ending 31 December, 2004

Our records show your organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

New legislation

This letter is intended as guide to the law applicable on the date of this letter and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO' ¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- **a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)**
- **a greater emphasis given to Australian Accounting Standards**
- **the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)**
- **extensions of time are limited to one month**
- **restructured penalty provisions involving more extensive use of Civil Penalties**
- **the introduction of the Industrial Registrar's Reporting Guidelines**
- **organisations and their branches to report according to their financial structures, known as 'reporting units'.**

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (**RAO**) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

The Industrial Registrar’s reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit’s economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar’s Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor’s Report, comprise the reporting unit’s financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar’s Reporting Guidelines. The GPFR consists of:

Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval and the second meeting is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/739**.

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (03) 8661 7984 or by e-mail at ken.ophel@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

We recommend you and your accountant/auditor refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

Deputy Industrial Registrar
21 January 2005

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (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;
- (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 RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

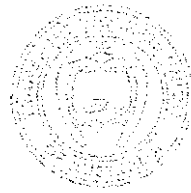
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

FK 2004/739.

Transport Workers'



Union of Australia

John Allan Federal Secretary

30 May 2005

Att: Lynette Markovski
Australian Industrial Registry
Level 42
Nauru House
80 Collins Street
Melbourne Vic 3000

ABN: 18 559 030 246
PO Box 7419
St Kilda Road
Melbourne, Victoria 8004
52-56 Rouse Street
Port Melbourne, Victoria 3207
Phone: (03) 8645 3333
Fax: (03) 9676 2669
E-mail: twu@twu.com.au
Website: www.twu.com.au

Dear Lynette,

RE: TWU 2004 FINANCIAL ACCOUNTS & FIGURES

I enclose pursuant to the requirements of the Workplace Relations Act and Regulations, Financial Accounts and Records for distribution to members of the TWU.

The accounts were presented to a Committee of Management meeting on 12 April 2005.

The accounts were distributed on 20 April 2005.

The accounts were presented to the Federal Council meeting on 16 May 2005.

Please contact me on 03 8645 3333 if you have any questions concerning this matter.

Yours faithfully,

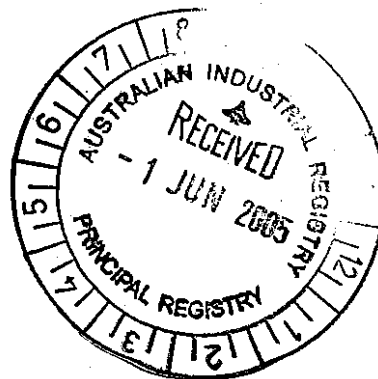

JOHN ALLAN
FEDERAL SECRETARY



**TRANSPORT WORKERS UNION OF AUSTRALIA
FEDERAL COUNCIL**

FINANCIAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER, 2004



TRANSPORT WORKERS UNION OF AUSTRALIA

FEDERAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER, 2004

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OPERATING STATEMENT

The committee of management present their statement on the reporting unit for the financial year ended 31st December, 2004.

1. COMMITTEE OF MANAGEMENT

The names of the Committee of Management at any time during the year or since the end of the year are: John Allan, Hughie Williams, Jim McGiveron, Tony Sheldon, Bill Noonan, and Alex Gallagher. The members of the Committee of Management have been in office since the start of the financial year to the date of this report unless other wise stated.

2. PRINCIPAL ACTIVITY

The principal activity of the reporting unit during the financial year was that of Governing body of the Transport Workers Union of Australia. No significant change in the nature of that activity occurred during the year.

3. RESULTS

The deficit for the year was \$57,038.

4. RIGHTS OF MEMBERS TO RESIGN

Under Section 174(1) of the Workplace Relations Act 1996, a member may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

5. MEMBERSHIP

The number of members at 31st December, 2004 was 81,955.

6. EMPLOYEES

The number of employees at 31st December, 2004 was 13.

7. SUPERANNUATION TRUSTEE

The following officers of the Transport Workers Union of Australia - Federal Council are trustees of the TWU Superannuation Fund: Mr John Allan, Mr Bill Noonan, Mr Alex Gallagher, Mr Jim McGiveron, and Ms Natalie Sykes-Hutchins.

8. SIGNIFICANT CHANGES TO THE REPORTING UNITS FINANCIAL AFFAIRS

There have been no significant changes in the financial affairs of the reporting unit.


MR JOHN ALLAN

FEDERAL SECRETARY

12th April, 2005

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>	
	<u>CURRENT ASSETS</u>		
804,237	Cash Assets	4	9,922,905
242,160	Receivables	5	146,412
<u>1,046,397</u>	TOTAL CURRENT ASSETS		<u>10,069,317</u>
	<u>NON-CURRENT ASSETS</u>		
65,909	Other Financial Assets	6	69,193
8,507,020	Property, Plant and Equipment	7	87,221
27,037	Intangible Assets	8	-
<u>8,599,966</u>	TOTAL NON-CURRENT ASSETS		<u>156,414</u>
<u>9,646,363</u>	TOTAL ASSETS		<u>10,225,731</u>
	<u>CURRENT LIABILITIES</u>		
1,458,542	Payables	9	190,713
210,200	Provisions	10	233,224
<u>1,668,742</u>	TOTAL CURRENT LIABILITIES		<u>423,937</u>
<u>1,668,742</u>	TOTAL LIABILITIES		<u>423,937</u>
<u>\$ 7,977,621</u>	NET ASSETS		<u>\$ 9,801,794</u>
	<u>MEMBERS FUNDS</u>		
6,705,104	Reserves	11	4,936,364
1,272,517	Accumulated Funds	12	4,865,430
<u>\$ 7,977,621</u>	MEMBERS FUNDS		<u>\$ 9,801,794</u>

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>	
<u>INCOME</u>			
1,726,819	Sustentation	13	1,822,131
12,000	Trustee Fees Received		12,000
31,258	Interest Received	14	165,448
33,055	Federal Training Fund Receipts	15	32,147
	Rent & Outgoings Received -		
155,420	Melbourne Office		31,191
	Rent & Outgoings Received -		
844,319	Canberra Building		651,383
6,911	Rent Received - Burnie		-
-	Training Subsidy		1,650
<hr/>			<hr/>
2,809,782	TOTAL INCOME		2,715,950
<u>EXPENSES</u>			
750	Bookkeeping		750
3,930	Advertising		4,759
248,622	Affiliation Fees	16	247,513
31,657	Accommodation & Meals - Travel		42,736
27,037	Amortisation		27,037
43,677	Annual Leave Provided		16,137
20,600	Auditors Remuneration - Fees		25,800
15,598	Auslink Research Fees		-
2,523	Bank Charges		2,647
47,291	Cleaning		15,337
9,372	Branch Training Expenses		700
261,230	Depreciation		182,024
14,442	Disposal of Fixed Assets		52,728
460	Donations		2,619
	Federal Committee of		
77,019	Management Expenses		35,597
	Road Transport Organising		
-	Project - New Zealand		30,076
3,178	Fringe Benefits Tax		3,333
258	Hire Purchase Charges		-
43,164	Insurance		38,445
139,773	Interest on Branch Loans		38,260
-	ITF International Visitors		6,788
2,141	Leasing Fees		39,652
	Lease Rental Expenses -		
7,481	Operating Leases		9,840
4,988	Land Tax		6,457
144,489	Legal Fees		153,348
49,208	Light, Heat & Power		32,402
18,713	Long Service Leave Provided		6,887
11,154	Management Fees		6,188
6,199	Marketing Expenses		11,081
12,496	Motor Vehicle Expenses		26,829
116,583	Organising Expenses	17	-
250,000	Reimbursement to Branches	18	275,000

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>	
36,517	Payroll Tax		40,035
14,483	Postage		12,318
10,978	Printing & Stationery		17,025
13,752	Publications		19,367
38,841	Rates & Taxes		16,497
1,150	Rubbish Removal		866
42,169	Reimbursement to S.A./N.T. Branch		40,182
5,120	Records Storage		5,103
43,628	Relocation Expenses		763
80,193	Repairs & Maintenance		109,667
3,052	Rent		74,470
55,806	Reimbursement of Vic Branch Employee Expenses		70,759
1,818	ATA Sponsorship		-
13,214	Seminar & Course Fees		24,584
5,720	Staff Amenities		5,292
96,214	Superannuation	19	120,262
59,733	Telephone & Faxes		48,694
4,231	Training Materials		5,457
148,777	Travelling Expenses		157,230
7,272	T.U.T.A.		16,000
3,500	Valuation Fees		690
509,468	Wages	20	646,757
<hr/>			<hr/>
2,809,669	TOTAL EXPENSES		2,772,988
<hr/>			<hr/>
113	TOTAL SURPLUS/(DEFICIT)		(57,038)
1,272,403	Accumulated Funds at the Beginning of the Year		1,272,517
-	Transfer from Reserves	11	3,649,951
<hr/>			<hr/>
\$ 1,272,516	ACCUMULATED FUNDS AT THE END OF THE YEAR		\$ 4,865,430
<hr/>			<hr/>

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
1,726,819	Sustentation Fees	1,822,000
29,393	Interest Received	162,187
1,079,578	Rent Received	672,248
45,055	Other Income	61,005
(2,607,311)	Payments to Suppliers & Employees	(2,290,326)
(77,417)	Goods & Services Tax Remitted	(26,214)
<hr/>		<hr/>
196,117	Net Cash Flow Provided by Operating Activities	28 400,900
<hr/>		<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
93,786	Proceeds from Sale of Property, Plant & Equipment	10,085,138
(23,001)	Payment for Property, Plant & Equipment	(46,636)
<hr/>		<hr/>
70,785	Net Cash Provided by Investing Activities	10,038,502
<hr/>		<hr/>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(237,850)	Repayment of Loans	(1,320,812)
<hr/>		<hr/>
(237,850)	Net Cash (Used In) Financing Activities	(1,320,812)
<hr/>		<hr/>
29,052	Net Increase in Cash Held	9,118,590
764,792	Cash Held at Beginning of the Year	793,844
<hr/>		<hr/>
\$ 793,844	Cash Held at End of the Year	27 \$ 9,912,434
<hr/>		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

The financial report has been prepared on a modified accrual basis, income is recognised on a cash receipts basis and expenses on an accrual basis. The financial report is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the reporting unit in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) **Property, Plant & Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction. It is the policy of the union to have an independent valuation every three years, with annual appraisals being made by the union.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of property, plant and equipment is reviewed annually by the union to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line or diminishing value basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5 - 4%
Plant and equipment	5 - 40%

(b) **Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the union to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(c) **Employee Benefits**

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. The union recognises employee benefits at the time there is a legal entitlement of that benefit. Contributions are made by the union to an employee superannuation fund and are charged as expenses when incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

(d) **Income Tax**

No provision for income tax is required as the reporting unit is exempt from income tax under Section 50-15 (3.2) of the Income Tax Assessment Act 1997.

(e) **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) **Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(g) **Revenue**

Sustentation, Rent and Outgoings, Interest Received and Sundry Income are recognised on a cash receipts basis.

All revenue is stated net of goods and services tax (GST).

(h) **Goods and Services Tax (GST)**

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

The Statement of Cashflows has been prepared net of GST.

(i) **Comparatives**

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

The Financial Accounts of the Transport Workers Union of Australia - Federal Council have been audited in accordance with the provisions of the Workplace Relations Act, 1996, and a summary is provided for Members in accordance with Section 265 of the Act.

A copy of the audited Accounts will be supplied free of charge to Members upon request, and your attention is drawn to your Union's responsibility in this regard, as set out below.

INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2), and (3) of Section 272, which read as follows :-

- (1) A member of a reporting unit, or a Registrar, may apply in writing to the reporting unit for specified 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 3 - UNION PROPERTIES

The union owns property in the name of the Federal Council at the following locations:-

3/63 Winnellie Road, Winnellie, Northern Territory Vol. 261 Folio 156

Suite 302, 74 - 82 Beaufort Street, Perth W.A. portion of Perth Town Lots W10 and W11 and being Lot 29 on Strata Plan 8921 and being the land comprised in Title Vol. 1873 Fol. 86. (Formerly described as Lot 18 on Strata Plan 8921 comprised in Title Vol 1587 fol 86)

11 Alexandra Place, Murarrie, Queensland, Ref 50257231

52-56 Rouse Street, Port Melbourne, Victoria, Vol. 9894 Fol. 709

600 Gillingham Road, Elizabeth, South Australia, Vol. 5834 Fol. 230

27 Chief Street Brompton, South Australia, Vol. 5375 Fol. 453

The properties were acquired by the expenditure of the respective Branch Funds and Federal Council. The properties are subject to the custody, control and management of the Branch concerned.

In October, 2003 the property located at 1 Flinders Terrace, Port Augusta, South Australia was sold.

In December, 2003 the property located at 59 Main Road, Wivenhoe, Tasmania, was sold. Further details are contained in Note 27.

A contract was signed on 14th January, 2004 to dispose of the Carlton property. On 12th February, 2004 settlement took place. Further details are contained in Note 28.

A contract was signed on 15th July, 2004 to dispose of the Canberra property. On 30th September, 2004 settlement took place. Further details are contained in Note 29.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
	<u>NOTE 4 – Cash Assets</u>	
803,737	Cash at Bank	1,210,958
500	Cash in Hand	500
-	Deposits at Call	1,044,901
-	Term Deposits	7,666,546
<hr/>		<hr/>
\$ 804,237		\$ 9,922,905
<hr/>		<hr/>
	<u>NOTE 5 – Receivables</u>	
20,969	Sundry Debtors	783
221,191	Prepayments	30 145,629
<hr/>		<hr/>
\$ 242,160		\$ 146,412
<hr/>		<hr/>
	<u>NOTE 6 – Other Financial Assets</u>	
65,909	Term Deposits	69,094
-	Shares in Private Companies – At Cost	100
<hr/>		<hr/>
\$ 65,909		\$ 69,194
<hr/>		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>	
	<u>NOTE 7 – Property, Plant and Equipment</u>		
800,000	Melbourne Freehold Land – At Independent Valuation	28	-
1,800,000	Melbourne Building – At Independent Valuation	28	-
5,750,000	Canberra Building – At Independent Valuation	29	-
(464,313)	Accumulated Depreciation		-
500,000	Canberra Leasehold Land – At Independent Valuation	29	-
<hr/>			
8,385,687			-
230,605	Canberra Fixtures & Fittings – At Cost		-
186,726	Less Accumulated Depreciation		-
<hr/>			
43,879			-
8,629	Canberra Playground Equipment – At Cost		-
7,600	Less Accumulated Depreciation		-
<hr/>			
1,029			-
37,100	Canberra Air Conditioning – At Cost		-
24,268	Less Accumulated Depreciation		-
<hr/>			
12,832			-
87,779	Office Furniture & Equipment – At Cost		78,150
56,132	Less Accumulated Depreciation		42,504
<hr/>			
31,647			35,646
75,134	Library – At Cost		75,134
66,882	Less Accumulated Depreciation		67,295
<hr/>			
8,252			7,839
53,118	Computer Equipment – At Cost		82,656
29,424	Less Accumulated Depreciation		38,920
<hr/>			
23,694			43,736
<hr/>			
121,333			87,221
<hr/>			
\$ 8,507,020			\$ 87,221
<hr/>			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>	
<u>NOTE 8 – Intangible Assets</u>			
54,075	Canberra Property Leasing Expenses – At Cost		-
(27,038)	Accumulated Amortisation		-
<hr/>			
\$ 27,037		\$	-
<hr/>			
<u>NOTE 9 – Payables</u>			
27,500	Holding Deposit Paid on Sale of Carlton Property	28	-
110,232	Accrued Expenses		190,713
1,320,810	Loans from Branches		-
<hr/>			
\$ 1,458,542		\$	190,713
<hr/>			
<u>NOTE 10 – Provisions</u>			
125,715	Provision for Annual Leave		141,852
84,485	Provision for Long Service Leave		91,372
<hr/>			
\$ 210,200		\$	233,224
<hr/>			

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
	<u>NOTE 11 – Reserves</u>	
	<u>Asset Revaluation Reserve</u>	
2,893,581	Opening Balance at the Beginning of the Year	3,649,951
756,370	Revaluation of Melbourne Land & Buildings	-
-	Transfer to Accumulated Fund	12 (3,649,951)
\$ 3,649,951	Closing Balance at the End of the Year	\$ -
	 <u>Capital Profits Reserve</u>	
3,052,349	Opening Balance at the Beginning of the Year	3,055,154
2,805	Capital Profit on Sale of Burnie Land & Buildings	-
-	Capital Profit on Sale of Canberra Land & Buildings	1,826,885
-	Capital Profit on Sale of Melbourne Land & Buildings	54,325
\$ 3,055,154	Closing Balance at the End of the Year	\$ 4,936,364
\$ 6,705,105	Total Reserves	\$ 4,936,364
	 <u>NOTE 12 – Accumulated Fund</u>	
1,272,403	Opening Balance at the Beginning of the Year	1,272,517
-	Transfer from Asset Revaluation Reserve	11 3,649,951
113	Surplus/(Deficit) for the Year	(57,038)
\$ 1,272,516	Closing Balance at the End of the Year	\$ 4,865,430

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

NOTE 13 - Sustentation

295,270	New South Wales Branch (net of refund \$141, 2003 \$6,486)	446,978
554,130	Vic/Tas Branch (net of refund \$30,646, 2003 \$20,475)	545,373
160,407	S.A./N.T. Branch (net of refund \$86, 2003 nil)	158,845
312,727	Queensland Branch (net of refund \$4,940, 2003 \$16,185)	318,943
364,146	Western Australia Branch (net of refund \$105, 2003 nil)	306,990
40,139	Canberra Branch (net of refund nil, 2003 \$35)	45,002
<u>\$ 1,726,819</u>		<u>\$ 1,822,131</u>

NOTE 14 - Interest Received

19,328	General Fund	34,358
31	Long Service Leave & Annual Leave Fund	79
478	Building Management Committee Account	-
5,113	Canberra Project Bank Account	11,584
-	Members Equity Account	44,901
-	Term Deposit	66,546
1,836	Term Deposit	3,185
4,472	Federal Building Fund	4,795
<u>\$ 31,258</u>		<u>\$ 165,448</u>

NOTE 15 - Federal Training Fund Receipts

10,425	New South Wales Branch	10,247
9,579	Victoria/Tasmanian Branch	8,843
2,671	S.A./N.T. Branch	2,609
5,413	Queensland Branch	5,326
4,289	Western Australia Branch	4,507
678	Canberra Branch	615
<u>\$ 33,055</u>		<u>\$ 32,147</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

NOTE 16 - Affiliation Fees

182,813	A.C.T.U.	184,000
52,654	I.T.F.	49,358
2,055	A.P.H.E.D.A.	3,055
11,100	A.T.A.	11,100
<u>\$ 248,622</u>		<u>\$ 247,513</u>

NOTE 17 - Organising Expenses

62,483	Wages	-
11,996	Superannuation	-
29,803	Travel & Accomodation	-
4,383	Branch Airfares	-
207	Printing & Stationary	-
6,201	Seminars & Training	-
1,287	Telephone	-
223	Subscriptions	-
<u>\$ 116,583</u>		<u>\$ -</u>

NOTE 18 - Reimbursement to Branches

50,000	New South Wales Branch	50,000
50,000	Victoria/Tasmania Branch	50,000
50,000	S.A./N.T. Branch	50,000
50,000	Queensland Branch	50,000
50,000	Western Australia Branch	75,000
<u>\$ 250,000</u>		<u>\$ 275,000</u>

NOTE 19 - Superannuation

70,777	Officers	98,372
25,437	Employees	21,890
<u>\$ 96,214</u>		<u>\$ 120,262</u>

NOTE 20 - Wages

368,393	Officers	529,306
141,075	Employees	117,451
<u>\$ 509,468</u>		<u>\$ 646,757</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 21 - Events Subsequent to Reporting Date

No event has arisen subsequent to balance date, the effect of which may be material in relation to the financial statements.

NOTE 22 - Economic Dependence

The Principal source of income for the Federal Office is sustentation fees from its constituent branches and accordingly, Federal Office is economically dependant on the ability of those branches to continue to service the needs of its members on industrial and workplace matters

NOTE 23 - Segment Reporting

The union operates in predominantly one business and geographical segment, being to service the needs of its state based branches and their respective members on a range of industrial and workplace matters.

NOTE 24 - Union Details

The registered office and the principal place of business of the union is 52-56 Rouse Street, Port Melbourne, Victoria 3207.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 25 - Related Party Transactions

(a) Office-Holders

The following persons held office in the Federal Council for all or part of the financial year and, together with each branch of the organisation, are deemed to be a related party for financial reporting purposes:

John Allan, Hughie Williams, Jim McGiveron, Tony Sheldon, Bill Noonan, Alex Gallagher

(b) Office-Holders Transactions

The aggregate amount of remuneration paid by the Sub-Branch Office during the year to elected officers entitled to be remunerated under the Rules of the organisation was the amount as set out in the Statement of Financial Performance.

NOTE 26 - Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable

The union is involved in several legal proceedings.

The solicitors do not anticipate any order for costs against the union. However if the actions are unsuccessful there will be further legal costs incurred. A quantifiable figure is not available but is not expected to be material.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

NOTE 27(a) - Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

500	Cash on Hand – General Fund	500
438,464	General Fund	150,551
174,319	Federal Building Fund	122,911
-	24hr Call Account	500,564
53,430	Canberra Project Account	390,622
13,665	Training Account	23,441
27,500	Real Estate Agent Trust Account	-
85,966	T.W.U. & T.W.U. Nominees - R.L. Davis Sinking Fund	12,398
-	Members Equity – Deposit at Call	1,044,901
-	Term Deposit	7,666,546
		<hr/>
\$ 793,844		\$ 9,912,434
		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

NOTE 27(b) - Reconciliation of Net Cash Provided
by Operating Activities to Total Surplus/(Deficit)

113	Total Surplus/(Deficit)	\$ (57,038)
261,230	Depreciation	182,024
43,677	Annual Leave Provided	16,137
18,712	Long Service Leave Provided	6,887
27,037	Amortisation	27,038
259	Hire Purchase/Bank Charges	-
12,940	Assets Written Off	52,985
41,014	Increase in Accrued Expenses	80,381
65,769	Decrease in Sundry Debtors	20,187
3,756	Decrease in Income Accrued	-
(30)	(Increase) in Long Service Leave & Annual Leave Fund	(78)
(1,836)	(Increase) in Investments	(3,184)
(1,257)	(Decrease) in Prepaid Income	-
(221,191)	(Increase)/Decrease in Prepaid Expenses	75,561
(54,076)	(Increase) in Leasing Expenses	-
\$ 196,117	Net Cash Provided by Operating Activities	\$ 400,900

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 28 - Melbourne Property

The Melbourne property comprising land and buildings located at 18-20 Lincoln Square, Carlton, was revalued at 31st December, 2003 to a figure of \$2,600,000. This was based on the contract of sale of the property dated 14th January, 2004.

On 19th September, 2003 a letter of intent was signed to purchase the property. An amount of \$27,500 was deposited into a real estate agent's trust account.

The formal contract of sale was signed on 14th January, 2004 for an amount of \$2,750,000. The contract was signed on the basis of a going concern for goods and services tax purposes. At this time a deposit of \$275,000 was deposited into a solicitor's trust account.

On 12th February, 2004 settlement was effected. The amount paid being \$2,689,818.79. The net funds after adjustments were disbursed as follows:

Maurice Blackburn Cashman – Legal Costs	\$ 4,301.02
Knight Frank - Commission	\$ 51,429.40
State Revenue Office – Land Tax	\$ 7,160.61
Transport Workers Union – South Australia/Northern Territory Branch	\$ 283,814.63
Transport Workers Union – Victorian Branch	\$ 1,075,256.10
Transport Workers Union – Federal Council	\$ 1,267,857.03

The amounts paid to the Victorian branch and South Australia/Northern Territory branch were to satisfy amounts owing at this date. The loans are now satisfied in full.

NOTE 29 – Canberra Property

The Transport Workers Union (Federal Council) and TWU (Nominees) Pty Ltd were registered proprietors of property located at 50 Blackall Street, Barton, ACT in half shares as tenants in common. The property consisted of unexpired residue of a crown lease subject to the provisions of the Land (Planning and Environment) Act 1991 for a term of 99 years that commenced on 18 April 1991 and a freehold building.

The Canberra property was revalued on 30th June, 2001 to a figure of \$12,500,000. The Transport Workers Union (Federal Council) share being \$6,250,000. The revaluation was based on a valuation report prepared by Colliers Jardine on 30th June, 2001.

The formal contract of sale was signed on 15th July 2004 for an amount of \$15,350,000. The contract was signed on the basis of a going concern for goods and services tax purposes. At this time a deposit of \$400,000 was deposited into a solicitor's trust account.

On 30th September, 2004 settlement was effected. The amount paid being \$15,299,623.99. The net funds after adjustments were dispersed as follows:

Jlrd Pty Ltd – Commission	\$ 134,062.50
TWU Superannuation Fund	\$ 7,582,780.74
Transport Workers Union – Federal Council	\$ 7,582,780.75

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 30 – Prepayments

The Federal Council has entered into a memorandum of understanding with the Victorian branch for a five year rental of premises commencing 15th December, 2003. As part of this agreement, rent for the first three years of \$221,190 was prepaid.

NOTE 31 – Burnie Property

On 30th October, 2003 a contract was signed to sell the Burnie property including plant & equipment, for an amount of \$70,000. The property was sold on the basis of a going concern for goods and services tax (GST) purposes and the plant & equipment as a taxable supply. The breakdown being as follows:

Land & Building	\$ 61,700
Plant & Equipment	\$ 8,300
	<hr/>
	\$ 70,000
	<hr/>

On 1st December, 2003 the property was settled.

NOTE 32 – Capital and Leasing Commitments

Operating Lease Commitments

Non cancellable operating leases contracted for, but not capitalised in the financial statement:

22,651	Not Longer Than 1 Year	34,129
189,997	Longer Than 1 Year But Not Longer Than 5 Years	171,364
-	Longer Than 5 Years	-
		<hr/>
\$ 212,648		\$ 205,493
		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 33 – Profit/(Loss) on Sale of Properties

During the year both the Melbourne and Canberra properties were sold. The profit/(loss) on these investments has been recognised through a movement in the capital profits reserve. This movement allocates the difference between the realised sale price and the previous market valuation. The following is a comparison of sale price and original cost.

	Melbourne Land & Buildings 100% Share	Canberra Land & Buildings 50% Share
Sale Price	2,750,000	7,675,000
Less: Costs of Sale	(103,225)	(210,938)
Less: Original Cost	(3,168,908)	(5,330,627)
Realised Gain/(Loss)	\$ (522,130)	\$ 2,133,435

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 34 - Financial Instruments

Interest Rate Risk

The union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing			
	2004	2003	2004	2003	Within Year		1-5 Years	
	%	%	\$	\$	2004	2003	2004	2003
					\$	\$	\$	\$
Financial Assets								
Cash	3.63	3.23	1,210,958	803,737	-	-	-	-
Deposits at Call	5.05	-	1,044,901	-	-	-	-	-
Term Deposits	5.31	-	7,666,546	-	-	-	-	-
Investments	4.71	3.43	69,094	65,909	-	-	-	-
Total Financial Assets			\$ 9,991,499	\$ 8,069,646	-	-	-	-
Financial Liabilities								
Loans	-	6.50	-	-	-	1,320,810	-	-
Total Financial Liabilities			-	-	-	\$ 1,320,810	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 34 - Financial Instruments (Cont.)

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

COMMITTEE OF MANAGEMENT STATEMENT

On 12th April, 2005 the Committee of Management of Transport Workers Union of Australia - Federal Council passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31st December, 2004.

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting requirements on the Industrial Registrar;
- (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;
- (e) during the financial year to which the general purpose financial report 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner; and

COMMITTEE OF MANAGEMENT STATEMENT (CONT)

- (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and

- (vi) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:

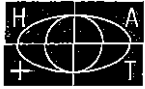


MR JOHN ALLAN



MR HUGHIE WILLIAMS

Dated 12th April, 2005
Melbourne



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Sidney C. Hack, Rodney C. G. Anderson, Mark Anderson, David C. Adams,
Rowan A. Board

Level 18,
390 St. Kilda Road,
Melbourne, Victoria,
Australia, 3004.
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Our Ref.:

Your Ref.:

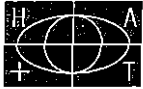
AUDITORS' REPORT TO THE MEMBERS OF THE
TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

SCOPE

We have audited the financial report of the Transport Workers' Union of Australia - Federal Council, for the year ended 31st December, 2004 as set out on pages 2 to 27. The Committee of Management of the union is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards, other mandatory professional reporting requirements and the Workplace Relations Act 1996 so as to present a view of the organisation which is consistent with our understanding of their financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Sidney C. Hack, Rodney C.G. Anderson, Mark Anderson, David C. Adams,
Rowan A. Board

Level 18,
390 St. Kilda Road,
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Email: Admin@hat.com.au

Our Ref.:

Your Ref.:

AUDITORS' REPORT TO THE MEMBERS OF THE
TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL (continued)

AUDIT OPINION

In our opinion the financial report of Transport Workers Union of Australia - Federal Council presents a true and fair view in accordance with applicable Accounting Standards, the Workplace Relations Act 1996, and any other mandatory reporting requirements in Australia the financial position of the Transport Workers Union of Australia - Federal Council as at 31st December, 2004 and the results of its operations and cashflows for the year then ended.

Dated 12th April, 2005
Melbourne

Hack, Anderson & Thomas

HACK, ANDERSON & THOMAS

Chartered Accountants

M. ANDERSON, PARTNER

Registered Company Auditor

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

FEDERAL COUNCIL INCOME

1,726,819	Sustentation	1,822,131
12,000	Trustee Fees Received	12,000
19,329	Interest Received	145,805
-	Training Subsidy	1,650
1,758,148	TOTAL FEDERAL COUNCIL INCOME	1,981,586

FEDERAL COUNCIL EXPENSES

3,931	Advertising	4,758
248,622	Affiliation Fees	247,513
31,657	Accommodation & Meals - Travel	42,736
43,677	Annual Leave Provided	16,137
20,600	Auditors Remuneration - Fees	25,800
15,598	Auslink Research Fees	-
1,703	Bank Charges	1,878
16,060	Depreciation	17,029
14,442	Disposal of Fixed Assets	3,923
460	Donations	2,619
77,018	Federal Committee of Management Expenses	35,597
3,178	Fringe Benefits Tax	3,333
259	Hire Purchase Charges	-
32,914	Insurance	28,077
-	ITF International Visitors	6,788
7,482	Lease Rental Expenses - Operating Leases	9,840
4,988	Land Tax	6,456
136,508	Legal Fees	138,065
18,712	Long Service Leave Provided	6,888
12,496	Motor Vehicle Expenses	26,829
36,516	Payroll Tax	40,035
14,153	Postage	12,098
10,979	Printing & Stationery	17,025
13,751	Publications	19,367
42,169	Reimbursement to S.A./N.T. Branch	40,182
5,120	Records Storage	5,104
21,354	Repairs & Maintenance	35,776
3,052	Rent	74,470
55,805	Reimbursement of Vic Branch Employee Expenses	70,759
1,818	ATA Sponsorship	-
13,215	Seminar & Course Fees	24,583
5,719	Staff Amenities	5,293
96,215	Superannuation	120,262
59,379	Telephone & Faxes	48,430
147,088	Travelling Expenses	156,727
509,467	Wages	646,757
1,726,105	TOTAL FEDERAL COUNCIL EXPENSES	1,941,134

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

<u>\$ 32,043</u>	SURPLUS FOR THE YEAR ENDED 31ST DECEMBER, 2004	<u>\$ 40,452</u>
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TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

FEDERAL BUILDING FUND INCOME

4,472	Interest Received	4,795
155,421	Rent & Outgoings Received - Melbourne Office	31,192
<u>159,893</u>	TOTAL FEDERAL BUILDING FUND INCOME	<u>35,987</u>

FEDERAL BUILDING FUND EXPENSES

314	Bank Charges	278
41,781	Cleaning	11,204
46,085	Depreciation	7,550
139,773	Interest on Branch Loans	38,261
-	Leasing Fees	25,520
8,058	Light, Heat & Power	2,935
3,780	Management Fees	1,260
12,865	Rates & Taxes	2,641
43,627	Relocation Expenses	763
9,410	Repairs & Maintenance	13,593
<u>305,693</u>	TOTAL FEDERAL BUILDING FUND EXPENSES	<u>104,005</u>
<u>\$ (145,800)</u>	SURPLUS/(DEFICIT) FOR THE YEAR ENDED 31ST DECEMBER, 2004	<u>\$ (68,018)</u>

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

CANBERRA BUILDING FUND INCOME

5,592	Interest Received	11,585
	Rent & Outgoings Received -	
844,318	Canberra Building	651,382
<hr/>		<hr/>
849,910	TOTAL CANBERRA BUILDING INCOME	662,967

CANBERRA BUILDING FUND EXPENSES

750	Bookkeeping	750
27,037	Amortisation	27,038
320	Bank Charges	350
5,511	Cleaning	4,133
197,852	Depreciation	157,445
-	Disposal of Fixed Assets	48,805
	Road Transport Organising	
-	Project - New Zealand	30,077
10,142	Insurance	10,367
2,140	Leasing Fees	14,133
7,981	Legal Fees	15,282
41,150	Light, Heat & Power	29,468
6,570	Management Fees	4,927
6,199	Marketing Expenses	11,081
116,584	Organising Expenses	-
250,000	Reimbursement to Branches	275,000
330	Postage	220
25,322	Rates & Taxes	13,856
1,150	Rubbish Removal	865
43,288	Repairs & Maintenance	60,298
354	Telephone & Faxes	263
3,500	Valuation Fees	690
<hr/>		<hr/>
746,180	TOTAL CANBERRA BUILDING EXPENSES	705,048
<hr/>		<hr/>
\$ 103,730	SURPLUS/(DEFICIT) FOR THE YEAR ENDED 31ST DECEMBER, 2004	\$ (42,081)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

FEDERAL TRAINING FUND INCOME

33,054 Federal Training Fund Receipts 32,146

FEDERAL TRAINING FUND EXPENSES

185 Bank Charges 139
9,373 Branch Training Expenses 700
4,231 Training Materials 5,457
1,689 Travelling Expenses 504
7,272 T.U.T.A. 16,000

22,750 TOTAL FEDERAL TRAINING FUND EXPENSES 22,800

\$ 10,304 SURPLUS FOR THE YEAR ENDED 31ST DECEMBER, 2004 \$ 9,346

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

LONG SERVICE LEAVE & ANNUAL LEAVE FUND

\$ 1,866

Interest Received

\$ 3,263

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

BURNIE BUILDING INCOME

6,912 Rent Received - Burnie -

BURNIE BUILDING EXPENSES

1,233 Depreciation -

108 Insurance -

804 Management Fees -

654 Rates & Taxes -

6,142 Repairs & Maintenance -

8,941 TOTAL BURNIE BUILDING EXPENSES -

\$ (2,029) SURPLUS/(DEFICIT) FOR THE YEAR ENDED 31ST DECEMBER, 2004 \$ -

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2004

2003

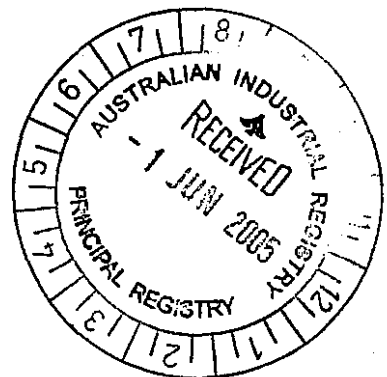
SURPLUS/(DEFICIT) FOR THE YEAR

32,043	FEDERAL COUNCIL	40,452
(145,801)	FEDERAL BUILDING FUND	(68,018)
103,730	CANBERRA BUILDING FUND	(42,081)
10,304	FEDERAL TRAINING FUND	9,346
	LONG SERVICE LEAVE AND ANNUAL	
1,866	LEAVE FUND	3,263
(2,029)	BURNIE BUILDING FUND	-
		<u> </u>
	<u>SURPLUS/(DEFICIT) FOR THE YEAR</u>	
\$ 113	<u>ENDED 31ST DECEMBER, 2004</u>	\$ <u>(57,038)</u>

**TRANSPORT WORKERS UNION OF AUSTRALIA
FEDERAL COUNCIL**

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31ST DECEMBER, 2004



TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2004

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Statement of Financial Position	3
Statement of Financial Performance	4 & 5
Statement of Cash Flows	6
Notes to and Forming Part of the Financial Statements	7
Committee of Management's Certificate	8 & 9
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DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Transport Workers Union of Australia - Federal Council Concise Financial Report:

The financial statements and disclosure in the concise financial report have been derived from the 2004 financial report of Transport Workers Union of Australia - Federal Council .

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Transport Workers Union of Australia - Federal Council financial statements and the information contained in the concise financial report has been derived from the full 2004 Financial Report of Transport Workers Union of Australia - Federal Council .

Statement of Financial Performance:

The deficit for the year is \$57,038 compared with a surplus of \$113 for the 2003 year. This result is mainly due to rental income decreasing upon sale of the Canberra property. Overall revenue decreased by approximately 3% in 2004 while expenditure remained fairly constant only decreasing by approximately 1%.

Statement of Financial Position:

Total assets increased by \$579,368 between 2003 and 2004 or approximately 6%. Total liabilities decreased by \$1,244,805 or approximately 75% mainly due to a decrease in payables. As a consequence members funds increased by \$1,824,173 from the 2003 year.

Apart from the above, there has been no significant change in the composition of the assets and liabilities from the 2003 year.

Statement of Cash Flows:

Cash assets increased from \$804,237 at 31 December 2003 to \$9,922,905 at 31 December 2004.

Cash flows provided by operations increased by approximately 105% during the year from \$196,117 in 2003 to \$400,900 in 2004. This increase was caused by the increase in sustentation fees and interest received and the decrease in payments to suppliers and employees

The net increase in cash held during the year has resulted primarily from the sale of the Canberra and Melbourne properties.


MR JOHN ALLAN
BRANCH SECRETARY

Dated 12th April, 2005

OPERATING STATEMENT

The committee of management present their statement on the reporting unit for the financial year ended 31st December, 2004.

1. COMMITTEE OF MANAGEMENT

The names of the Committee of Management at any time during the year or since the end of the year are: John Allan, Hughie Williams, Jim McGiveron, Tony Sheldon, Bill Noonan, and Alex Gallagher. The members of the Committee of Management have been in office since the start of the financial year to the date of this report unless other wise stated.

2. PRINCIPAL ACTIVITY

The principal activity of the reporting unit during the financial year was that of Governing body of the Transport Workers Union of Australia. No significant change in the nature of that activity occurred during the year.

3. RESULTS

The deficit for the year was \$57,038.

4. RIGHTS OF MEMBERS TO RESIGN

Under Section 174(1) of the Workplace Relations Act 1996, a member may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

5. MEMBERSHIP

The number of members at 31st December, 2004 was 81,955.

6. EMPLOYEES

The number of employees at 31st December, 2004 was 13.

7. SUPERANNUATION TRUSTEE

The following officers of the Transport Workers Union of Australia - Federal Council are trustees of the TWU Superannuation Fund: Mr John Allan, Mr Bill Noonan, Mr Alex Gallagher, Mr Jim McGiveron, and Ms Natalie Sykes-Hutchins.

8. SIGNIFICANT CHANGES TO THE REPORTING UNITS FINANCIAL AFFAIRS

There have been no significant changes in the financial affairs of the reporting unit.


MR JOHN ALLAN

FEDERAL SECRETARY

12th April, 2005

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
<u>CURRENT ASSETS</u>		
804,237	Cash Assets	9,922,905
242,160	Receivables	146,412
<u>1,046,397</u>	TOTAL CURRENT ASSETS	<u>10,069,317</u>
<u>NON-CURRENT ASSETS</u>		
65,909	Other Financial Assets	69,193
8,507,020	Property, Plant and Equipment	87,221
27,037	Intangible Assets	-
<u>8,599,966</u>	TOTAL NON-CURRENT ASSETS	<u>156,414</u>
<u>9,646,363</u>	TOTAL ASSETS	<u>10,225,731</u>
<u>CURRENT LIABILITIES</u>		
1,458,542	Payables	190,713
210,200	Provisions	233,224
<u>1,668,742</u>	TOTAL CURRENT LIABILITIES	<u>423,937</u>
<u>1,668,742</u>	TOTAL LIABILITIES	<u>423,937</u>
<u>\$ 7,977,621</u>	NET ASSETS	<u>\$ 9,801,794</u>
<u>MEMBERS FUNDS</u>		
6,705,104	Reserves	4,936,364
1,272,517	Accumulated Funds	4,865,430
<u>\$ 7,977,621</u>	MEMBERS FUNDS	<u>\$ 9,801,794</u>

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
	<u>INCOME</u>	
1,726,819	Sustentation	1,822,131
12,000	Trustee Fees Received	12,000
31,258	Interest Received	165,448
33,055	Federal Training Fund Receipts	32,147
	Rent & Outgoings Received -	
155,420	Melbourne Office	31,191
	Rent & Outgoings Received -	
844,319	Canberra Building	651,383
6,911	Rent Received - Burnie	-
-	Training Subsidy	1,650
2,809,782	TOTAL INCOME	2,715,950
	<u>EXPENSES</u>	
750	Bookkeeping	750
3,930	Advertising	4,759
248,622	Affiliation Fees	247,513
31,657	Accommodation & Meals - Travel	42,736
27,037	Amortisation	27,037
43,677	Annual Leave Provided	16,137
20,600	Auditors Remuneration - Fees	25,800
15,598	Auslink Research Fees	-
2,523	Bank Charges	2,647
47,291	Cleaning	15,337
9,372	Branch Training Expenses	700
261,230	Depreciation	182,024
14,442	Disposal of Fixed Assets	52,728
460	Donations	2,619
	Federal Committee of	
77,019	Management Expenses	35,597
	Road Transport Organising	
-	Project - New Zealand	30,076
3,178	Fringe Benefits Tax	3,333
258	Hire Purchase Charges	-
43,164	Insurance	38,445
139,773	Interest on Branch Loans	38,260
-	ITF International Visitors	6,788
2,141	Leasing Fees	39,652
	Lease Rental Expenses -	
7,481	Operating Leases	9,840
4,988	Land Tax	6,457
144,489	Legal Fees	153,348
49,208	Light, Heat & Power	32,402
18,713	Long Service Leave Provided	6,887
11,154	Management Fees	6,188
6,199	Marketing Expenses	11,081
12,496	Motor Vehicle Expenses	26,829
116,583	Organising Expenses	-
250,000	Reimbursement to Branches	275,000

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
36,517	Payroll Tax	40,035
14,483	Postage	12,318
10,978	Printing & Stationery	17,025
13,752	Publications	19,367
38,841	Rates & Taxes	16,497
1,150	Rubbish Removal	866
	Reimbursement to S.A./N.T.	
42,169	Branch	40,182
5,120	Records Storage	5,103
43,628	Relocation Expenses	763
80,193	Repairs & Maintenance	109,667
3,052	Rent	74,470
	Reimbursement of Vic Branch	
55,806	Employee Expenses	70,759
1,818	ATA Sponserhip	-
13,214	Seminar & Course Fees	24,584
5,720	Staff Amenities	5,292
96,214	Superannuation	120,262
59,733	Telephone & Faxes	48,694
4,231	Training Materials	5,457
148,777	Travelling Expenses	157,230
7,272	T.U.T.A.	16,000
3,500	Valuation Fees	690
509,468	Wages	646,757
<hr/>		<hr/>
2,809,669	TOTAL EXPENSES	2,772,988
<hr/>		<hr/>
113	TOTAL SURPLUS/(DEFICIT)	(57,038)
	Accumulated Funds at the	
1,272,403	Beginning of the Year	1,272,517
-	Transfer from Reserves	3,649,951
<hr/>		<hr/>
\$ 1,272,516	ACCUMULATED FUNDS AT THE	
	END OF THE YEAR	\$ 4,865,430

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

PAGE 6

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

<u>2003</u>		<u>NOTE</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
1,726,819	Sustentation Fees	1,822,000
29,393	Interest Received	162,187
1,079,578	Rent Received	672,248
45,055	Other Income	61,005
(2,607,311)	Payments to Suppliers & Employees	(2,290,326)
(77,417)	Goods & Services Tax Remitted	(26,214)
<hr/>		<hr/>
\$ 196,117	Net Cash Flow Provided by Operating Activities	\$ 400,900
<hr/>		<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
93,786	Proceeds from Sale of Property, Plant & Equipment	10,085,138
(23,001)	Payment for Property, Plant & Equipment	(46,636)
<hr/>		<hr/>
70,785	Net Cash Provided by Investing Activities	10,038,502
<hr/>		<hr/>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
(237,850)	Repayment of Loans	(1,320,812)
<hr/>		<hr/>
(237,850)	Net Cash (Used In) Financing Activities	(1,320,812)
<hr/>		<hr/>
29,052	Net Increase in Cash Held	9,118,590
764,792	Cash Held at Beginning of the Year	793,844
<hr/>		<hr/>
\$ 793,844	Cash Held at End of The Year	\$ 9,912,434
<hr/>		<hr/>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2004

NOTE 1 - Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of Transport Workers Union of Australia - Federal Council . The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Transport Workers Union of Australia - Federal Council as the full financial report.

The accounting policies have been consistently applied by the union and are consistent with those of the previous financial year, unless otherwise stated.

Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

NOTE 2 - Information to be provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996 , the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272, which read as follows :-

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified 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).

NOTE 3 - Segment Reporting

The union operates in predominately one business and geographical segment, being to service the needs of its state based branches and their respective members on a range of industrial and workplace matters.

COMMITTEE OF MANAGEMENT STATEMENT

On 12th April, 2005 the Committee of Management of Transport Workers Union of Australia - Federal Council passed the following resolution in relation to the general purpose financial report of the reporting unit for the financial year ended 31st December, 2004.

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting requirements on the Industrial Registrar;
- (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;
- (e) during the financial year to which the general purpose financial report 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; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner; and

COMMITTEE OF MANAGEMENT STATEMENT (CONT)

- (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and

- (vi) No orders have been made by the Commission under section 273 of the RAO Schedule during the period.

For the Committee of Management:



MR JOHN ALLAN



MR HUGHIE WILLIAMS

Dated 12th April, 2005
Melbourne



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Sidney C. Hack, Rodney C. G. Anderson, Mark Anderson, David C. Adams,
Rowan A. Board

Level 18,
390 St. Kilda Road,
Melbourne, Victoria,
Australia, 3004.
Telephone: (03) 9867 3200
Fax: (03) 9867 3810
Email: Admin@hat.com.au

Our Ref.:

Your Ref.:

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

Scope

We have audited the concise financial report of the Transport Workers Union of Australia - Federal Council for the year ended 31st December, 2004 as set out on pages 3 to 9 in order to express an opinion on it to the members of the union. The Committee of Management are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of the Transport Workers Union of Australia - Federal Council for the year ended 31st December, 2004. Our audit report on the full financial report was signed on 12th April, 2005, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and the examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996..

The audit opinion expressed in this report has been formed on the above basis.



Hack, Anderson & Thomas

CHARTERED ACCOUNTANTS

ABN 85 085 349 674

Sidney C. Hack, Rodney C. G. Anderson, Mark Anderson, David C. Adams,
Rowan A. Board

Level 18,
390 St. Kilda Road,
Melbourne, Victoria,
Australia, 3004.
Telephone: (03) 9867 3200
Fax: (03) 9867 3810
Email: Admin@hat.com.au

Our Ref.:

Your Ref.:

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL (Continued)

Audit Opinion

In our opinion the concise financial report of the Transport Workers Union of Australia - Federal Council complies with Accounting Standard AASB 1039: Concise Financial Reports and Workplace Relations Act 1996.

Dated 12th April, 2005
Melbourne

Hack, Anderson & Thomas

HACK, ANDERSON & THOMAS

Chartered Accountants

A handwritten signature in black ink, appearing to be 'M. Anderson'.

M. ANDERSON, PARTNER

Registered Company Auditor



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Ms Patricia Heale
Federal Financial Controller
Transport Workers' Union of Australia
PO Box 7419
St Kilda Road
MELBOURNE VIC 8004

Dear Ms Heale,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 December 2004 - FR2004/739**

I have received the financial reports of your organisation for year ended 31 December 2004. The documents were lodged in the Industrial Registry on 1 June 2005.

The following matter concerning the financial reporting requirement of Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) requires further attention.

Secretary's Certificate

Financial reports lodged in the Industrial Registry are required to be accompanied by a certificate signed by the secretary or other prescribed officer of the organisation, please refer to subsection 268(c) of the RAO Schedule and regulation 162 of the Workplace Relations Registration and Accountability or Organisations Regulations (the RAO Regulations). The secretary's certificate lodged with the above-mentioned reports has been signed by you. It would appear from the rules of the organisation that the position of Federal Financial Controller is not an office as defined by section 9 of the RAO Schedule. Accordingly would you please arrange for another secretary's certificate to be lodged in this office signed by an office holder of the organisation. Please lodge the secretary's certificate within 14 days of receipt of this letter.

I would like to comment on the following issue arising out of the reports. I make this comment to assist you when you next prepare financial reports, you do not need to take any further action for the following issue.

Auditor's Report

The opinion expressed by the auditor in their report has been drafted in terms of the previous requirements of the Workplace Relations Act 1996. In order to strictly comply with the provisions of subsection 257(5) of the RAO Schedule, I suggest that the auditor's opinion be expressed in the following terms:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996".

I have forwarded a copy of this letter to the auditor for their views about this matter.

Should you wish to discuss this letter, please contact me on (03) 8661 7988 or email: lynette.markovski@air.gov.au.

Yours sincerely,



Lynette Markovski
Statutory Services Branch

7 July 2005

cc Hack, Anderson & Thomas
Level 18, 390 St Kilda Road
MELBOURNE VIC 3004



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Ms Patricia Heale
Federal Financial Controller
Transport Workers' Union of Australia
PO Box 7419
St Kilda Road
MELBOURNE VIC 8004

Dear Ms Heale,

**Re: Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule)
Financial reports for year ended 31 December 2004 - FR2004/739**

I have received the secretary's certificate signed by John Allan dated 30 May 2005 covering the financial reports for the year ended 31 December 2004 of the Transport Workers' Union of Australia. The document was lodged in the Industrial Registry on 18 July 2005.

The secretary's certificate, together with the financial reports lodged on 1 June 2005, has been filed.

Should you have any queries, I may be contacted on (03) 8661 7988.

Yours sincerely,

A handwritten signature in cursive script that reads 'L. Markovski'.

Lynette Markovski
Statutory Services Branch

20 July 2005