



FAIR WORK
AUSTRALIA

29 June 2011

Mr Anthony Sheldon
National Secretary
Transport Workers' Union of Australia
National Office
388-390 Sussex Street
SYDNEY NSW 2000
By email: twu@twu.com.au

Copy: Ms Patricia Sweeney
Finance Manager
patricia.sweeney@twu.com.au

Dear Mr Sheldon

**Financial report for year ended 31 December 2010 – FR2010/2865
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the full report and concise report for year ended 31 December 2010 for the National Office of the Transport Workers' Union of Australia. The full report was lodged with Fair Work Australia on 14 June, the designated officer's certificate was lodged 22 June, the concise report was lodged on 27 June and the s237 statement of loans grants and donations was lodged on 28 June 2011.

The s237 statement has been placed on a file that is not available to the general public but may be inspected during office hours by a member of your organisation in accordance with s237(4) of the RO Act.

The full report and concise report have been filed.

Although the reports have been filed please note the following comments and promptly make the necessary changes to your financial reporting templates to ensure the following requirements are implemented in readiness for future financial reports.

1. Separation of employee benefits - office holders and employees other than office holders

Item 14(c) and (d) of the Reporting Guidelines require the balance sheet liabilities to disclose separate figures for the provision for accrued annual leave and for long service leave in respect to employees that are office holders and employees other than office holders. This requirement for separate disclosure was requested last year in our letter dated 27 August 2010.

However, it has been noted that separate figures were provided in Notes 12 and 13 in relation to salaries and superannuation for office holders and employees other than office holders. Please ensure similar separate disclosures appear in the balance sheet in future financial reports.

2. First page of Concise Report

AASB 1039(33) of the Australian Accounting Standards require “(t)he first page of the concise financial report to prominently display advice to the effect that:

- (a) *the concise financial report is an extract from the financial report;*
- (b) *the financial statements and specific disclosures included in the concise financial report have been derived from the financial report;*
- (c) *the concise financial report cannot be expected to provided as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the financial report; and*
- (d) *further financial information can be obtained from the financial report and that the financial report is available, free of charge, on request to the entity.”*

The filed concise report only had the advice in paragraphs (b) and (d) on the first page, paragraph (c) on page 9 in Note 1, and paragraph (a) did not appear in the concise report. If the reporting unit continues to provide concise reports to their members, please ensure AASB 1039(33) is complied with.

Additionally, section 265(3)(d) of the RO Act requires a copy of the auditor’s opinion on the full report to be included in the concise report.

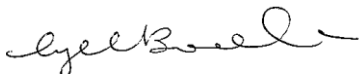
Again, both of these matters were brought to the reporting unit’s attention in our letter dated 27 August 2010. Please ensure the necessary amendments are promptly made to your template documents to ensure the changes are implemented in readiness for next year’s financial report.

3. Timeline of Events

Sections 265(5) and 268 of the RO Act place timelines on the performance of certain reporting obligations. Please note that a full report or concise report must be provided to members within 5 months starting at the end of the financial year (31 May) and the full report, concise report and designated officer’s certificate must be lodged with FWA within 14 days after the presentation of the full report at a s266 meeting. Please ensure that these timeline requirements are met in future.

If you have any queries please do not hesitate to contact me on (03) 8661 7989 or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely



Cynthia Lo-Booth
Tribunal Services and Organisations

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

**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 2010 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 2010 financial report.

Statement of Comprehensive Income and Statement of Financial Position:

The Deficit for the year 2010 year was \$518,883 and when compared with a surplus of \$24,469 for the previous year represents a decrease of \$543,352. The decrease is explained by the Federal Council's decision to intensify its 'Safe Rates' campaign ahead of the introduction of major Federal Legislation:

An increase in Total Income by \$538,191 from \$2,706,937 (2009) to \$3,245,128 (2010). In this regard Interest Received increased by \$96,377, Sustainment Fees increased by \$203,157, Grant Income increased by \$39,528 while Trustee Fees Received decreased by \$3,332.

Expenditure increased by \$1,081,543 from \$2,682,468 (2009) to \$3,764,011 (2010). In this regard, Affiliation fees increased by \$115,520, Employee Benefits expenses increased by \$514,092 while Reimbursement to Branches decreased by \$92,010.

Increases in Wages 36% Rent 40% Travel and Meeting expenses 45% Telephone 42%
The Increase can be explained by the move to new premises and an increase in employees and associated costs caused by the employment of new and additional staff to work on the Union's 'Safe Rates' campaign.

The net assets of the Federal Council have decreased by \$544,486 due to the deficit for the year of \$518,883 and a decrease in the value of available-for-sale financial assets of \$25,603 for the year that has been debited to the available-for-sale Investment Reserve.

Statement of Cash Flows:

The cash flow of Federal Council has been managed to ensure liabilities are met when they fall due. The decrease of \$1,025,254 in net cash held reflects the excess of cash payments over cash receipts for the year. Cash at the end of year amounted to \$7,860,094.


.....
ANTHONY SHELDON
SECRETARY

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


16 May 2011

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 2010.

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 deficit for the year of \$518,883.
4. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009 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 Anthony Sheldon and Mr Michael Kaine.
6. The number of members of the Transport Workers Union of Australia at 31 December 2010 was 84,102.
7. The number of persons who were employees of Federal Council on 31 December 2010 was 17, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
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
Anthony Sheldon	1 January 2010 to 31 December 2010
Michael Kaine	1 January 2010 to 31 December 2010
Hughie Williams	1 January 2010 to 31 December 2010
Jim McGiveron	1 January 2010 to 31 December 2010
Wayne Mader	1 January 2010 to 31 December 2010
Alex Gallacher	1 January 2010 to 31 December 2010

 **WAYNE FOKNO** 1 JANUARY 2010 to 31 DECEMBER 2010
Signed in accordance with a resolution of the Federal Committee of Management.


.....
ANTHONY SHELDON


.....
WAYNE MADER

16 May 2011

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

FEDERAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 16 May 2011 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 2010.

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 guidelines of the General Manager of Fair Work Australia;
- (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 2010;
- (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 2010 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulation 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made for inspection of the financial records by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009;
- (f) during the financial year ended 31 December 2010 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management


.....
ANTHONY SHELDON

16 May 2011

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
INCOME		
Sustentation Fees	2,325,949	2,122,792
ACTU Contributions	63,707	-
Distribution from Available-for-sale Financial Assets	28,616	6,731
Federal Training Fund	31,908	30,922
Grant Income	137,528	98,000
Interest Received	443,212	346,835
Sundry Income	49,784	50,325
Sponsorship TWU Super	66,525	-
Trustee Fees Received	48,000	51,332
ITF	49,899	-
TOTAL INCOME	<u>3,245,128</u>	<u>2,706,937</u>
EXPENDITURE		
Depreciation	<u>60,601</u>	<u>27,929</u>
Employee benefits expense		
Accrued Annual Leave	18,069	37,022
Accrued LSL	11,573	-
Fringe Benefits Tax	27,548	5,935
Salaries	1,222,931	766,990
Superannuation	135,317	91,309
	<u>1,415,348</u>	<u>901,256</u>
Other expenses		
Advertising	16,771	11,346
Affiliation Fees	365,279	249,759
Accommodation and Meals – Travel	30,193	43,002
ACTU Levy	80,000	-
Auditors' Remuneration	18,000	23,000
Auditors' Remuneration – prior year	-	8,599
Bank Charges	2,484	3,112
Building Expenses	9,216	2,434
Campaign Media Expenses	43,068	42,023
Country Organising	11,819	20,070
Computer Repairs	47,798	-
Donations	14,692	-
Functions	21,304	11,100
Federal Committee of Management Expenses	58,070	94,091
Federal Council	85,459	-
General Expenses	5,114	6,245
Carried forward	<u>809,267</u>	<u>514,781</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010 (Cont'd)**

	2010	2009
	\$	\$
Brought Forward	809,267	514,781
Insurance	22,066	19,867
Lease Rental Expenses – Operating Leases	18,888	14,620
Legal & Professional Fees	44,166	31,199
Loss on Disposal of Assets	9,111	3,106
Meeting Expenses	23,283	4,216
Merchandise	9,712	-
Motor Vehicle Expenses	39,243	30,898
Officials Expenses	8,426	14,256
Officials Expenses Overseas	16,091	11,747
Organising Assistance	72,503	70,000
Reimbursement to Branches	468,187	560,197
Payroll Tax	76,126	46,101
Postage	4,992	9,663
Printing and Stationery	39,321	25,114
Publications	10,945	14,802
Rubbish Removal	-	87
Reimbursement to S.A./N.T. Branch	41,675	38,409
Records Storage	7,370	9,387
Repairs and Maintenance	8,645	30,094
Rent	96,666	57,814
Seminar and Course Fees	13,706	13,443
Staff Amenities	2,489	2,421
Telephone and Faxes	81,263	46,791
Training & Research Projects	5,821	16,262
Travelling Expenses	255,500	159,952
TUF FWEIP Project Expense	94,346	2,241
Workers Compensation	8,254	5,815
	<u>2,288,062</u>	<u>1,753,283</u>
TOTAL EXPENDITURE	<u>3,764,011</u>	<u>2,682,468</u>
(DEFICIT) / SURPLUS FOR THE YEAR	<u>(518,883)</u>	<u>24,469</u>
OTHER COMPREHENSIVE INCOME		
(Decrease) / Increase in Value of Available-for-Sale Financial Assets	<u>(25,603)</u>	<u>118,779</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>(25,603)</u>	<u>118,779</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(544,486)</u>	<u>143,248</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

	2010	2009
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	7,860,094	8,885,348
Receivables	933,612	685,518
Available-for-sale Financial Assets	1,018,176	543,779
TOTAL CURRENT ASSETS	<u>9,811,882</u>	<u>10,114,645</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	392,086	198,622
Investment in Associate	100	100
TOTAL NON-CURRENT ASSETS	<u>392,186</u>	<u>198,722</u>
TOTAL ASSETS	<u>10,204,068</u>	<u>10,313,367</u>
CURRENT LIABILITIES		
Payables	569,021	168,247
Provision for Accrued Annual Leave	89,624	66,784
Provision for Long Service Leave	11,573	-
TOTAL CURRENT LIABILITIES	<u>670,218</u>	<u>235,031</u>
NET ASSETS	<u>9,533,850</u>	<u>10,078,336</u>
Accumulated Funds	9,440,674	9,959,557
Available for Sale Reserve	93,176	118,779
TOTAL EQUITY	<u>9,533,850</u>	<u>10,078,336</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2010

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2009	9,935,088	-	9,935,088
Surplus for the year	24,469	-	24,469
Other Comprehensive Income			
Increase in fair value of Available- for-sale financial assets	-	118,779	<u>118,779</u>
Total Comprehensive Income	<u> </u>	<u> </u>	<u>143,248</u>
Balance at 31 December 2009	<u>9,959,557</u>	<u>118,779</u>	<u>10,078,336</u>
(Deficit) for the year	(518,883)	-	(518,883)
Other Comprehensive Income			
(Decrease) in fair value of Available-for-sale financial assets	-	(25,603)	<u>(25,603)</u>
Total Comprehensive Income	<u> </u>	<u> </u>	<u>(544,486)</u>
Balance at 31 December 2010	<u>9,440,674</u>	<u>93,176</u>	<u>9,533,850</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sustentation Fees	2,680,313	2,329,313
ACTU Contributions	111,574	-
Interest and Distributions Received	336,948	320,689
Grants Received	137,528	98,000
Other Income	136,270	145,817
Payments to Suppliers and Employees	<u>(3,664,711)</u>	<u>(3,003,055)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(262,078)</u>	<u>(109,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Available-for-sale Investment	(500,000)	(425,000)
Payment for Property, Plant and Equipment	(293,450)	(176,104)
Proceeds from Sale of Property, Plant & Equipment	<u>30,274</u>	<u>8,800</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(763,176)</u>	<u>(592,304)</u>
NET DECREASE IN CASH HELD	(1,025,254)	(701,540)
Cash at Beginning of Year	<u>8,885,348</u>	<u>9,586,888</u>
CASH AT END OF YEAR	<u>7,860,094</u>	<u>8,885,348</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

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 Fair Work (Registered Organisations) Act 2009.

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 THE GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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: CONTINGENT LIABILITY

A claim for damages and penalties has been brought against the union by Qantas. The action is being defended. A cross-claim has been filed by the Union against Qantas. The Union is seeking penalties. Legal advice indicates that it is not practicable to estimate the potential liability of the Qantas claim at this stage.

The Fair Work Ombudsman has also filed a claim seeking penalties against the Union arising out of the same event. Legal advice indicates that it is not practicable to estimate the potential liability of the Fair Work Ombudsman claim at this stage. However it is noted that the Ombudsman provided undertakings to the court that it would pay the Union's costs incurred in meeting the claim insofar as those costs relate to matters also raised in the Qantas claim.

INDEPENDENT AUDITOR'S 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 2010 comprising the Federal Committee of Management's statement, statement of comprehensive income, statement of financial position, statement of changes in accumulated funds and reserves, statement of cash flows 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 2010. Our audit report on the full financial report was signed on 16 May 2011, 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 Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion, the concise financial report of Transport Workers' Union of Australia Federal Council complies with Accounting Standards and the Fair Work (Registered Organisations) Act 2009.



BDO Audit (NSW-VIC) Pty Ltd



David McLean

Director

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

16 May 2011

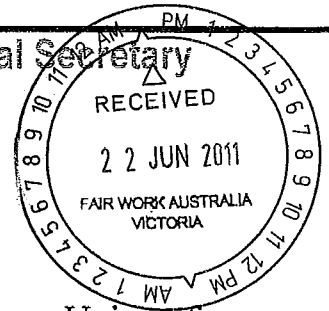


Transport Workers' Union

National Office

388-390 Sussex St, Sydney 2000 NSW • p: (02) 8114 6500 • f: (02) 9267 3222
 www.twu.com.au • fax@twu.com.au • ABN: 18 559 030 246

Tony Sheldon National Secretary



Certificate

I, Anthony Sheldon, being the National Secretary of the Transport Workers Union of Australia certify:

The Documents lodged herewith are copies of the full and concise report referred to in s268 of the RAO Schedule:

The Concise report was provided to members on the 7 June 2011.

That the full report was presented to a meeting of the Federal Committee of Management of the reporting union on the 16 May 2011; in accordance with section 266 of the RAO Schedule.

Anthony Sheldon
 National Secretary
 14 June 2011



NSW State Secretary
 Wayne Forno

Vic/Tas State Secretary
 Wayne Mader

Qld State Secretary
 Hughie Williams

WA State Secretary
 Jim McGiveron

SA/NT State Secretary
 Alex Gallacher

FCOM resolved as follows:

(i) *that the Operating Report for the Financial year ended 31 December 2010 be signed by both the Secretary and the President;*

(ii) *FCOM declares in relation to the general purpose financial report (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 General Manager of Fair Work Australia;*
- (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 2010;*
- (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 2010 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 Fair Work (Registered Organisations) Act 2009 Fair work (Registered Organisations) Regulation 2009; and*
 - iv. *The financial records of the reporting unit have been kept, as 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; 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 2010 the Federal Council did not participate in any recover of wages activity;*

(iii) *that the Federal Secretary sign the Federal Committee of Management Statement which includes the required declaration.*

(iv) *that the Secretary sign the concise report and the financial analysis it contains; and*

(v) *that the concise report be provided to members through the branches*

Moved

Peter Biagini

Seconded

Jim McGiveron



Transport Workers' Union

National Office

333-390 Sussex St, Sydney 2000 NSW • p (02) 8114 6500 • f (02) 9267 3222

www.twu.com.au • twu@twu.com.au • ABN 18 559 030 248

Tony Sheldon National Secretary

30th May 2011

Fair Work Australia
GPO Box 1994S
Melbourne VIC 3001



Re: Annual Return for Year Ended 31st December, 2010

Please find attached Financial Statements & Certificate of Authorised Officer for year ended 31st December, 2010.

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

Yours truly,

Patricia Sweeney

Finance Manager



NSW State Secretary
Wayne Forno

Vic/Tas State Secretary
Wayne Mader

Qld State Secretary
Peter Biagini

WA State Secretary
Jim McGiveron

SA/NT State Secretary
Ray Wyatt



TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

**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 2010.

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 deficit for the year of \$518,883.
4. In accordance with Section 174(1) of the Fair Work (Registered Organisations) Act 2009 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 Anthony Sheldon and Mr Michael Kaine.
6. The number of members of the Transport Workers Union of Australia at 31 December 2010 was 84,102.
7. The number of persons who were employees of Federal Council on 31 December 2010 was 17, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
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
Anthony Sheldon	1 January 2010 to 31 December 2010
Michael Kaine	1 January 2010 to 31 December 2010
Hughie Williams	1 January 2010 to 31 December 2010
Jim McGiveron	1 January 2010 to 31 December 2010
Wayne Mader	1 January 2010 to 18 November 2010
Alex Gallacher	1 January 2010 to 31 December 2010

WM
WAYNE MADER 1 JANUARY 2010 TO 31 DECEMBER 2010
Signed in accordance with a resolution of the Federal Committee of Management.

AS
.....
ANTHONY SHELDON

WM
.....
WAYNE MADER

16 May 2011

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

FEDERAL COMMITTEE OF MANAGEMENT'S STATEMENT

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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 guidelines of the General Manager of Fair Work Australia;
- (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 2010;
- (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 2010 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulation 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made for inspection of the financial records by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009;
- (f) during the financial year ended 31 December 2010 the Federal Council did not participate in any recovery of wages activity.

For the Federal Committee of Management


.....
ANTHONY SHELDON

16 May 2011

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
INCOME			
Sustentation Fees		2,325,949	2,122,792
ACTU Contributions		63,707	-
Distribution from Available-for-sale Financial Assets		28,616	6,731
Federal Training Fund		31,908	30,922
Grant Income		39,659	34,000
Interest Received		443,212	346,835
Sundry Income		117,308	50,325
Trustee Fees Received		48,000	51,332
TUF FWEIP Grant		96,870	64,000
ITF		49,899	-
TOTAL INCOME		<u>3,245,128</u>	<u>2,706,937</u>
EXPENDITURE			
Depreciation		<u>60,601</u>	<u>27,929</u>
Employee benefits expense			
Accrued Annual Leave		18,069	37,022
Accrued LSL		11,573	-
Fringe Benefits Tax		27,548	5,935
Salaries	12	1,222,931	766,990
Superannuation	13	<u>135,317</u>	<u>91,309</u>
		<u>1,415,348</u>	<u>901,256</u>
Other expenses			
Advertising		16,771	11,346
Affiliation Fees	14	365,279	249,759
Accommodation and Meals – Travel		30,193	43,002
ACTU Levy		80,000	-
Auditors' Remuneration		18,000	23,000
Auditors' Remuneration – prior year		-	8,599
Bank Charges		2,484	3,112
Building Expenses		9,216	2,434
Campaign Media Expenses		43,068	42,023
Country Organising		11,819	20,070
Computer Repairs		47,798	-
Donations		14,692	-
Functions		21,304	11,100
Federal Committee of Management Expenses		58,070	94,091
Federal Council		85,459	-
General Expenses		<u>5,114</u>	<u>6,245</u>
Carried forward		<u>809,267</u>	<u>514,781</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2010 (Cont'd)**

	2010	2009
	\$	\$
Brought Forward	809,267	514,781
Insurance	22,066	19,867
Lease Rental Expenses – Operating Leases	18,888	14,620
Legal & Professional Fees	44,166	31,199
Loss on Disposal of Assets	9,111	3,106
Meeting Expenses	23,283	4,216
Merchandise	9,712	-
Motor Vehicle Expenses	39,243	30,898
Officials Expenses	8,426	14,256
Officials Expenses Overseas	16,091	11,747
Organising Assistance	72,503	70,000
Reimbursement to Branches	468,187	560,197
Payroll Tax	76,126	46,101
Postage	4,992	9,663
Printing and Stationery	39,321	25,114
Publications	10,945	14,802
Rubbish Removal	-	87
Reimbursement to S.A./N.T. Branch	41,675	38,409
Records Storage	7,370	9,387
Repairs and Maintenance	8,645	30,094
Rent	96,666	57,814
Seminar and Course Fees	13,706	13,443
Staff Amenities	2,489	2,421
Telephone and Faxes	81,263	46,791
Training & Research Projects	5,821	16,262
Travelling Expenses	255,500	159,952
TUF FWEIP Project Expense	94,346	2,241
Workers Compensation	8,254	5,815
	<u>2,288,062</u>	<u>1,753,283</u>
TOTAL EXPENDITURE	<u>3,764,011</u>	<u>2,682,468</u>
(DEFICIT) / SURPLUS FOR THE YEAR	<u>(518,883)</u>	<u>24,469</u>
OTHER COMPREHENSIVE INCOME		
(Decrease) / Increase in Value of Available-for-Sale Financial Assets	<u>(25,603)</u>	<u>118,779</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR	<u>(25,603)</u>	<u>118,779</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(544,486)</u>	<u>143,248</u>

(The accompanying notes form part of this financial report)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	7,860,094	8,885,348
Receivables	5	933,612	685,518
Available-for-sale Financial Assets	6	<u>1,018,176</u>	<u>543,779</u>
TOTAL CURRENT ASSETS		<u>9,811,882</u>	<u>10,114,645</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	392,086	198,622
Investment in Associate	8	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS		<u>392,186</u>	<u>198,722</u>
TOTAL ASSETS		<u>10,204,068</u>	<u>10,313,367</u>
CURRENT LIABILITIES			
Payables	9	569,021	168,247
Provision for Accrued Annual Leave		89,624	66,784
Provision for Long Service Leave		<u>11,573</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>670,218</u>	<u>235,031</u>
NET ASSETS		<u>9,533,850</u>	<u>10,078,336</u>
Accumulated Funds		9,440,674	9,959,557
Available for Sale Reserve		<u>93,176</u>	<u>118,779</u>
TOTAL EQUITY		<u>9,533,850</u>	<u>10,078,336</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 2010**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2009	9,935,088	-	9,935,088
Surplus for the year	24,469	-	24,469
Other Comprehensive Income			
Increase in fair value of Available- for-sale financial assets	-	118,779	<u>118,779</u>
Total Comprehensive Income	<u> </u>	<u> </u>	<u>143,248</u>
Balance at 31 December 2009	<u>9,959,557</u>	<u>118,779</u>	<u>10,078,336</u>
(Deficit) for the year	(518,883)	-	(518,883)
Other Comprehensive Income			
(Decrease) in fair value of Available-for-sale financial assets	-	(25,603)	<u>(25,603)</u>
Total Comprehensive Income	<u> </u>	<u> </u>	<u>(544,486)</u>
Balance at 31 December 2010	<u>9,440,674</u>	<u>93,176</u>	<u>9,533,850</u>

(The accompanying notes form part of this financial report)

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		2,680,313	2,329,313
ACTU Contributions		115,574	-
Interest and Distributions Received		336,948	320,689
Grants Received		136,529	98,000
Other Income		137,269	145,817
Payments to Suppliers and Employees		<u>(3,668,711)</u>	<u>(3,003,055)</u>
NET CASH USED IN OPERATING ACTIVITIES	10(b)	<u>(262,078)</u>	<u>(109,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Available-for-sale Investment		(500,000)	(425,000)
Payment for Property, Plant and Equipment		(293,450)	(176,104)
Proceeds from Sale of Property, Plant & Equipment		<u>30,274</u>	<u>8,800</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(763,176)</u>	<u>(592,304)</u>
NET DECREASE IN CASH HELD		(1,025,254)	(701,540)
Cash at Beginning of Year		<u>8,885,348</u>	<u>9,586,888</u>
CASH AT END OF YEAR	10(a)	<u>7,860,094</u>	<u>8,885,348</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 2010**

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 Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009 the Federal Council is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. 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 2010**

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 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 statement of comprehensive income 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 2010**

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. Unrealised gains or losses on these investments are recognised directly to equity in the Available-for-Sale Investments Reserve until the investment is sold or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported for that asset is included in the statement of comprehensive income.

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 statement of financial position 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 2010**

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 amounts 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 amounts of assets and liabilities.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL
MANAGER OF FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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

	2010	2009
	\$	\$
Cash at Bank	557,319	881,873
Cash in Hand	2,000	2,700
Deposits at Call	775	775
Term Deposit	<u>7,300,000</u>	<u>8,000,000</u>
	<u>7,860,094</u>	<u>8,885,348</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
5. RECEIVABLES			
Accrued Interest & Distributions		167,757	32,877
Debtors – Branches	11	695,028	629,276
Sundry Debtors		59,717	6,084
Prepayments		11,110	17,281
		<u>933,612</u>	<u>685,518</u>
6. AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Integrity Australian Share Fund – Fair Value		<u>1,018,176</u>	<u>543,779</u>
		<u>1,018,176</u>	<u>543,779</u>
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and Equipment – At Cost		155,410	88,536
Less: Accumulated Depreciation		<u>(77,655)</u>	<u>(61,857)</u>
		<u>77,755</u>	<u>26,679</u>
Library – At cost		75,135	75,135
Less: Accumulated Depreciation		<u>(75,017)</u>	<u>(73,551)</u>
		<u>118</u>	<u>1,584</u>
Computer Equipment – At cost		274,256	111,413
Less: Accumulated Depreciation		<u>(90,855)</u>	<u>(72,447)</u>
		<u>183,401</u>	<u>38,966</u>
Motor Vehicles – At cost		163,085	141,952
Less: Accumulated Depreciation		<u>(32,273)</u>	<u>(10,559)</u>
		<u>130,812</u>	<u>131,393</u>
		<u>392,086</u>	<u>198,622</u>

	Office Furniture and Equipment \$	Library \$	Computer Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 January 2010	26,679	1,584	38,966	131,393	198,622
Additions	66,873	-	164,742	61,835	293,450
Disposals	-	-	(1,900)	(37,485)	(39,385)
Depreciation	<u>(15,797)</u>	<u>(1,466)</u>	<u>(18,407)</u>	<u>(24,931)</u>	<u>(60,601)</u>
Balance at 31 December 2010	<u>77,755</u>	<u>118</u>	<u>183,401</u>	<u>130,812</u>	<u>392,086</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
8. INVESTMENT IN ASSOCIATE		
Shares in unlisted company – at cost Blue Card Training Pty. Ltd.	<u>100</u>	<u>100</u>
9. PAYABLES		
Creditors	481,021	168,247
ACTU Levy Payable	<u>88,000</u>	<u>-</u>
	<u>569,021</u>	<u>168,247</u>
10. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes: Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.		
Cash at Bank	557,319	881,873
Cash on Hand	2,000	2,700
Deposits at call	775	775
Term Deposit	<u>7,300,000</u>	<u>8,000,000</u>
	<u>7,860,094</u>	<u>8,885,348</u>
(b) Reconciliation of cash flow from operations with operating result		
Operating (Deficit)/Surplus	(518,883)	24,469
Non Cash Flows in Operating Result		
Depreciation	60,601	27,929
Loss on Disposal of Assets	9,111	3,106
Changes in assets and liabilities		
Increase/(Decrease) in Payables	400,774	(184,481)
(Increase) in Receivables	(248,094)	(18,157)
Increase in Employees Entitlements	<u>34,413</u>	<u>37,898</u>
CASH FLOWS FROM OPERATIONS	<u>(262,078)</u>	<u>(109,236)</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

11. AMOUNTS DUE FROM BRANCHES

	NSW	VIC/TAS	SA & NT	QLD.	WA	Canberra	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2010							
Sustentation Fees	209,925	179,844	20,539	39,939	62,498	4,957	517,702
A.C.T.U. Affiliation Fees	-	111,574	-	-	-	-	111,574
Other	-	-	-	-	-	-	-
	<u>209,925</u>	<u>291,418</u>	<u>20,539</u>	<u>39,939</u>	<u>62,498</u>	<u>4,957</u>	<u>629,276</u>
AMOUNTS CHARGED TO BRANCHES							
Sustentation Fees	892,388	678,528	166,311	359,543	398,567	63,207	2,558,544
A.C.T.U. Affiliation Fees	24,808	19,030	4,862	10,471	10,906	-	70,077
Other	69,026	104,543	46,291	73,171	73,256	-	366,287
	<u>986,222</u>	<u>802,101</u>	<u>217,464</u>	<u>443,185</u>	<u>482,729</u>	<u>63,207</u>	<u>2,994,908</u>
AMOUNTS RECEIVED FROM BRANCHES							
Sustentation Fees	946,737	742,035	168,668	364,121	395,566	63,186	2,680,313
A.C.T.U. Affiliation Fees	-	111,574	-	-	-	-	111,574
Other	10,460	1,477	746	53,635	70,951	-	137,269
	<u>957,197</u>	<u>855,086</u>	<u>169,414</u>	<u>417,756</u>	<u>466,517</u>	<u>63,186</u>	<u>2,929,156</u>
AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2010							
Sustentation Fees	155,576	116,337	18,182	35,361	65,499	4,978	395,933
A.C.T.U. Affiliation Fees	24,808	19,030	4,862	10,471	10,906	-	70,077
Other	58,566	103,066	45,545	19,536	2,305	-	229,018
	<u>238,950</u>	<u>238,433</u>	<u>68,589</u>	<u>65,368</u>	<u>78,710</u>	<u>4,978</u>	<u>695,028</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010 \$	2009 \$
12. SALARIES		
Elected Officials	233,896	221,870
Staff – Other	989,035	545,120
	<u>1,222,931</u>	<u>766,990</u>
13. SUPERANNUATION		
Elected Officials	41,129	30,044
Staff - Other	94,188	61,265
	<u>135,317</u>	<u>91,309</u>
14. AFFILIATION FEES		
ACTU	240,000	214,918
ITF	85,779	-
ATA	26,500	26,500
ALC	5,500	4,591
Bus Industry Association	7,500	3,750
	<u>365,279</u>	<u>249,759</u>

15. 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.

16. 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

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

17. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments – Office Equipment

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

	2010	2009
	\$	\$
Not longer than 1 year	24,924	16,851
Longer than 1 year but not longer than 5 years	49,848	38,920
	<u>74,772</u>	<u>55,771</u>

18. 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.

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, investment in a managed fund, 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, credit risk and equity price 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 make 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 receivables.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. FINANCIAL RISK MANAGEMENT

(b) Credit Risk (Cont'd)

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:

	2010	2009
	\$	\$
Cash and Cash Equivalents	7,858,094	8,882,648

The cash and cash equivalents are held in high quality Australian financial institutions.

	Note	2010	2009
		\$	\$
Debtors Branches	5	695,028	629,276
Accrued Interest & Distributions	5	167,757	32,877
Sundry Debtors	5	59,717	6,084
Total loans and receivables		<u>922,502</u>	<u>668,237</u>

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

(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 \$7,860,094 (\$8,885,348 -2009) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 December 2010 totalled \$569,021 (\$168,247 - 2009)

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:

TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010

18. FINANCIAL RISK MANAGEMENT

(e) Interest Rate Risk (Cont'd)

	Fixed interest rate \$	Floating interest rate \$	Non- interest bearing \$	Total \$
31 December 2010				
Financial Assets				
Cash and cash equivalents	7,300,000	558,094	2,000	7,860,094
Receivables	-	-	922,502	922,502
Available-for-sale financial assets	-	-	1,018,176	1,018,176
Total financial assets	7,300,000	558,094	1,942,678	9,800,772
Weighted average Interest rate	6.07%	0.98%		
Financial Liabilities				
Payables	-	-	569,021	569,021
Net financial assets	7,300,000	558,094	1,373,657	9,231,751
	Fixed interest rate \$	Floating interest rate \$	Non- interest bearing \$	Total \$
31 December 2009				
Financial Assets				
Cash and cash equivalents	8,000,000	882,648	2,700	8,885,348
Receivables	-	-	668,237	668,237
Available-for-sale financial assets	-	-	543,779	543,779
Total financial assets	8,000,000	882,648	1,214,716	10,097,364
Weighted average Interest rate	4.40%	2.81%		
Financial Liabilities				
Payables	-	-	168,247	168,247
Net financial assets	8,000,000	882,648	1,046,469	9,929,117

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. FINANCIAL RISK MANAGEMENT

(e) Interest Rate Risk (Cont'd)

Sensitivity Analysis

2010	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash at Bank	558,094	5,581	(5,581)

2009	Carrying Amount	+1% (100 basis points) Profit	-1% (100 basis points) Loss
	\$	\$	\$
Cash at Bank	882,648	8,826	(8,826)

(f) Other Price Risks

The Federal Council invests surplus cash in a managed fund, and in doing so it exposes itself to the fluctuations in price that are inherent in such a market. The Federal Council manages other price risks by monitoring the allocations made by the fund. The Federal Council's exposure to equity price risk is as follows:

	2010	2009		2010	2009
Fund Allocation (%):			Fund Allocation (\$):		
Cash	1.5%	1.5%	Cash	15,273	8,157
Australian Shares	<u>98.5%</u>	<u>98.5%</u>	Australian Shares	<u>1,002,903</u>	<u>535,622</u>
Total	<u>100%</u>	<u>100%</u>	Total	<u>1,018,176</u>	<u>543,779</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. FINANCIAL RISK MANAGEMENT (Cont'd)

Sensitivity Analysis - Managed Funds (external)

2010	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash	<u>15,273</u>	<u>153</u>	<u>(153)</u>
	Carrying Amount	+ 15 % Other Equity Profit	- 15 % Other Equity Loss
	\$	\$	\$
Australian Shares	<u>1,002,903</u>	<u>150,435</u>	<u>(150,435)</u>
Total	<u>1,018,176</u>	<u>150,588</u>	<u>(150,588)</u>

Sensitivity Analysis - Managed Funds (external)

2009	Carrying Amount	+1.00% (100 basis points) Other Equity Profit	-1.00% (100 basis points) Other Equity Loss
	\$	\$	\$
Cash	<u>8,157</u>	<u>82</u>	<u>(82)</u>
	Carrying Amount	+ 15 % Other Equity Profit	- 15 % Other Equity Loss
	\$	\$	\$
Australian Shares	<u>535,622</u>	<u>80,343</u>	<u>(80,343)</u>
Total	<u>543,779</u>	<u>80,425</u>	<u>(80,425)</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

18. FINANCIAL RISK MANAGEMENT (Cont'd)

(g) Foreign Exchange Risk

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

19. CONTINGENT LIABILITY

A claim for damages and penalties has been brought against the union by Qantas. The action is being defended. A cross-claim has been filed by the Union against Qantas. The Union is seeking penalties. Legal advice indicates that it is not practicable to estimate the potential liability of the Qantas claim at this stage.

The Fair Work Ombudsman has also filed a claim seeking penalties against the Union arising out of the same event. Legal advice indicates that it is not practicable to estimate the potential liability of the Fair Work Ombudsman claim at this stage. However it is noted that the Ombudsman provided undertakings to the court that it would pay the Union's costs incurred in meeting the claim insofar as those costs relate to matters also raised in the Qantas claim.

20. UNION DETAILS

The registered office and the principal place of business of the Union is

2nd Floor, 388-390 Sussex Street,
Sydney, NSW 2000

INDEPENDENT AUDITOR'S 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 statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows 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 Fair Work (Registered Organisations) Act 2009. 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 Fair Work (Registered Organisations) Act 2009.



INDEPENDENT AUDITOR'S 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 Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to be the stylized letters 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, consisting of a stylized 'D' followed by a long horizontal line.

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

16 May 2011

