



Australian Government
Australian Industrial Registry

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Mr Tony Sheldon
National Secretary
Transport Workers' Union of Australia
31 Cowper St
PARRAMATTA NSW 2150

By email: twu@twu.com.au

Dear Mr Sheldon,

Re: Financial Report - year ended 31 December 2006 (FR2006/626)
s253 Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)

On 5 July 2007 I received the Financial Report for the TWU–NSW Branch for year ended 31 December 2006. On 8 July 2007 I received an unsigned copy of the Concise Report for the same year. On 20 September 2007 a signed copy of the Concise Report was received.

The documents have been filed.

The following comments are provided to assist you in future financial years. No further action is required with respect to the lodged documents.

Concise Report unsigned

As mentioned above, the documents in the first copy of the Concise Financial Report that was lodged in the Registry were unsigned.

In future years please ensure that all of the relevant documents in the Concise Financial Report that is provided to the members and lodged in the Registry are signed – these include:

- Committee of Management Statement
- Operating Report
- Auditor's Report to the Concise Financial Report

Reference to RAO Schedule

The Operating Report referred to s174 of the *Workplace Relations Act 1996*. This reference should be amended in future to s174 of the *RAO Schedule*.

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,

Andrew Schultz
Statutory Services Branch

20 September 2007

Tony Sheldon National Secretary

Federal Council

FR 2006/626

3rd July, 2007

Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

ATTENTION: Lynette Markovski

Dear Madam

RE: Annual Return for year ending 31st December, 2006

Please find attached Financial Statements and Certificate of Authorised Officer for year ending 31st December, 2007.

If you require any further information please do not hesitate to contact me.

Yours faithfully,



Michael Kaine
Acting Federal Secretary

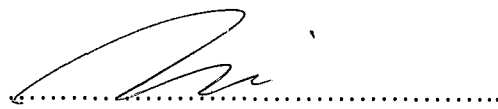


Tony Sheldon National Secretary

Certificate of Authorised Officer

I, Michael Kaine, being the Assistant Federal Secretary of the Transport Workers Union of Australia Federal Council certify:

- The documents lodged herewith are copies of the full report and the concise report referred to in s268 of the RAO Schedule; and
- That the concise report was provided to members on the 8th June, 2007; and
- That the full report was presented to a meeting of the Federal Committee of Management of the reporting unit on 29th June, 2007; in accordance with section 266 of the RAO Schedule.



Michael Kaine
Acting Federal Secretary

3.7.07

Date



NSW State Secretary
Tony Sheldon

Vic/Tas State Secretary
Bill Noonan

Qld State Secretary
Hughie Williams

WA State Secretary
Jim McGiveron

SA/NT State Secretary
Alex Gallacher

TRANSPORT WORKERS' UNION OF AUSTRALIA

FEDERAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

OPERATING REPORT

The Federal Committee of Management presents its operating report of the Transport Workers Union of Australia, Federal Council for the financial year ended 31 December 2006.

1. The principal activity of Federal Council during the financial year was that of governing body of the Transport Workers' Union of Australia. No significant changes in the nature of that activity occurred during the year.
2. There were no significant changes to Federal Council's financial affairs during the year.
3. Federal Council's principal activity resulted in a surplus for the year of \$613,837.

Federal Council has determined to keep its financial records on the accrual basis as they relate to the income of Federal Council.

This is a change in accounting policy in that in previous years Federal Council kept its financial records on the cash basis as they related to the income of Federal Council. The effect of the change in accounting policy has been to increase net surplus for the year from \$105,117 to \$613,837, increase accrued interest by \$200,856, increase debtors - sustentation fees by \$338,650 and increase payables by \$30,786.

4. In accordance with Section 174(1) of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
5. The following officers of the Transport Workers Union of Australia, Federal Council are trustees of the TWU Superannuation fund: Mr Bill Noonan, Mr Alex Gallagher, Mr Jim McGiveron, and Mr Anthony Sheldon.
6. The number of members of the Transport Workers Union of Australia at 31 December 2006 was 88,215.
7. The number of persons who were employees of Federal Council on 31 December 2006 was 3.4, where the number of employees includes both full-time employees and part-time employees measured on an full-time equivalent basis.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

OPERATING REPORT [Cont'd]

8. The names of each person who were members of the Federal Committee of Management, at any time, during the financial year are as follows:

Name	Period Position Held
Mr John Allan	1 January 2006 to 3 July 2006
Mr Hughie Williams	1 January 2006 to 31 December 2006
Mr Jim McGiveron	1 January 2006 to 31 December 2006
Mr Anthony Sheldon	1 January 2006 to 31 December 2006
Mr Bill Noonan	1 January 2006 to 31 December 2006
Mr Alex Gallagher	1 January 2006 to 31 December 2006
Mr Wade Noonan	28 August 2006 to 31 December 2006
Mr Michael Kaine	28 August 2006 to 31 December 2006

Signed in accordance with a resolution of the Federal Committee of Management.


Mr ANTHONY SHELDON


Mr JIM MCGIVERON

14 May 2007.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

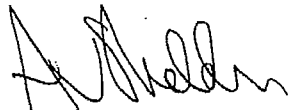
COMMITTEE OF MANAGEMENT'S STATEMENT

On 14 May 2007 the Federal Committee of Management of Transport Workers Union of Australia, Federal Council passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006.

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

- (a) the financial report and notes comply with Australian Accounting Standards to the extent detailed in note 1 to the financial statements;
- (b) the financial report and notes comply with the reporting requirements of the Industrial Registrar;
- (c) the financial report 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 ended 31 December 2006;
- (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 ended 31 December 2006 and since the end of the financial year:
 - (i) meetings of the federal 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 to each of the branches of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no orders have been made by the commission under section 273 of the RAO schedule during the period;
- (f) during the financial year ended 31 December 2006 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management



MR ANTHONY SHELDON

14 May 2007

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
INCOME			
Sustentation Fees	12	2,315,816	1,589,939
Trustee Fees Received		18,000	12,000
Linfox Crib Break Matter- Fees Received		-	150,000
Interest Received		777,490	400,617
Federal Training Fund		34,395	33,600
ACTU Advertising Campaign		394,280	-
Rent and Outgoings Received – Canberra Building		-	7,590
Sundry Income		571	-
TOTAL INCOME		<u>3,540,552</u>	<u>2,193,746</u>
EXPENDITURE			
Depreciation			
		<u>18,924</u>	<u>20,416</u>
Employee benefits expense			
Accrued Annual Leave		(26,022)	(6,786)
Fringe Benefits Tax		25,839	15,754
Long Service Leave		23,971	26,578
Salaries	13	572,468	761,938
Superannuation	14	96,935	143,070
Redundancy Payments	15	509,339	-
		<u>1,202,530</u>	<u>940,554</u>
Other expenses			
Bookkeeping		-	1,500
Advertising		1,256	5,294
Affiliation Fees	16	284,320	276,991
Accommodation and Meals – Travel		26,924	56,869
ACTU Advertising Campaign		400,000	44,797
Auditors' Remuneration		32,000	31,500
Auditors' Remuneration – prior year adjustment		28,500	-
Bad Debts Written Off		-	5,810
Bank Charges		5,495	2,835
Consultants		14,750	77,528
Diminution in Value of Investments		18,732	34,352
Deficit on Disposal of Fixed Assets		2,809	3,991
Donations		250	1,430
Federal Committee of Management Expenses		66,632	111,107
General Expenses		7,919	-
Insurance		24,781	29,228
Carried Forward		<u>914,368</u>	<u>683,232</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006 [Cont'd]**

	2006	2005
	\$	\$
Brought Forward	914,368	683,232
ITF Integrators Conferences	37,823	38,748
Lease Rental Expenses – Operating Leases	9,840	9,840
Legal Fees	11,091	103,576
Linfox Crib Break Matter – Fees Paid	-	150,792
Motor Vehicle Expenses	49,525	40,063
NSW Organising Expenses	63,126	145,921
Reimbursement to Branches	156,374	100,000
Payroll Tax	48,976	47,591
Postage	36,994	12,287
Printing and Stationery	43,447	9,851
Publications	15,197	18,401
Rubbish Removal	7,196	-
Reimbursement to S.A./N.T. Branch	36,629	39,668
Records Storage	4,961	5,541
Repairs and Maintenance	36,123	32,277
Rent	75,780	74,470
Seminar and Course fees	8,084	20,459
Staff Amenities	4,027	3,237
Telephone and Faxes	40,524	53,486
Training Materials	2,207	9,809
Travelling Expenses	102,969	200,991
T.U.T.A.	-	16,000
	<u>1,705,261</u>	<u>1,816,240</u>
TOTAL EXPENDITURE	<u>2,926,715</u>	<u>2,777,210</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>613,837</u>	<u>(583,464)</u>

(The accompanying notes form part of this financial report)

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	5	717,957	728,009
Receivables	6	624,994	78,544
TOTAL CURRENT ASSETS		<u>1,342,951</u>	<u>806,553</u>
NON-CURRENT ASSETS			
Financial Assets	7	8,574,330	8,665,274
Property, Plant and Equipment	8	67,067	76,796
Investment in associate	9	100	100
TOTAL NON-CURRENT ASSETS		<u>8,641,497</u>	<u>8,742,170</u>
TOTAL ASSETS		<u>9,984,448</u>	<u>9,548,723</u>
CURRENT LIABILITIES			
Payables	10	139,785	77,378
Provision for Accrued Annual Leave		6,448	75,753
Provision for Long Service Leave		6,048	177,262
TOTAL CURRENT LIABILITIES		<u>152,281</u>	<u>330,393</u>
NET ASSETS		<u>9,832,167</u>	<u>9,218,330</u>
ACCUMULATED FUNDS AND RESERVES			
Accumulated Funds		9,832,167	4,281,966
Capital Profit Reserve		-	4,936,364
TOTAL ACCUMULATED FUNDS AND RESERVES		<u>9,832,167</u>	<u>9,218,330</u>

(The accompanying notes form part of this financial report)

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Accumulated Funds	Capital Profit Reserve	Total
	\$	\$	\$
Balance at 1 January 2005	4,865,430	4,936,364	9,801,794
Deficit for the year	<u>(583,464)</u>	<u>-</u>	<u>(583,464)</u>
Balance at 31 December 2005	<u>4,281,966</u>	<u>4,936,364</u>	<u>9,218,330</u>
Surplus for the year	613,837	-	613,837
Transfer of Funds	<u>4,936,364</u>	<u>(4,936,364)</u>	<u>-</u>
Balance at 31 December 2006	<u>9,832,167</u>	<u>-</u>	<u>9,832,167</u>

(The accompanying notes form part of this financial report)

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		2,007,952	1,589,939
Interest Received		576,634	400,617
Other Income		447,246	203,190
Payments to suppliers and Employees		(3,102,092)	(2,744,126)
NET CASH USED IN OPERATING ACTIVITIES	11(b)	<u>(70,260)</u>	<u>(550,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in St George Corporate Bonds		-	(8,627,414)
Investment in Term Deposit		-	(3,120)
Proceeds from Sale of Investment		72,212	-
Payment for Property, Plant and Equipment		(12,004)	(13,982)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>60,208</u>	<u>(8,644,516)</u>
NET DECREASE IN CASH HELD		(10,052)	(9,194,896)
Cash at Beginning of Year		<u>728,009</u>	<u>9,922,905</u>
CASH AT END OF YEAR	11(a)	<u>717,957</u>	<u>728,009</u>

(The accompanying notes form part of this financial report)

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Australian Workplace Relations Act 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Federal Council of the Transport Workers' Union of Australia and in accordance with the Australian Workplace Relations Act, 1996 the Federal Council is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Australian Workplace Relations Act, 1996. The Federal Council is a reporting unit of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Federal Council are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

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

(a) Revenue

For the year ended 31 December 2006 the concept of accruals accounting has been adopted in the preparation of the financial statements. In previous years the Federal Council prepared financial reports on a cash basis in respect of the income of Federal Council. The effect of the change in accounting policy on the reported surplus for the year and the assets and liabilities of Federal Council are disclosed at note 2.

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment

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

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Property, Plant and Equipment	2.00 – 20.00%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the income statement in the year of disposal.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for profit organisation.

(e) 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. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(f) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments which are classified as available for sale are measured at fair value.

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on revaluing the investment on an amortised cost basis to its face value at maturity. Any adjustment is debited to the diminution in value of investments expense.

(g) Goods and Services Tax

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 Tax 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 on the balance sheet are shown inclusive of GST.

(h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

2. CHANGE IN ACCOUNTING POLICY

This year the Federal Council has accounted for income on an accruals basis. In previous years the Federal Council prepared financial reports on a cash basis in respect of the income of Federal Council.

The effect of the change in accounting policy has been to increase net surplus for the year from \$105,117 to \$613,837, increase accrued interest by \$200,856, increase debtors – sustentation fees by \$338,650 and increase payables by \$30,786.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

(b) Critical judgments in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

4. 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 of Schedule 1B which read as follows:

- [1] A member of a reporting unit, or a Registrar, 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).

5. CASH AND CASH EQUIVALENTS

	2006	2005
	\$	\$
Cash at Bank	715,388	726,642
Cash in Hand	1,700	500
Deposits at Call	869	867
	<u>717,957</u>	<u>728,009</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Note	2006 \$	2005 \$	
6. RECEIVABLES				
Accrued Interest		200,856	-	
Debtors – Branches (Sustentation Fees)		338,650	-	
Sundry Debtors		8,838	7,543	
Prepayments		76,650	71,001	
		<u>624,994</u>	<u>78,544</u>	
7. FINANCIAL ASSETS				
Cash and cash equivalents		-	72,212	
Held-to-maturity Investments –amortised cost	17	8,574,330	8,593,062	
		<u>8,574,330</u>	<u>8,665,274</u>	
8. PROPERTY, PLANT AND EQUIPMENT				
Office Furniture and Equipment – At Cost		81,328	81,328	
Less: Accumulated Depreciation		50,195	45,765	
		<u>31,133</u>	<u>35,563</u>	
Library – At cost		75,134	75,134	
Less: Accumulated Depreciation		69,153	67,687	
		<u>5,981</u>	<u>7,447</u>	
Computer Equipment – At cost		62,309	70,748	
Less: Accumulated Depreciation		32,356	36,962	
		<u>29,953</u>	<u>33,786</u>	
		<u>67,067</u>	<u>76,796</u>	
	Office Furniture and Equipment	Library	Computer Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2006	35,563	7,447	33,786	76,796
Additions	-	-	12,004	12,004
Disposals	-	-	2,809	2,809
Depreciation	4,430	1,466	13,028	18,924
	<u>31,133</u>	<u>5,981</u>	<u>29,953</u>	<u>67,067</u>
Balance at 31 December 2006	<u>31,133</u>	<u>5,981</u>	<u>29,953</u>	<u>67,067</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006 \$	2005 \$
9. INVESTMENT IN ASSOCIATE		
Shares in unlisted company – at cost Blue Card Training Pty. Ltd.	<u>100</u>	<u>100</u>
10. PAYABLES		
Creditors	<u>139,785</u>	<u>77,378</u>
	<u>139,785</u>	<u>77,378</u>
11. CASH FLOW INFORMATION		
(a) For the purpose of the Cash Flow Statement, Cash includes: Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.		
Cash at Bank	715,388	726,642
Cash on Hand	1,700	500
Deposits at call	869	867
	<u>717,957</u>	<u>728,009</u>
(b) Reconciliation of cash flow from operations with operating result		
Operating Surplus (Deficit)	613,837	(583,464)
Non Cash Flows in Operating Result		
Depreciation	18,924	20,416
Deficit on Disposal of Assets	2,809	3,991
Changes in assets and liabilities		
Increase/(Decrease) in Payables	62,407	(113,334)
Decrease/(Increase) in Receivables	(546,450)	67,868
(Decrease)/Increase in Employees Entitlements	(240,519)	19,791
Diminution in Value of Investments	18,732	34,352
CASH FLOWS FROM OPERATIONS	<u>(70,260)</u>	<u>(550,380)</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$
12. SUSTENTATION FEES		
Receipts		
New South Wales Branch	609,907	343,427
Vic/Tas Branch	585,647	449,384
SA/NT Branch	148,214	158,359
Queensland Branch	305,447	304,968
Western Australia Branch	295,578	301,220
Canberra Branch	63,159	32,581
	<hr/>	<hr/>
Received during the year ended 31 December	2,007,952	1,589,939
Debtors - Branches (ex GST) as at 31 December 2006	307,864	-
	<hr/>	<hr/>
	2,315,816	1,589,939
	<hr/>	<hr/>
13. SALARIES		
Officers	523,398	667,300
Employees	49,070	94,638
	<hr/>	<hr/>
	572,468	761,938
	<hr/>	<hr/>
14. SUPERANNUATION		
Officers	87,745	125,517
Employees	9,190	17,553
	<hr/>	<hr/>
	96,935	143,070
	<hr/>	<hr/>
15. REDUNDANCY PAYMENTS		
Officers	459,463	-
Employees	49,876	-
	<hr/>	<hr/>
	509,339	-
	<hr/>	<hr/>
16. AFFILIATION FEES		
ACTU	201,455	186,909
ITF	55,407	54,509
APHEDA	-	2,655
ATA	11,282	16,100
ARF	1,176	1,818
Bus Industry Association	15,000	15,000
	<hr/>	<hr/>
	284,320	276,991
	<hr/>	<hr/>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

17. HELD TO MATURITY INVESTMENTS

	Note	2006 \$	2005 \$
St George Corporate Bonds - amortised cost		8,593,062	8,627,414
Diminution of Value of Investments		<u>(18,732)</u>	<u>(34,352)</u>
	7	<u>8,574,330</u>	<u>8,593,062</u>

18. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favorable than those available to other parties, unless otherwise stated.

- (a) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report.
- (b) The aggregate amount of superannuation paid to officers during the financial year is disclosed in the Financial Report.
- (c) The aggregate amount of redundancies paid to officers during the financial year is disclosed in the Financial Report.
- (d) There have been no other transactions between the officers and the Federal Council other than those relating to their membership of Federal Council and the reimbursement by Federal Council in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

19. SUPERANNUATION

Employees of Federal Council are entitled to benefits from a superannuation plan on retirement, disability or death. Federal Council participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. Federal Council's liability is limited to paying the contributions to the plan.

20. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

	2006 \$	2005 \$
Not longer than 1 year	12,312	30,934
Longer than 1 year but not longer than 5 years	76,522	342,067
Longer than 5 years	<u>-</u>	<u>-</u>
	<u>88,834</u>	<u>373,001</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

21. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Federal Council's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 June 2006	Fixed interest rate	Floating interest rate	Non- interest bearing	Total
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	-	716,257	1,700	717,957
Receivables	-	-	548,344	548,344
Held-to-maturity Investments	8,574,330	-	-	8,574,330
Total financial assets	<u>8,574,330</u>	<u>716,257</u>	<u>550,044</u>	<u>9,840,631</u>
Weighted average Interest rate	5.78%	3.66%		
Financial Liabilities				
Payables	-	-	(139,785)	(139,785)
Net financial assets/(liabilities)	<u>8,574,330</u>	<u>716,257</u>	<u>410,259</u>	<u>9,700,846</u>
30 June 2005				
Financial Assets				
Cash and cash equivalents	-	799,721	500	800,221
Receivables	-	-	7,543	7,543
Held-to-maturity Investments	8,593,062	-	-	8,593,062
	<u>8,593,062</u>	<u>799,721</u>	<u>8,043</u>	<u>9,400,826</u>
Weighted average Interest rate	5.78%	3.09%	-	
Financial Liabilities				
Payables	-	-	(77,378)	(77,378)
Net financial assets/(liabilities)	<u>8,593,062</u>	<u>799,721</u>	<u>(69,335)</u>	<u>9,323,448</u>

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the Federal Council to incur a financial loss.

The credit risk exposure of the Federal Council to financial assets which have been recognised in the Balance Sheet is generally the carrying amounts, net of any provisions for doubtful debts. The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg receivables and payables) approximate net fair values.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

21. FINANCIAL INSTRUMENTS (cont'd)

Net Fair Values

Net fair value of assets and liabilities approximates their carrying value. Financial assets which have fixed maturities are intended to be held to maturity by the Union. These are stated at a current value based on revaluing the investment on an amortised cost basis to its face value at maturity. Any adjustment is debited to the diminution in value of investments expense.

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

22. UNION DETAILS

The registered office and the principal place of business of the Union is 31 Cowper Street, Parramatta, NSW 2150.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

INDEPENDENT AUDIT REPORT

To the members of the Transport Workers' Union of Australia.

Scope

The Financial Report and the Responsibility of the Federal Committee of Management and Federal Secretary

The financial report comprises the income statement, balance sheet, statement of changes in accumulated funds and reserves, cash flow statement, accompanying notes to the financial statements and the Federal Committee of Management's statement for the Transport Workers' Union of Australia, Federal Council, for the year ended 31 December 2006.

The Federal Committee of Management and the Federal Secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

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 in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards to the extent detailed in note 1 to the financial statements and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Federal Council's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Federal Committee of Management and the Federal Secretary.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

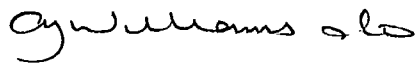
**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

INDEPENDENT AUDIT REPORT [Cont'd]

Audit Opinion

In our opinion the general purpose financial report of Transport Workers' Union of Australia, Federal Council is in accordance with the Workplace Relations Act 1996, including:

- (i) giving a true and fair view of Federal Council's financial position as at 31 December 2006 and its performance for the year ended on that date; and
- (ii) complying with applicable Australian Accounting Standards to the extent detailed in note 1 to the financial statements and other mandatory professional reporting requirements in Australia; and
- (iii) complying with the requirements of the RAO Schedule.



A J WILLIAMS & CO
Chartered Accountants



DAVID MCLEAN
Registered Company Auditor
SYDNEY NSW 2000

14 May 2007


Transport Workers'**Union of Australia**

Anthony Sheldon Federal Secretary

ABN: 18 559 030 246

PO Box 47

Parramatta BC CBD, NSW 2124

31 Cowper Street

Parramatta, NSW 2150

Phone: (02) 9912 0788


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E-mail: twu@twu.com.auWebsite: www.twu.com.au

ATTN: ANDREW SCHULZ

FAX : (03) 9655 0410

RE: CONCISE REPORT AS REQUESTED.


Canberra Sub Branch:
3/289 Canberra Avenue, Fyshwick ACT 2609
NSW Branch:
31 Cowper Street, Parramatta NSW 2150**QLD Branch:**
11 Alexandra Place, Murarrie QLD 4172
SA/NT Branch:
85 Grange Road, Welland SA 5007**VIC/TAS Branch:**
52-56 Rouse Street, Port Melbourne VIC 3207
WA Branch:
82 Beaufort Street, Perth WA 6000

TRANSPORT WORKERS' UNION OF AUSTRALIA

FEDERAL COUNCIL

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

**Information on the Transport Workers' Union of Australia Federal Council Concise
Financial Report:**

The financial statements and disclosures in the concise financial report have been derived from the 2006 financial report of the 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 report. The discussion and analysis is based on Transport Workers' Union of Australia Federal Council 2006 financial report.

Income Statement and Balance Sheet:

A change in accounting policy from a cash basis to an accrual basis.
Redundancies were paid out according to agreement between the Federal Office and employees.
Increase in interest by reporting on an accrual basis.
Salaries are down due to decrease in employees.
Receivables have increased due to sustentation fees being accrued for the Branches.
Provision for Annual Leave and Long Service Leave decreased due to employees who have left.

Cash Flow Statement:

The cash flow of Federal Council has been managed to ensure liabilities are met when they fall due. The decrease in net cash from operations reflects additional cash payments during the year. Cash at the end of year amounted to \$717,957.



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**ANTHONY SHELDON
SECRETARY**

14 May 2007

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

OPERATING REPORT

The Federal Committee of Management presents its operating report of the Transport Workers Union of Australia, Federal Council for the financial year ended 31 December 2006.

1. The principal activity of Federal Council during the financial year was that of governing body of the Transport Workers' Union of Australia. No significant changes in the nature of that activity occurred during the year.
2. There were no significant changes to Federal Council's financial affairs during the year.
3. Federal Council's principal activity resulted in a surplus for the year of \$613,837.

Federal Council has determined to keep its income financial records on the accrual basis as they relate to the income of Federal Council.

This is a change in accounting policy in that in previous years Federal Council kept its financial records on the cash basis as they related to the income of Federal Council. The effect of the change in accounting policy has been to increase net surplus for the year from \$105,117 to \$613,837, increase accrued interest by \$200,856, increase debtors - sustentation fees by \$338,650 and increase payables by \$30,786.

4. In accordance with Section 174(1) of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
5. The following officers of the Transport Workers Union of Australia, Federal Council are trustees of the TWU Superannuation fund: Mr Bill Noonan, Mr Alex Gallagher, Mr Jim McGiveron, and Mr Anthony Sheldon.
6. The number of members of the Transport Workers Union of Australia at 31 December 2006 was 88,215.
7. The number of persons who were employees of Federal Council on 31 December 2006 was 3.4, where the number of employees includes both full-time employees and part-time employees measured on an full-time equivalent basis.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

OPERATING REPORT [Cont'd]

8. The names of each person who were members of the Federal Committee of Management, at any time, during the financial year are as follows:

<i>Name</i>	Period Position Held
Mr John Allan	1 January 2006 to 3 July 2006
Mr Hughie Williams	1 January 2006 to 31 December 2006
Mr Jim McGiveron	1 January 2006 to 31 December 2006
Mr Anthony Sheldon	1 January 2006 to 31 December 2006
Mr Bill Noonan	1 January 2006 to 31 December 2006
Mr Alex Gallagher	1 January 2006 to 31 December 2006
Mr Wade Noonan	28 August 2006 to 31 December 2006
Mr Michael Kaine	28 August 2006 to 31 December 2006

Signed in accordance with a resolution of the Federal Committee of Management.



MR ANTHONY SHELDON



MR JIM McGIVERON

14 May 2007.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**


COMMITTEE OF MANAGEMENT'S STATEMENT

On 14 May 2007 the Federal Committee of Management of Transport Workers Union of Australia, Federal Council passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2006.

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

- (a) the financial report and notes comply with Australian Accounting Standards to the extent detailed in note 1 to the financial statements;
- (b) the financial report and notes comply with the reporting requirements of the Industrial Registrar;
- (c) the financial report 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 ended 31 December 2006;
- (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 ended 31 December 2006 and since the end of the financial year:
 - (i) meetings of the federal 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 to each of the branches of the organisation; and
 - (v) no information has been sought in any request of a member of the reporting unit or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no orders have been made by the commission under section 273 of the RAO schedule during the period;
- (f) during the financial year ended 31 December 2006 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management



MR ANTHONY SHELDON

14May2007

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
INCOME		
Sustentation Fees	2,315,816	1,589,939
Trustee Fees Received	18,000	12,000
Linfox Crib Break Matter- Fees Received	-	150,000
Interest Received	777,490	400,617
Federal Training Fund	34,395	33,600
ACTU Advertising Campaign	394,280	-
Rent and Outgoings Received – Canberra Building	-	7,590
Sundry Income	571	-
TOTAL INCOME	<u>3,540,552</u>	<u>2,193,746</u>
EXPENDITURE		
Depreciation	<u>18,924</u>	<u>20,416</u>
Employee benefits expense		
Accrued Annual Leave	(26,022)	(6,786)
Fringe Benefits Tax	25,839	15,754
Long Service Leave	23,971	26,578
Salaries	572,468	761,938
Superannuation	96,935	143,070
Redundancy Payments	509,339	-
	<u>1,202,530</u>	<u>940,554</u>
Other expenses		
Bookkeeping	-	1,500
Advertising	1,256	5,294
Affiliation Fees	284,320	276,991
Accommodation and Meals – Travel	26,924	56,869
ACTU Advertising Campaign	400,000	44,797
Auditors' Remuneration	32,000	31,500
Auditors' Remuneration – prior year adjustment	28,500	-
Bad Debts Written Off	-	5,810
Bank Charges	5,495	2,835
Consultants	14,750	77,528
Diminution in Value of Investments	18,732	34,352
Deficit on Disposal of Fixed Assets	2,809	3,991
Donations	250	1,430
Federal Committee of Management Expenses	66,632	111,107
General Expenses	7,919	-
Insurance	24,781	29,228
Carried Forward	<u>914,368</u>	<u>683,232</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006 [Cont'd]**

	2006	2005
	\$	\$
Brought Forward	914,368	683,232
ITF Integrators Conferences	37,823	38,748
Lease Rental Expenses – Operating Leases	9,840	9,840
Legal Fees	11,091	103,576
Linfox Crib Break Matter – Fees Paid	-	150,792
Motor Vehicle Expenses	49,525	40,063
NSW Organising Expenses	63,126	145,921
Reimbursement to Branches	156,374	100,000
Payroll Tax	48,976	47,591
Postage	36,994	12,287
Printing and Stationery	43,447	9,851
Publications	15,197	18,401
Rubbish Removal	7,196	-
Reimbursement to S.A./N.T. Branch	36,629	39,668
Records Storage	4,961	5,541
Repairs and Maintenance	36,123	32,277
Rent	75,780	74,470
Seminar and Course fees	8,084	20,459
Staff Amenities	4,027	3,237
Telephone and Faxes	40,524	53,486
Training Materials	2,207	9,809
Travelling Expenses	102,969	200,991
T.U.T.A.	-	16,000
	<u>1,705,261</u>	<u>1,816,240</u>
TOTAL EXPENDITURE	<u>2,926,715</u>	<u>2,777,210</u>
SURPLUS (DEFICIT) FOR THE YEAR	<u>613,837</u>	<u>(583,464)</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**BALANCE SHEET
AS AT 31 DECEMBER 2006**

	2006	2005
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	717,957	728,009
Receivables	624,994	78,544
TOTAL CURRENT ASSETS	<u>1,342,951</u>	<u>806,553</u>
NON-CURRENT ASSETS		
Financial Assets	8,574,330	8,665,274
Property, Plant and Equipment	67,067	76,796
Investment in associate	100	100
TOTAL NON-CURRENT ASSETS	<u>8,641,497</u>	<u>8,742,170</u>
TOTAL ASSETS	<u>9,984,448</u>	<u>9,548,723</u>
CURRENT LIABILITIES		
Payables	139,785	77,378
Provision for Accrued Annual Leave	6,448	75,753
Provision for Long Service Leave	6,048	177,262
TOTAL CURRENT LIABILITIES	<u>152,281</u>	<u>330,393</u>
NET ASSETS	<u>9,832,167</u>	<u>9,218,330</u>
ACCUMULATED FUNDS AND RESERVES		
Accumulated Funds	9,832,167	4,281,966
Capital Profit Reserve	-	4,936,364
TOTAL ACCUMULATED FUNDS AND RESERVES	<u>9,832,167</u>	<u>9,218,330</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2006**

	Accumulated Funds	Capital Profit Reserve	Total
	\$	\$	\$
Balance at 1 January 2005	4,865,430	4,936,364	9,801,794
Deficit for the year	<u>(583,464)</u>	<u>-</u>	<u>(583,464)</u>
Balance at 31 December 2005	<u>4,281,966</u>	<u>4,936,364</u>	<u>9,218,330</u>
Surplus for the year	613,837	-	613,837
Transfer of Funds	<u>4,936,364</u>	<u>(4,936,364)</u>	<u>-</u>
Balance at 31 December 2006	<u>9,832,167</u>	<u>-</u>	<u>9,832,167</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2006**

	2006	2005
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sustentation Fees	2,007,952	1,589,939
Interest Received	576,634	400,617
Other Income	447,246	203,190
Payments to suppliers and Employees	<u>(3,102,092)</u>	<u>(2,744,126)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(70,260)</u>	<u>(550,380)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in St George Corporate Bonds	-	(8,627,414)
Investment in Term Deposit	-	(3,120)
Proceeds from Sale of Investment	72,212	-
Payment for Property, Plant and Equipment	<u>(12,004)</u>	<u>(13,982)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>60,208</u>	<u>(8,644,516)</u>
NET DECREASE IN CASH HELD	(10,052)	(9,194,896)
Cash at Beginning of Year	<u>728,009</u>	<u>9,922,905</u>
CASH AT END OF YEAR	<u>717,957</u>	<u>728,009</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006**

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The concise financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Australian 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 the 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.

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 of the RAO Schedule which read as follows:

- [1] A member of a reporting unit, or a Registrar, 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).

NOTE 3: CHANGE IN ACCOUNTING POLICY

This year the Federal Council has accounted for income on an accruals basis. In previous years the Federal Council prepared financial reports on a cash basis in respect of the income of Federal Council.

The effect of the change in accounting policy has been to increase net surplus for the year from \$105,117 to \$613,837, increase accrued interest by \$200,856, increase debtors –sustentation fees by \$338,650 and increase payables by \$30,786.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL**

INDEPENDENT AUDIT REPORT

To the members of the Transport Workers' Union of Australia

Scope

We have audited the concise financial report of Transport Workers' Union of Australia Federal Council for the financial year ended 31 December 2006 comprising the Federal Committee of Management's statement, income statement, balance sheet, statement of changes in accumulated funds and reserves, cash flow statement and notes to the financial statements. The Federal Committee of Management and the Secretary of Federal Council are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

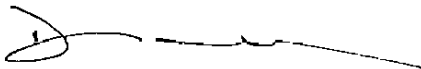
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Transport Workers' Union of Australia Federal Council for the year ended 31 December 2006. Our audit report on the full financial report was signed on 14 May 2007, 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 examination, on a test basis, of evidence supporting the amounts 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 Standards and the Workplace Relations Act 1996.

Audit Opinion

In our opinion, the concise financial report of Transport Workers' Union of Australia Federal Council complies with Accounting Standards and the Workplace Relations Act 1996.


A.J. WILLIAMS & CO.


DAVID MCLEAN
Registered Company Auditor.
SYDNEY NSW 2000

14 May 2007