



Australian Government
Australian Industrial Registry

Level 5,
11 Exhibitions Street,
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7817
Fax: (03) 9655 0410

Mr Michael Kaine
Acting Federal Secretary
Transport Workers' Union of Australia
31 Cowper Street
PARRAMATTA NSW 2150

Dear Mr Kaine,

**Re: Financial reports for year ended 31 December 2007 - FR2007/632
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

Thank you for the financial reports of the Transport Workers' Union of Australia for the year ended 31 December 2007. The documents were lodged in the Industrial Registry on 31 July 2008.

On 21 August 2008 I received from you a copy your certificate as required by subsection 268(c) of the RAO Schedule.

I should point out that the full report should have been lodged in the Industrial Registry by 30 June 2008. Further, I note from your certificate that the concise report was not supplied to the members until 17 June 2008, and was not presented to the Federal Committee of Management until 12 August 2008. This suggests that the full report lodged on 31 July 2008 was done so out of time and not in accordance with the legislative procedures set out under the RAO Schedule that deal with the supply of the report to the members, and subsequent presentation to a meeting.

Financial reports must, among other things, be presented to a meeting and lodged within a period of six months of the end of a financial year (unless an extension of time applies). Where a full report is presented to a meeting of the Committee of Management, because the rules comply with s266(3) of the RAO Schedule which allows the organisation to instead present the reports to a committee meeting, the organisation must ensure that the members are supplied with a copy of the report (concise or otherwise) within a period of five months of the end of the financial year. A copy of the timeline provisions is attached for your information.

Would you please ensure that these issues are adhered to in future financial reports.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer'.

Robert Pfeiffer
Statutory Services Branch

22 August 2008

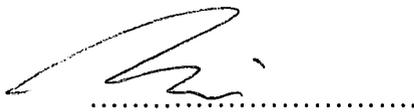
FR 2007/632

Tony Sheldon National Secretary

Certificate of the Authorised Officer

I, Michael Kaine, being 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 the members on the 17th June, 2008; and
- That the full report was presented to a meeting of the Federal Committee of Management of the reporting unit on 12th August, 2008; in accordance with section 266 of the RAO Schedule.



Michael Kaine
Acting Federal Secretary

19-8-08

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

Tony Sheldon National Secretary

29th July, 2008

Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

ATTENTION: Lynette Markovski

Dear Madam

RE: Annual Return for year ending 31st December, 2007

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



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 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 2007.

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 \$100,554.
4. In accordance with Section 174(1) of the RAO Schedule 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, Mr Anthony Sheldon, Mr Michael Kaine and Mr Wade Noonan.
6. The number of members of the Transport Workers Union of Australia at 31 December 2007 was 83,072.
7. The number of persons who were employees of Federal Council on 31 December 2007 was 3, 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 Hughie Williams	1 January 2007 to 31 December 2007
Mr Jim McGiveron	1 January 2007 to 31 December 2007
Mr Anthony Sheldon	1 January 2007 to 31 December 2007
Mr Bill Noonan	1 January 2007 to 31 December 2007
Mr Alex Gallacher	1 January 2007 to 31 December 2007
Mr Wade Noonan	1 January 2007 to 19 October 2007
Mr Michael Kaine	1 January 2007 to 31 December 2007

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


MR ANTHONY SHELDON


MR ALEX GALLACHER

18 May 2008

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

FEDERAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 18 May 2008 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 2007.

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;
- (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 2007;
- (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 2007 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 2007 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management


MR ANTHONY SHELDON

18 May 2008

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
INCOME			
Sustentation Fees		1,807,295	2,315,816
Trustee Fees Received		40,593	18,000
Interest Received		590,801	777,490
Federal Training Fund		34,641	34,395
ACTU Advertising Campaign		381,057	394,280
Sundry Income		98,899	571
TOTAL INCOME		<u>2,953,286</u>	<u>3,540,552</u>
EXPENDITURE			
Depreciation		<u>21,295</u>	<u>18,924</u>
Employee benefits expense			
Accrued Annual Leave		8,935	(26,022)
Fringe Benefits Tax		33,675	25,839
Long Service Leave		(6,048)	23,971
Salaries	12	329,973	572,468
Superannuation	13	56,414	96,935
Redundancy Payments	14	-	509,339
		<u>422,949</u>	<u>1,202,530</u>
Other expenses			
Advertising		3,045	1,256
Affiliation Fees	15	219,837	284,320
Accommodation and Meals – Travel		25,295	26,924
ACTU Advertising Campaign		400,000	400,000
Auditors' Remuneration		25,750	32,000
Auditors' Remuneration – prior year		-	28,500
Bank Charges		1,066	5,495
Building Expenses		9,109	-
Campaign Media Expenses		47,421	-
Country Organising		20,029	-
Diminution in Value of Investments		36,115	18,732
Deficit on Disposal of Fixed Assets		-	2,809
Donations		-	250
Functions		10,246	-
Federal Committee of Management Expenses		42,610	66,632
General Expenses		6,945	7,919
Insurance		25,448	24,781
Carried Forward		<u>872,916</u>	<u>899,618</u>

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007 (Cont'd)**

	2007	2006
	\$	\$
Brought Forward	872,916	899,618
ITF Integrators Conferences	-	37,823
Lease Rental Expenses – Operating Leases	8,862	9,840
Legal Fees	54,607	25,841
Meeting Expenses	8,826	-
Motor Vehicle Expenses	16,242	49,525
Official Expenses	16,994	-
Official Expenses Overseas	10,197	-
Reimbursement to Branches	757,137	219,500
Payroll Tax	28,468	48,976
Postage	5,892	36,994
Printing and Stationery	13,452	43,447
Publications	20,511	15,197
Rubbish Removal	11,215	7,196
Reimbursement to S.A./N.T. Branch	39,316	36,629
Records Storage	8,347	4,961
Repairs and Maintenance	8,974	36,123
Rent	74,470	75,780
Seminar and Course fees	4,491	8,084
Staff Amenities	2,904	4,027
Telephone and Faxes	29,263	40,524
Training & Research Projects	231,693	2,207
Travelling Expenses	183,711	102,969
	<u>2,408,488</u>	<u>1,705,261</u>
TOTAL EXPENDITURE	<u>2,852,732</u>	<u>2,926,715</u>
SURPLUS FOR THE YEAR	<u>100,554</u>	<u>613,837</u>

(The accompanying notes form part of this financial report)

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

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	4	617,486	717,957
Receivables	5	<u>890,166</u>	<u>624,994</u>
TOTAL CURRENT ASSETS		<u>1,507,652</u>	<u>1,342,951</u>
NON-CURRENT ASSETS			
Financial Assets	6	8,538,215	8,574,330
Property, Plant and Equipment	7	59,002	67,067
Investment in associate	8	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS		<u>8,597,317</u>	<u>8,641,497</u>
TOTAL ASSETS		<u>10,104,969</u>	<u>9,984,448</u>
CURRENT LIABILITIES			
Payables	9	156,865	139,785
Provision for Accrued Annual Leave		15,383	6,448
Provision for Long Service Leave		<u>-</u>	<u>6,048</u>
TOTAL CURRENT LIABILITIES		<u>172,248</u>	<u>152,281</u>
NET ASSETS		<u>9,932,721</u>	<u>9,832,167</u>
TOTAL ACCUMULATED FUNDS		<u>9,932,721</u>	<u>9,832,167</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 2007**

	Accumulated Funds	Capital Profit Reserve	Total
	\$	\$	\$
Balance at 1 January 2006	4,281,966	4,936,364	9,218,330
Transfer of Funds	4,936,364	(4,936,364)	-
Surplus for the year	<u>613,837</u>	<u>-</u>	<u>613,837</u>
Balance at 31 December 2006	9,832,167	-	9,832,167
Surplus for the year	<u>100,554</u>	<u>-</u>	<u>100,554</u>
Balance at 31 December 2007	<u>9,932,721</u>	<u>-</u>	<u>9,932,721</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 2007**

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		1,586,406	2,007,952
ACTU Levy		270,644	394,280
Interest Received		590,801	576,634
Other Income		174,133	52,966
Payments to Suppliers and Employees		<u>(2,709,225)</u>	<u>(3,102,092)</u>
NET CASH USED IN OPERATING ACTIVITIES	10(b)	<u>(87,241)</u>	<u>(70,260)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Investment		-	72,212
Payment for Property, Plant and Equipment		<u>(13,230)</u>	<u>(12,004)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES		<u>(13,230)</u>	<u>60,208</u>
NET DECREASE IN CASH HELD		(100,471)	(10,052)
Cash at Beginning of Year		<u>717,957</u>	<u>728,009</u>
CASH AT END OF YEAR	10(a)	<u>617,486</u>	<u>717,957</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 2007**

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

Income and Expenditure is accounted for on an accruals basis

(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 2007**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost 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 2007**

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.

Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognised at amortised cost.

(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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

2. 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 assets 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.

3. 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).

4. CASH AND CASH EQUIVALENTS

	2007	2006
	\$	\$
Cash at Bank	613,915	715,388
Cash in Hand	2,700	1,700
Deposits at Call	871	869
	<u>617,486</u>	<u>717,957</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
5. RECEIVABLES			
Accrued Interest		200,856	200,856
Debtors – Branches	11	669,952	338,650
Sundry Debtors		9,888	8,838
Prepayments		9,470	76,650
		<u>890,166</u>	<u>624,994</u>
6. FINANCIAL ASSETS			
Held-to-maturity Investments –amortised cost	16	<u>8,538,215</u>	<u>8,574,330</u>
		8,538,215	8,574,330
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and Equipment – At Cost		81,328	81,328
Less: Accumulated Depreciation		<u>(54,626)</u>	<u>(50,195)</u>
		26,702	31,133
Library – At cost		75,135	75,134
Less: Accumulated Depreciation		<u>(70,620)</u>	<u>(69,153)</u>
		4,515	5,981
Computer Equipment – At cost		75,539	62,309
Less: Accumulated Depreciation		<u>(47,754)</u>	<u>(32,356)</u>
		27,785	29,953
		<u>59,002</u>	<u>67,067</u>

	Office Furniture and Equipment	Library	Computer Equipment	Total
	\$	\$	\$	\$
Balance at 1 January 2007	31,133	5,981	29,953	67,067
Additions	-	-	13,230	13,230
Disposals	-	-	-	-
Depreciation	<u>(4,431)</u>	<u>(1,466)</u>	<u>(15,398)</u>	<u>(21,295)</u>
Balance at 31 December 2007	<u>26,702</u>	<u>4,515</u>	<u>27,785</u>	<u>59,002</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007 \$	2006 \$
8. INVESTMENT IN ASSOCIATE		
Shares in unlisted company – at cost Blue Card Training Pty. Ltd.	<u>100</u>	<u>100</u>
9. PAYABLES		
Creditors	<u>156,865</u>	<u>139,785</u>
	<u>156,865</u>	<u>139,785</u>
10. 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	613,915	715,388
Cash on Hand	2,700	1,700
Deposits at call	<u>871</u>	<u>869</u>
	<u>617,486</u>	<u>717,957</u>
(b) Reconciliation of cash flow from operations with operating result		
Operating Surplus	100,554	613,837
Non Cash Flows in Operating Result		
Depreciation	21,295	18,924
Deficit on Disposal of Assets	-	2,809
Changes in assets and liabilities		
Increase in Payables	17,080	62,407
Decrease in Receivables	(265,172)	(546,450)
Increase/(Decrease) in Employees Entitlements	2,887	(240,519)
Diminution in Value of Investments	<u>36,115</u>	<u>18,732</u>
CASH FLOWS FROM OPERATIONS	<u>(87,241)</u>	<u>(70,260)</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

11. AMOUNTS DUE FROM BRANCHES

	NSW	VIC/TAS	SA & NT	QLD.	WA	Canberra	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2007							
Sustentation Fees	37,040	192,673	6,523	32,194	70,220	-	338,650
A.C.T.U. Affiliation Fees	-	-	-	-	-	-	-
	<u>37,040</u>	<u>192,673</u>	<u>6,523</u>	<u>32,194</u>	<u>70,220</u>	<u>-</u>	<u>338,650</u>
AMOUNTS CHARGED TO BRANCHES							
Sustentation Fees	465,495	654,298	174,462	311,345	325,735	56,687	1,988,022
A.C.T.U. Affiliation Fees	154,202	110,413	28,707	59,405	57,064	9,371	419,162
	<u>619,697</u>	<u>764,711</u>	<u>203,169</u>	<u>370,750</u>	<u>382,799</u>	<u>66,058</u>	<u>2,407,184</u>
AMOUNTS RECEIVED FROM BRANCHES							
Sustentation Fees	363,239	551,956	160,263	307,878	342,145	41,652	1,767,133
A.C.T.U. Affiliation Fees	154,202	-	28,707	59,405	57,064	9,371	308,749
	<u>517,441</u>	<u>551,956</u>	<u>188,970</u>	<u>367,283</u>	<u>399,209</u>	<u>51,023</u>	<u>2,075,882</u>
AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2007							
Sustentation Fees	139,296	295,015	20,722	35,661	53,810	15,035	559,539
A.C.T.U. Affiliation Fees	-	110,413	-	-	-	-	110,413
	<u>139,296</u>	<u>405,428</u>	<u>20,722</u>	<u>35,661</u>	<u>53,810</u>	<u>15,035</u>	<u>669,952</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Note	2007 \$	2006 \$
12. SALARIES			
Officers		328,063	523,398
Employees		<u>1,910</u>	<u>49,070</u>
		<u>329,973</u>	<u>572,468</u>
13. SUPERANNUATION			
Officers		56,055	87,745
Employees		<u>359</u>	<u>9,190</u>
		<u>56,414</u>	<u>96,935</u>
14. REDUNDANCY PAYMENTS			
Officers		-	459,463
Employees		<u>-</u>	<u>49,876</u>
		<u>-</u>	<u>509,339</u>
15. AFFILIATION FEES			
ACTU		207,273	201,455
ITF		-	55,407
ATA		11,655	11,282
ARF		909	1,176
Bus Industry Association		<u>-</u>	<u>15,000</u>
		<u>219,837</u>	<u>284,320</u>
16. HELD TO MATURITY INVESTMENTS			
St George Corporate Bonds - amortised cost		8,574,330	8,593,062
Diminution of Value of Investments		<u>(36,115)</u>	<u>(18,732)</u>
	6	<u>8,538,215</u>	<u>8,574,330</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

17. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable 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) 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.

18. 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.

19. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

	2007	2006
	\$	\$
Not longer than 1 year	76,552	12,312
Longer than 1 year but not longer than 5 years	-	76,522
Longer than 5 years	-	-
	<u>76,552</u>	<u>88,834</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

The Federal Council is exposed to risks that arise from its use of financial instruments. This note describes the Federal Council's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Federal Council's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Federal Council's financial instruments consist mainly of deposits with banks, corporate bonds, trade receivables and payables. The main risks the Federal Council is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The Federal Committee of Management and the Federal Secretary have overall responsibility for the determination of the Federal Council's risk management objectives and policies and whilst retaining ultimate responsibility for them, the Federal Committee of Management and the Federal Secretary makes investment decisions after considering appropriate advice.

(b) Credit Risk

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

There is no concentration of credit risk with respect to current and non-current receivables.

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

	Note	2007 \$	2006 \$
Debtors Branches	5	669,952	338,650
Sundry Debtors		9,888	8,838
Total loans and receivables		679,840	347,488

There has been no history of default and all receivables are likely to be repaid within the expected terms.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. FINANCIAL RISK MANAGEMENT

(c) Liquidity Risk

Liquidity risk is the risk that the Federal Council may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Federal Council is not significantly exposed to this risk, as it has \$617,486 (\$717,957 -2006) of cash and cash equivalents and held to maturity investments of \$8,538,215 (\$8,574,330 – 2006) to meet these obligations as they fall due. Financial liabilities at 31st December 2007 totalled \$156,865 (\$139,785 – 2006)

The Union manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) Interest Rate Risk

The 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 rates on those financial assets and liabilities are summarised below:-

	Fixed interest rate	Floating interest rate	Non- interest bearing	Total
31 December 2007				
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	-	614,786	2,700	617,486
Receivables	-	-	880,696	880,696
Held-to-maturity Investments	<u>8,538,215</u>	-	-	<u>8,538,215</u>
Total financial assets	8,538,215	614,786	883,396	10,036,397
Weighted average Interest rate	5.78%	5.81%		
Financial Liabilities				
Payables	-	-	<u>156,865</u>	<u>156,865</u>
Net financial assets	<u>8,538,215</u>	<u>614,786</u>	<u>726,531</u>	<u>9,879,532</u>
31 December 2006				
Financial Assets				
Cash and cash equivalents	-	716,257	1,700	717,957
Receivables	-	-	548,344	548,344
Held-to-maturity Investments	<u>8,574,330</u>	-	-	<u>8,574,330</u>
	8,574,330	716,257	550,044	9,840,631
Weighted average Interest rate	5.78%	3.66%		
Financial Liabilities				
Payables	-	-	<u>(139,785)</u>	<u>(139,785)</u>
Net financial assets	<u>8,574,330</u>	<u>716,257</u>	<u>410,259</u>	<u>9,700,846</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

20. FINANCIAL RISK MANAGEMENT

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2007	Carrying Amount	+1%	-0.25%
		Profit	Loss
	\$	\$	\$
Cash at Bank	614,786	6,148	1,537
2006	Carrying Amount	+1%	-0.25%
		Profit	Loss
	\$	\$	\$
Cash at Bank	716,257	7,163	1,791

(f) Other Price Risks

The Federal Council does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) Foreign Exchange Risk

The Federal Council is not directly exposed to foreign exchange rate risk.

21. 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.

We have audited the accompanying financial report of Transport Workers' Union of Australia, Federal Council, which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the Federal Committee of Management's statement.

Federal Committee of Management and Federal Secretary's Responsibility for the Financial Report

The Federal Committee of Management and the Federal Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

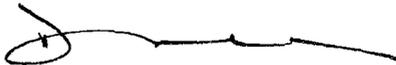
INDEPENDENT AUDIT REPORT (Cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of Transport Workers' Union of Australia, Federal Council is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



A J Williams & Co
Chartered Accountants



David McLean
Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

19 May 2008

TRANSPORT WORKERS' UNION OF AUSTRALIA

FEDERAL COUNCIL

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

**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 2007 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 2007 financial report.

Income Statement and Balance Sheet:

The surplus for the year 2007 year was \$100,554 and when compared with a surplus of \$613,837 for the previous year represents a decrease of \$513,283. The decrease is explained by:

A decrease in Total Income by \$587,266 from \$3,540,552 (2006) to \$2,953,286 (2007). In this regard Sustentation Fees decreased by \$508,521 and Interest Received decreased by \$186,689.

Expenditure decreased by \$73,983 from \$2,926,715 (2006) to \$2,852,732 (2007). In this regard Depreciation increased by \$2,371, Employee benefits expense decreased by \$799,581 and other expenditure increased by \$703,227.

The net assets of the Federal Council have increased by \$100,554 due to the surplus incurred during the year.

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 \$617,486.



ANTHONY SHELDON
SECRETARY

18 May 2008

**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 2007.

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 \$100,554.
4. In accordance with Section 174(1) of the RAO Schedule 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, Mr Anthony Sheldon, Mr Michael Kaine and Mr Wade Noonan.
6. The number of members of the Transport Workers Union of Australia at 31 December 2007 was 83,072.
7. The number of persons who were employees of Federal Council on 31 December 2007 was 3, 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 Hughie Williams	1 January 2007 to 31 December 2007
Mr Jim McGiveron	1 January 2007 to 31 December 2007
Mr Anthony Sheldon	1 January 2007 to 31 December 2007
Mr Bill Noonan	1 January 2007 to 31 December 2007
Mr Alex Gallagher	1 January 2007 to 31 December 2007
Mr Wade Noonan	1 January 2007 to 19 October 2007
Mr Michael Kaine	1 January 2007 to 31 December 2007

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



MR ANTHONY SHELDON



MR ALEX GALLACHER

18 May 2008

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

COMMITTEE OF MANAGEMENT'S STATEMENT

On 18 May 2008 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 2007.

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;
- (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 2007;
- (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 2007 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 2007 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management



MR ANTHONY SHELDON

18 May 2008

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
INCOME		
Sustentation Fees	1,807,295	2,315,816
Trustee Fees Received	40,593	18,000
Interest Received	590,801	777,490
Federal Training Fund	34,641	34,395
ACTU Advertising Campaign	381,057	394,280
Sundry Income	98,899	571
TOTAL INCOME	<u>2,953,286</u>	<u>3,540,552</u>
EXPENDITURE		
Depreciation	<u>21,295</u>	<u>18,924</u>
Employee benefits expense		
Accrued Annual Leave	8,935	(26,022)
Fringe Benefits Tax	33,675	25,839
Long Service Leave	(6,048)	23,971
Salaries	329,973	572,468
Superannuation	56,414	96,935
Redundancy Payments	-	509,339
	<u>422,949</u>	<u>1,202,530</u>
Other expenses		
Advertising	3,045	1,256
Affiliation Fees	219,837	284,320
Accommodation and Meals – Travel	25,295	26,924
ACTU Advertising Campaign	400,000	400,000
Auditors' Remuneration	25,750	32,000
Auditors' Remuneration – prior year	-	28,500
Bank Charges	1,066	5,495
Building Expenses	9,109	-
Campaign Media Expenses	47,421	-
Country Organising	20,029	-
Diminution in Value of Investments	36,115	18,732
Deficit on Disposal of Fixed Assets	-	2,809
Donations	-	250
Functions	10,246	-
Federal Committee of Management Expenses	42,610	66,632
General Expenses	6,945	7,919
Insurance	25,448	24,781
Carried Forward	<u>872,916</u>	<u>899,618</u>

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

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007 (Cont'd)**

	2007	2006
	\$	\$
Brought Forward	872,916	899,618
ITF Integrators Conferences	-	37,823
Lease Rental Expenses – Operating Leases	8,862	9,840
Legal Fees	54,607	25,841
Meeting Expenses	8,826	-
Motor Vehicle Expenses	16,242	49,525
Official Expenses	16,994	-
Official Expenses Overseas	10,197	-
Reimbursement to Branches	757,137	219,500
Payroll Tax	28,468	48,976
Postage	5,892	36,994
Printing and Stationery	13,452	43,447
Publications	20,511	15,197
Rubbish Removal	11,215	7,196
Reimbursement to S.A./N.T. Branch	39,316	36,629
Records Storage	8,347	4,961
Repairs and Maintenance	8,974	36,123
Rent	74,470	75,780
Seminar and Course fees	4,491	8,084
Staff Amenities	2,904	4,027
Telephone and Faxes	29,263	40,524
Training & Research Projects	231,693	2,207
Travelling Expenses	183,711	102,969
	<u>2,408,488</u>	<u>1,705,261</u>
TOTAL EXPENDITURE	<u>2,852,732</u>	<u>2,926,715</u>
SURPLUS FOR THE YEAR	<u>100,554</u>	<u>613,837</u>

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

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	2007	2006
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	617,486	717,957
Receivables	<u>890,166</u>	<u>624,994</u>
TOTAL CURRENT ASSETS	<u>1,507,652</u>	<u>1,342,951</u>
NON-CURRENT ASSETS		
Financial Assets	8,538,215	8,574,330
Property, Plant and Equipment	59,002	67,067
Investment in associate	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS	<u>8,597,317</u>	<u>8,641,497</u>
TOTAL ASSETS	<u>10,104,969</u>	<u>9,984,448</u>
CURRENT LIABILITIES		
Payables	156,865	139,785
Provision for Accrued Annual Leave	15,383	6,448
Provision for Long Service Leave	<u>-</u>	<u>6,048</u>
TOTAL CURRENT LIABILITIES	<u>172,248</u>	<u>152,281</u>
NET ASSETS	<u>9,932,721</u>	<u>9,832,167</u>
TOTAL ACCUMULATED FUNDS	<u>9,932,721</u>	<u>9,832,167</u>

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Accumulated Funds	Capital Profit Reserve	Total
	\$	\$	\$
Balance at 1 January 2006	4,281,966	4,936,364	9,218,330
Transfer of Funds	4,936,364	(4,936,364)	-
Surplus for the year	<u>613,837</u>	<u>-</u>	<u>613,837</u>
Balance at 31 December 2006	9,832,167	-	9,832,167
Surplus for the year	<u>100,554</u>	<u>-</u>	<u>100,554</u>
Balance at 31 December 2007	<u>9,932,721</u>	<u>-</u>	<u>9,932,721</u>

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	2007	2006
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sustentation Fees	1,586,406	2,007,952
ACTU Levy	270,644	394,280
Interest Received	590,801	576,634
Other Income	174,133	52,966
Payments to Suppliers and Employees	<u>(2,709,235)</u>	<u>(3,102,092)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(87,241)</u>	<u>(70,260)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Investment	-	72,212
Payment for Property, Plant and Equipment	<u>(13,230)</u>	<u>(12,004)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(13,230)</u>	<u>60,208</u>
NET DECREASE IN CASH HELD	(100,471)	(10,052)
Cash at Beginning of Year	<u>717,957</u>	<u>728,009</u>
CASH AT END OF YEAR	<u>617,486</u>	<u>717,957</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

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).

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

INDEPENDENT AUDIT REPORT

To the members of the Transport Workers' Union of Australia

Scope

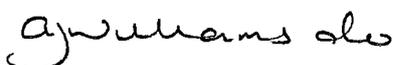
We have audited the concise financial report of Transport Workers' Union of Australia Federal Council for the financial year ended 31 December 2007 comprising the Federal Committee of Management's statement, income statement, balance sheet, statement of changes in accumulated funds and reserves, cash flow statement and notes to the financial statements. The Federal Committee of Management and the Federal Secretary 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 2007. Our audit report on the full financial report was signed on 19 May 2008, 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.

Auditor's 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
Chartered Accountants



David McLean

Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

19 May 2008

Tony Sheldon National Secretary

18 May 2008

A J Williams & Co
Chartered Accountants
Level 19, 2 Market Street
Sydney NSW 2000

Dear Sirs

This representation letter is provided in connection with your audit of the financial report of Transport Workers Union of Australia Federal Council for the year ended 31 December 2007, for the purpose of you expressing an opinion as to whether the financial report is, in all material respects, presented fairly in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations and the Workplace Relations Act, 1996.

We acknowledge our responsibility for ensuring that the financial report is in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act, 1996, and confirm that the financial report is free of material misstatements, including omissions.

We confirm to the best of our knowledge and belief, the following representations made to you during your audit.

INTERNAL CONTROLS

1. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained.
2. All material transactions have been properly recorded in the accounting records underlying the financial report.

ACCOUNTING POLICIES

3. We confirm that there have been no changes to the accounting policies applied in the previous annual financial report or the methods used in applying them.

BALANCE SHEET

Assets - General

4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.



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

5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

Property, Buildings, Plant & Equipment

6. Rates of depreciation applied to reduce book values of individual assets to their estimated residual values, reflect the probable useful lives of those assets to the union. Allowances for depreciation have been adjusted for all items of property, plant and equipment that have been abandoned or are otherwise unusable.
7. Federal Council has no "make good" obligations in respect of its property, plant and equipment for which it would be required to make a restoration provision under AASB 137.
8. Property, plant and equipment is appropriately recorded at the lower of amortised cost or its recoverable amount.
9. Only those items allowed to be capitalised under AASB 116 "Property, Plant and Equipment" have been recorded as additions during the period.

Other Financial Assets/Investments

10. Carrying values of investments (in subsidiaries/associate companies) are written down to recoverable amounts where management have determined that the asset is impaired.
11. Investments which have fixed maturities are intended to be held to maturity by the Federal Council. These are stated at 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 investment expense.

Impairment of Assets

12. We have reviewed the requirements of AASB 136 and have determined that there have been no impairment indicators in the period which would require the performance of impairment testing.

Financial Instruments

13. Federal Council does not trade in derivatives.
14. The sensitivity analyses disclosed in the financial report for foreign currency risk, interest rate risk and other price risk are all based upon reasonably possible fluctuations in currencies, interest rates and prices for the period until the next annual financial report is expected to be signed.
15. All quantitative disclosures in the financial report relating to risk exposures in respect of financial instruments at reporting date are representative of exposures during the financial year.

16. All concentrations of credit risk, liquidity risk and market risk (currency risk, interest rate risk and other price risk) have been properly disclosed in the financial report.
17. Disclosures relating to processes for managing risk in relation to financial instruments reflect actual processes in place during the reporting period.

Receivables

18. Adequate allowance has been made, in the opinion of the federal committee of management, against receivables owing to the federal council at balance date. Such allowance has been made in accordance with AASB 139.

Cash

19. There are no arrangements including restrictions on cash balances, compensating balances and line-of-credit or similar arrangements.

Liabilities

20. All liabilities have been taken up in the financial report.
21. No asset of the federal council was or is pledged as security for any liability, except as follows:

INCOME STATEMENT

Revenue

22. Revenue has been recognised in accordance with AASB 118.

GENERAL

Related Party Transactions

23. We have provided you with details of the identity of all related party relationships and transactions.
24. Details of all material related party transactions have been properly recorded and disclosed in the notes to the financial report.

Contingent Liabilities

25. We are not aware of any pending litigation involving federal council, other than the matters disclosed in the notes to the financial report.
26. Unasserted claims or assessments that our lawyers have advised us are probable of assertion have been recorded in the financial report.
27. All contingent liabilities have been provided or noted in the financial report.

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Commitments

28. There are no other commitments other than as disclosed in the notes to the financial report.

Books, Records and Documentation

29. We have made available to you all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit.

Minutes

30. All minutes of meetings held by the federal committee of management since the previous balance date have been given to you for your inspection. The most recent meetings held were: *FCOM Friday 29 February 2008*.

Compliance with Laws and Regulations

31. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
32. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.
33. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Covenants

34. We have complied with all covenants in contractual agreements that could have a material effect on the financial report in the event of non-compliance.
35. All covenants in loan agreements have been complied with during the reporting period, or remedied before reporting date.
36. There have been no communications concerning non-compliance with requirements of regulatory authorities with respect to financial matters.

Events Subsequent to Balance Date

37. No events have occurred subsequent to the balance date that would require adjustment to, or disclosure in, the financial report.
38. No events have occurred subsequent to balance date that are not sufficiently material to require disclosure in the notes to the financial report, but should be disclosed to shareholders through some other medium.

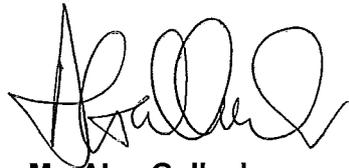
Fraud

39. We acknowledge our responsibility for the design, implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.
40. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
41. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the federal council and which involved management, employees who have significant roles in internal control or others where the fraud could have a material effect on the financial report.
42. We have disclosed to you any knowledge we have of allegations of fraud or suspected fraud which has been communicated to us by employees, former employees, analysts, regulators etc, and which may have affected the entity's financial report.

Yours faithfully



Mr. Anthony Sheldon



Mr. Alex Gallacher