



FAIR WORK
AUSTRALIA

3 August 2012

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 2011 – FR2011/2870
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the new auditor's report for the general purpose financial report, the new auditor's statement for the concise report and the new designated officer's certificate. The documents were lodged with Fair Work Australia on 3 August 2012.

I confirm from my telephone conversation with Ms Sweeney on 26 July and 3 August 2012 that the resolution to provide a concise report to members was passed by the National Committee of Management on 28 May and again on 1 August 2012. I also confirm that on 3 August Ms Sweeney advised that there was no single loan, grant or donation over \$1,000 for the financial year ended 31 December 2011.

The full report and the concise report have now been filed.

Thank you for promptly dealing with the matters as requested and lodging the required documents without delay.

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

Yours sincerely

Cynthia Lo-Booth
Organisations, Research and Advice

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 full report inclusive of new auditor's report was presented to a meeting of the National Committee of Management of the reporting union on the 1st August 2012, a Resolution was passed by the National Committee of Management to provide a copy of the Concise report to members. The Concise report was provided to members on the 2nd August in accordance with, Subsection 265(2) RO Act. The full report was presented to the National Council on the 28th May in accordance with section 266 of the RAO Schedule.



Anthony Sheldon

National Secretary

3 August 2012



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial report of Transport Workers' Union of Australia, National Council, which comprises the statement of financial position as at 31 December 2011, 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 National Committee of Management's statement.

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

The National Committee of Management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the National Committee of Management and the National Secretary determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia, National Council as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Partner – Audit & Assurance

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

26 July 2012

INDEPENDENT AUDITOR'S REPORT

To the members of the Transport Workers' Union of Australia National Council

Scope

We have audited the concise financial report of Transport Workers' Union of Australia National Council for the financial year ended 31 December 2011 comprising the National 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 National Committee of Management and the National 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 National Council for the year ended 31 December 2011. Our audit report on the full financial report was signed on 26 July 2012, and was not subject to any qualification. The Auditor's opinion for the full financial report is as follows:

“In our opinion, the financial report presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia, National Council as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards – Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.”

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 Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Neville Sinclair
Partner – Audit & Assurance

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

SYDNEY NSW 2000

26 July 2012



FAIR WORK
AUSTRALIA

26 July 2012

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 2011 – FR2011/2870
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the auditor's reports for the general purpose financial report (GPFR) and the concise report both dated 17 May 2012. I refer to my letter of 4 July 2012 and to our telephone conversation on 25 July and today.

I confirm that the following steps be completed and the requested documents be lodged by 16 August:

1. Request from your auditor two new reports for the GPFR and the concise report for year ended 31 December 2011. The auditor's reports should properly audit the committee of management statement of 17 May 2012. The auditor's reports **must not** be back dated.
2. Present the full report (GPFR, operating report and the new auditor's report for the GPFR) to a meeting of the National Committee of Management.
3. Provide the concise report with the new auditor's report to members.
4. Prepare a new designated officer's certificate to provide the date the full report inclusive of the new auditor's report was presented to the committee of management (in point 2) and the date the concise report inclusive of the new auditor's report was circulated to members (point 3). Also include a statement to provide the date the committee of management passed a resolution that a concise report can be provided to members as required by s.265(2) RO Act.
5. Lodge with Fair Work Australia the two new auditor's report and the new designated officer's certificate.

If there are any issues please contact me on (03) 8661 7989 or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely

Cynthia Lo-Booth
Organisations, Research and Advice

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

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International: (613) 8661 7989
Facsimile: (03) 9655 0410
Email: orgs@fwa.gov.au



FAIR WORK
AUSTRALIA

4 July 2012

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 2011 – FR2011/2870
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the full report and concise report for year ended 31 December 2011 for the National Office of the Transport Workers' Union of Australia. The documents were lodged with Fair Work Australia (FWA) on 28 May 2012.

I acknowledge that the matters which were identified as non-compliant issues in the previous year's financial report were rectified in this year's financial report. Thank you.

However, there were several different issues identified in the full and concise reports for the year ended 31 December 2011. In order to file the full and concise reports I will require further information to be lodged with FWA.

1) Resolution by committee of management permitting a concise report to be provided to members

Subsection 265(2) RO Act provides that a concise report *may only* be provided if a resolution to provide a concise report to members is passed by the committee of management. I am unable to find such a statement in the documents lodged.

If such a statement exists in the lodged documents please advise me where the statement regarding the resolution is contained. If no such statement is in the documents and a resolution was passed please provide the relevant information that identifies the relevant body (such as National Committee of Management or the National Council) that passed the resolution and the date the resolution was passed. This statement should be signed by an officer.

Generally, this resolution may be provided on the front page of the concise report, in the designated officer's certificate or in the committee of management statement.

2) Auditor's report pre-dates the committee of management statement

The auditor is required to provide an auditor's opinion on the general purpose financial report (s.257(5) RO Act). The general purpose financial report is defined to include, amongst other documents, the committee of management statement (s.253(2)(c) RO Act).

In the present circumstances the auditor's report sets out the scope of the audit to include the committee of management statement. However, the auditor's report was signed on 10 April 2012 and the committee of management statement and the resolutions contained therein were not passed until 17 May 2012. Therefore, it is doubtful the committee of management statement was properly audited.

To rectify these circumstances, the auditor is required to audit the committee of management statement. This could be evidenced by providing another/amended auditor's report where the auditor's report is signed off on a date subsequent to the committee of management statement. This newly dated auditor's report must then be provided to members and lodged with Fair Work Australia. The details of when the newly dated auditor's report is provided to members should be provided to FWA in an amended designated officer's certificate signed by an officer.

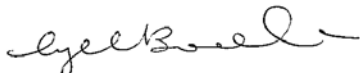
I also noted that the lodged designated officer's certificate was signed and lodged with FWA on 28 May 2012 but the certificate stated that the concise report was provided to members on 29 May, a day after the certificate was certified and lodged. Please ensure a designated officer's certificate only certifies events that have already occurred.

Accordingly, I require the following documents be lodged with FWA by 25 July 2012:

- Statement regarding resolution by committee of management to provide concise report to members (this can be added to the designated officer's certificate);
- Newly dated auditor's report; and
- Amended designated officer's certificate providing information currently in the certificate dated 28 May and the date the newly dated auditor's report was provided to members.

If there are any issues in meeting this request please do not hesitate to contact me. I will be on leave from 9 to 13 July (inclusive). I may be contacted on (03) 8661 7989 or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely



Cynthia Lo-Booth
Organisations, Research and Advice

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 29th May. That the full report was presented to a meeting of the National Committee of Management of the reporting union on the 17th May 2012 and to the National Council on the 28th May; in accordance with section 266 of the RAO Schedule.



Anthony Sheldon

National Secretary

28th May 2012



**TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL (FORMERLY KNOWN AS
"TRANSPORT WORKERS' UNION OF AUSTRALIA
FEDERAL COUNCIL")**

CONCISE FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

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

The financial statements and disclosures in the concise financial report have been derived from the 2011 financial report of the Transport Workers' Union of Australia National Council.

The concise report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the entity as the full financial report.

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 National Council 2011 financial report.

Statement of Comprehensive Income and Statement of Financial Position:

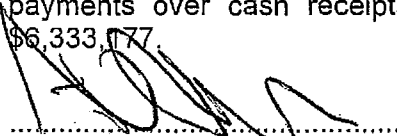
The Deficit for the year 2011 year was \$1,123,619. The decrease is explained by the National Council's decision to intensify its 'Safe Rates' campaign ahead of the introduction of major National Legislation. Its national bargaining at major transport operations and also meeting the challenges of the Qantas dispute

Total Income increased by \$831,383 from \$3,245,128 (2010) to \$4,076,511 (2011). In this regard, sustentation fees increased by \$81,266, reimbursement of the Legal fees increased by \$486,807 (2010: Nil) and the National Organising Fund increased by \$312,513 (2010: Nil). No other significant changes occurred in income. Expenditure increased by \$1,436,119 from \$3,764,011 (2010) to \$5,200,130 (2011). In this regard, Rent increased by \$131,547, Legal & Professional fee increased by \$630,694 and Employee Benefits expenses increased by \$691,502, while Reimbursement to Branches decreased by \$213,484. The increase can be explained by employees and associated costs created by the employment of new and additional staff to work on the Union's 'Safe Rates' campaign, National bargaining and Qantas dispute. An additional 10,977 hours worked or 35% increase, falling just below the budgeted amount. It also includes additional space and general needs associated with their employment

The net assets of the National Council have decreased by \$1,298,223 due to the deficit for the year of \$1,123,619 and a decrease in the value of available-for-sale financial assets of \$174,604 for the year that has been debited to the available-for-sale Investment Reserve.

Statement of Cash Flows:

The cash flow of National Council has been managed to ensure liabilities are met when they fall due. The decrease of \$1,526,917 in net cash held reflects the excess of cash payments over cash receipts for the year. Cash at the end of year amounted to \$6,333,177.


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ANTHONY SHELDON
SECRETARY
10 April 2012

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

OPERATING REPORT

The National Committee of Management presents its operating report of the Transport Workers Union of Australia, National Council for the financial year ended 31 December 2011.

1. The principal activity of National 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 National Council's financial affairs during the year.
3. National Council's principal activity resulted in a deficit for the year of \$1,123,619.
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, National 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 2011 was 87,019.
7. The number of persons who were employees of National Council on 31 December 2011 was 20, 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 National Committee of Management at any time during the financial year are as follows:

Name	Period Position Held
Anthony Sheldon	1 January 2011 to 31 December 2011
Michael Kaine	1 January 2011 to 31 December 2011
Jim McGiveron	1 January 2011 to 31 December 2011
Wayne Forno	1 January 2011 to 31 December 2011
Wayne Mader	1 January 2011 to 31 December 2011
Ray Wyatt	1 January 2011 to 31 December 2011
Peter Biagini	1 January 2011 to 31 December 2011

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


.....
ANTHONY SHELDON


.....
JIM MCGIVERON

10 April 2012

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

NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 17th May 2012 the National Committee of Management of Transport Workers Union of Australia, National 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 2011.

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

- (a) the financial report and notes comply with Australian Accounting Standards - Reduced Disclosure Requirements;
- (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 2011;
- (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 2011 and since the end of the financial year:
 - (i) meetings of the National 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 2011 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



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ANTHONY SHELDON

17 May 2012

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
INCOME		
Sustentation Fees	2,407,215	2,325,949
ACTU Contributions	-	63,707
Distribution from Available-for-sale Financial Assets	34,341	28,616
National Training Fund	31,251	31,908
National Organising Fund	312,513	-
Grant Income	118,182	137,528
Legal Fees Reimbursement from Branches	486,807	-
Interest Received	429,552	443,212
Sundry Income	133,432	49,784
Sponsorship TWU Super	16,590	66,525
Trustee Fees Received	60,000	48,000
ITF	46,628	49,899
TOTAL INCOME	<u>4,076,511</u>	<u>3,245,128</u>
EXPENDITURE		
Depreciation	<u>90,752</u>	<u>60,601</u>
Employee benefits expense		
Accrued Annual Leave	27,525	18,069
Accrued LSL	29,035	11,573
Fringe Benefits Tax	33,118	27,548
Salaries	1,822,555	1,222,931
Superannuation	194,617	135,317
	<u>2,106,850</u>	<u>1,415,348</u>
Other expenses		
Advertising	28,583	16,771
Affiliation Fees	328,491	365,279
Accommodation	76,536	30,193
ACTU Levy	-	80,000
Auditors' Remuneration	23,000	15,000
Auditors' Remuneration-other	2,000	3,000
Auditors' Remuneration-Prior Years	9,000	-
Bank Charges	2,751	2,484
Building Expenses	44,048	9,216
Campaign Expenses	98,178	43,068
Country Organising (interstate)	25,849	11,819
Computer Maintenance	59,170	47,798
Donations	9,167	14,692
Functions	19,760	21,304
National Committee of Management Expenses	40,855	58,070
National Council	86,950	85,459
General Expenses	2,401	5,114
Carried forward	<u>856,739</u>	<u>809,267</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont'd)**

	2011	2010
	\$	\$
Brought Forward	856,739	809,267
Insurance	43,603	22,066
Lease Rental Expenses – Operating Leases	54,680	18,888
Legal & Professional Fees	647,860	44,166
Loss on Disposal of Assets	-	9,111
Meeting Expenses	39,883	23,283
Merchandise	22,062	9,712
Motor Vehicle Expenses	69,933	39,243
Officials Expenses	-	8,426
Officials Expenses Overseas	10,961	16,091
Organising Assistance	63,636	72,503
Reimbursement to Branches	254,703	468,187
Payroll Tax	113,119	76,126
Postage	10,283	4,992
Printing and Stationery	59,467	39,321
Publications	8,241	10,945
Reimbursement to S.A./N.T. Branch	41,585	41,675
Records Storage	10,537	7,370
Repairs and Maintenance	1,138	8,645
Rent	228,213	96,666
Seminar and Course Fees	11,097	13,706
Staff Amenities	2,952	2,489
Telephone and Faxes	97,475	81,263
Training & Research Projects	58,254	5,821
Travelling Expenses	234,657	255,500
TUF FWEIP Project Expense	37,089	94,346
Workers Compensation	24,361	8,254
	<u>3,002,528</u>	<u>2,288,062</u>
TOTAL EXPENDITURE	<u>5,200,130</u>	<u>3,764,011</u>
DEFICIT FOR THE YEAR	<u>(1,123,619)</u>	<u>(518,883)</u>
OTHER COMPREHENSIVE INCOME		
Decrease in Value of Available-for-Sale Financial Assets	<u>(174,604)</u>	<u>(25,603)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(174,604)</u>	<u>(25,603)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,298,223)</u>	<u>(544,486)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	2011	2010
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	6,333,177	7,860,094
Receivables	1,260,195	933,612
Available-for-sale Financial Assets	<u>843,572</u>	<u>1,018,176</u>
TOTAL CURRENT ASSETS	<u>8,436,944</u>	<u>9,811,882</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	397,519	392,086
Investment in Associate	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS	<u>397,619</u>	<u>392,186</u>
TOTAL ASSETS	<u>8,834,563</u>	<u>10,204,068</u>
CURRENT LIABILITIES		
Payables	470,616	569,021
Provision for Accrued Annual Leave	100,755	89,624
Provision for Long Service Leave	<u>27,565</u>	<u>11,573</u>
TOTAL CURRENT LIABILITIES	<u>598,936</u>	<u>670,218</u>
NET ASSETS	<u>8,235,627</u>	<u>9,533,850</u>
Accumulated Funds	8,317,055	9,440,674
Available for Sale Reserve	<u>(81,428)</u>	<u>93,176</u>
TOTAL EQUITY	<u>8,235,627</u>	<u>9,533,850</u>

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2010	9,959,557	118,779	10,078,336
Deficit for the year	(518,883)	-	(518,883)
<i>Other Comprehensive Income</i>			
Decrease in fair value of Available- for-sale financial assets	-	(25,603)	(25,603)
Total Comprehensive loss for the year			<u>(544,486)</u>
Balance at 31 December 2010	<u>9,440,674</u>	<u>93,176</u>	<u>9,533,850</u>
Deficit for the year	(1,123,619)	-	(1,123,619)
<i>Other Comprehensive Income</i>			
Decrease in fair value of Available- for-sale financial assets	-	(174,604)	(174,604)
Total Comprehensive loss for the year			<u>(1,298,223)</u>
Balance at 31 December 2011	<u>8,317,055</u>	<u>(81,428)</u>	<u>8,235,627</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sustentation Fees	2,741,749	2,680,313
ACTU Contributions	70,077	111,574
Interest and Distributions Received	548,175	336,948
Grants Received	164,809	136,270
National Organising Fund	312,513	-
Legal Fee reimbursement	486,807	-
Other Income	497,368	137,528
Payments to Suppliers and Employees	<u>(6,252,230)</u>	<u>(3,668,711)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(1,430,732)</u>	<u>(262,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Available-for-sale Investment	-	(500,000)
Payment for Property, Plant and Equipment	(96,185)	(293,450)
Proceeds from Sale of Property, Plant & Equipment	<u>-</u>	<u>30,274</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(96,185)</u>	<u>(763,176)</u>
NET DECREASE IN CASH HELD	(1,526,917)	(1,025,254)
Cash at Beginning of Year	<u>7,860,094</u>	<u>8,885,348</u>
CASH AT END OF YEAR	<u>6,333,177</u>	<u>7,860,094</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The Concise Financial Report has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board 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 National 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 National 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).

INDEPENDENT AUDITOR'S REPORT

To the members of the Transport Workers' Union of Australia National Council

Scope

We have audited the concise financial report of Transport Workers' Union of Australia National Council for the financial year ended 31 December 2011 comprising the National 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 National Committee of Management and the National 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 National Council for the year ended 31 December 2011. Our audit report on the full financial report was signed on 10 April 2012, and was not subject to any qualification. The Auditor's opinion for the full financial report is as follows:

"In our opinion, the financial report presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia, National Council as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards - Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009."

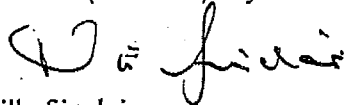
Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts and other disclosures which were not directly 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 Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

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



BDO Audit (NSW-VIC) Pty Ltd



Neville Sinclair

Director

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

10 April 2012

TRANSPORT WORKERS' UNION OF AUSTRALIA

**NATIONAL COUNCIL (FORMERLY KNOWN AS "TRANSPORT
WORKERS' UNION OF AUSTRALIA FEDERAL COUNCIL")**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

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


OPERATING REPORT

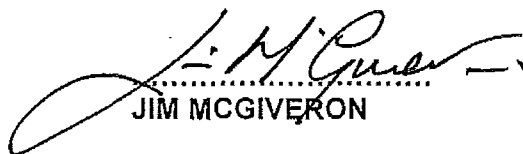
The National Committee of Management presents its operating report of the Transport Workers Union of Australia, National Council for the financial year ended 31 December 2011.

1. The principal activity of National 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 National Council's financial affairs during the year.
3. National Council's principal activity resulted in a deficit for the year of \$1,123,619.
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, National 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 2011 was 87,019.
7. The number of persons who were employees of National Council on 31 December 2011 was 20, 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 National Committee of Management at any time during the financial year are as follows:

Name	Period Position Held
Anthony Sheldon	1 January 2011 to 31 December 2011
Michael Kaine	1 January 2011 to 31 December 2011
Jim McGiveron	1 January 2011 to 31 December 2011
Wayne Forno	1 January 2011 to 31 December 2011
Wayne Mader	1 January 2011 to 31 December 2011
Ray Wyatt	1 January 2011 to 31 December 2011
Peter Biagin	1 January 2011 to 31 December 2011

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


.....
ANTHONY SHELDON
10 April 2012


.....
JIM MCGIVERON

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

NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 17th May 2012 the National Committee of Management of Transport Workers Union of Australia, National 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 2011.

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

- (a) the financial report and notes comply with Australian Accounting Standards - Reduced Disclosure Requirements;
- (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 2011;
- (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 2011 and since the end of the financial year:
 - (i) meetings of the National 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 2011 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



.....
ANTHONY SHELDON

17 May 2012

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
INCOME			
Sustentation Fees		2,407,215	2,325,949
ACTU Contributions		-	63,707
Distribution from Available-for-sale Financial Assets		34,341	28,616
National Training Fund		31,251	31,908
National Organising Fund		312,513	-
Grant Income		118,182	137,528
Legal Fees Reimbursement from Branches		486,807	-
Interest Received		429,552	443,212
Sundry Income		133,432	49,784
Sponsorship TWU Super		16,590	66,525
Trustee Fees Received		60,000	48,000
ITF		46,628	49,899
TOTAL INCOME		<u>4,076,511</u>	<u>3,245,128</u>
EXPENDITURE			
Depreciation		<u>90,752</u>	<u>60,601</u>
Employee benefits expense			
Accrued Annual Leave		27,525	18,069
Accrued LSL		29,035	11,573
Fringe Benefits Tax		33,118	27,548
Salaries	12	1,822,555	1,222,931
Superannuation	13	194,617	135,317
		<u>2,106,850</u>	<u>1,415,348</u>
Other expenses			
Advertising		28,583	16,771
Affiliation Fees	16	328,491	365,279
Accommodation		76,536	30,193
ACTU Levy		-	80,000
Auditors' Remuneration		23,000	15,000
Auditors' Remuneration-Other		2,000	3,000
Auditors' Remuneration-Prior Years		9,000	-
Bank Charges		2,751	2,484
Building Expenses		44,048	9,216
Campaign Expenses		98,178	43,068
Country Organising (interstate)		25,849	11,819
Computer Maintenance		59,170	47,798
Donations		9,167	14,692
Functions		19,760	21,304
National Committee of Management Expenses		40,855	58,070
National Council		86,950	85,459
General Expenses		2,401	5,114
Carried forward		<u>856,739</u>	<u>809,267</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011 (Cont'd)**

	2011	2010
	\$	\$
Brought Forward	856,739	809,267
Insurance	43,603	22,066
Lease Rental Expenses – Operating Leases	54,680	18,888
Legal & Professional Fees	647,860	44,166
Loss on Disposal of Assets	-	9,111
Meeting Expenses	39,883	23,283
Merchandise	22,062	9,712
Motor Vehicle Expenses	69,933	39,243
Officials Expenses	-	8,426
Officials Expenses Overseas	10,961	16,091
Organising Assistance	63,636	72,503
Reimbursement to Branches	254,703	468,187
Payroll Tax	113,119	76,126
Postage & Freight	10,283	4,992
Printing and Stationery	59,467	39,321
Publications	8,241	10,945
Reimbursement to S.A./N.T. Branch	41,585	41,675
Records Storage	10,537	7,370
Repairs and Maintenance	1,138	8,645
Rent	228,213	96,666
Seminar and Course Fees	11,097	13,706
Staff Amenities	2,952	2,489
Telephone and Faxes	97,475	81,263
Training & Research Projects	58,254	5,821
Travelling Expenses	234,657	255,500
TUF FWEIP ITF Project Expense	37,089	94,346
Workers Compensation	24,361	8,254
	<u>3,002,528</u>	<u>2,288,062</u>
TOTAL EXPENDITURE	<u>5,200,130</u>	<u>3,764,011</u>
DEFICIT FOR THE YEAR	<u>(1,123,619)</u>	<u>(518,883)</u>
OTHER COMPREHENSIVE INCOME		
Decrease in Value of Available-for-Sale Financial Assets	<u>(174,604)</u>	<u>(25,603)</u>
OTHER COMPREHENSIVE LOSS FOR THE YEAR	<u>(174,604)</u>	<u>(25,603)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,298,223)</u>	<u>(544,486)</u>

(The accompanying notes form part of this financial report)

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	6,333,177	7,860,094
Receivables	5	1,260,195	933,612
Available-for-sale Financial Asset	6	843,572	1,018,176
TOTAL CURRENT ASSETS		<u>8,436,944</u>	<u>9,811,882</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	397,519	392,086
Investment in Associate	8	100	100
TOTAL NON-CURRENT ASSETS		<u>397,619</u>	<u>392,186</u>
TOTAL ASSETS		<u>8,834,563</u>	<u>10,204,068</u>
CURRENT LIABILITIES			
Payables	9	470,616	569,021
Provision for Accrued Annual Leave	14	100,755	89,624
Provision for Long Service Leave	15	27,565	11,573
TOTAL CURRENT LIABILITIES		<u>598,936</u>	<u>670,218</u>
NET ASSETS		<u>8,235,627</u>	<u>9,533,850</u>
Accumulated Funds		8,317,055	9,440,674
Available for Sale Reserve		<u>(81,428)</u>	<u>93,176</u>
TOTAL EQUITY		<u>8,235,627</u>	<u>9,533,850</u>

(The accompanying notes form part of this financial report)

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2010	9,959,557	118,779	10,078,336
Deficit for the year	(518,883)	-	(518,883)
<i>Other Comprehensive Income</i>			
Decrease in fair value of Available- for-sale financial assets	-	(25,603)	<u>(25,603)</u>
Total Comprehensive Loss for the year	<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>
Deficit for the year	(1,123,619)	-	(1,123,619)
<i>Other Comprehensive Income</i>			
Decrease in fair value of Available- for-sale financial assets	-	(174,604)	<u>(174,604)</u>
Total Comprehensive Loss for the year	<u> </u>	<u> </u>	<u>(1,298,223)</u>
Balance at 31 December 2011	<u>8,317,055</u>	<u>(81,428)</u>	<u>8,235,627</u>

(The accompanying notes form part of this financial report)

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		2,741,749	2,680,313
ACTU Contributions		70,077	111,574
Interest and Distributions Received		548,175	336,948
Grants Received		164,809	136,270
National Organising Fund		312,513	-
Legal fee reimbursement		486,807	-
Other Income		497,368	137,528
Payments to Suppliers and Employees		<u>(6252,230)</u>	<u>(3,668,711)</u>
NET CASH USED IN OPERATING ACTIVITIES	10(b)	<u>(1,430,732)</u>	<u>(262,078)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Available-for-sale Investment		-	(500,000)
Payment for Property, Plant and Equipment		(96,185)	(293,450)
Proceeds from Sale of Property, Plant & Equipment		<u>-</u>	<u>30,274</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(96,185)</u>	<u>(763,176)</u>
NET DECREASE IN CASH HELD		(1,526,917)	(1,025,254)
Cash at Beginning of Year		<u>7,860,094</u>	<u>8,885,348</u>
CASH AT END OF YEAR	10(a)	<u>6,333,177</u>	<u>7,860,094</u>

(The accompanying notes form part of this financial report)

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, and the Fair Work (Registered Organisations) Act 2009.

The financial statements were authorised for issue in accordance with a resolution of the committee of management on the 10 April 2012

The committee of management have determined that Transport Workers' Union of Australia National Council is permitted to apply the Tier 2 reporting requirements (Australian Accounting Standards- Reduced Disclosure Requirements) as set out in AASB 1053 Application of Tiers of Australian Accounting Standards because it is a not-for-profit sector entity that does not have public accountability. As such, the committee of management have early adopted AASB 2010 – 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements from 1 January 2011. These Accounting Standards are not required to be applied until annual reporting periods beginning on or after 1 July 2013. The early adoption of AASB 2010-2 has resulted in significantly reduced disclosures in respect of related parties and financial instruments. There was no other impact on the current or prior year financial statements.

BASIS OF PREPARATION

The financial report is for the National Council of the Transport Workers' Union of Australia and in accordance with the Fair Work (Registered Organisations) Act 2009 the National Council is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The National 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 National Council are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs, except for available-for-sale financial assets that have been measured at fair value. 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 National Council in the preparation of the financial report.

(a) Revenue

Income and Expenditure is accounted for on an accruals basis

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(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.

(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
Office Furniture and Equipment	5.00 – 20.00%
Motor Vehicles	15%

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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

(e) Employee Benefits (cont'd)

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.

(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.

(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
NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

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

	2011	2010
	\$	\$
Cash at Bank	331,398	557,319
Cash in Hand	1,000	2,000
Deposits at Call	779	775
Term Deposit	6,000,000	7,300,000
	<u>6,333,177</u>	<u>7,860,094</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 \$	2010 \$
5. RECEIVABLES			
Accrued Interest & Distributions		83,475	167,757
Debtors – Branches	11	302,120	695,028
Sundry Debtors		32,640	59,717
Prepayments		2,870	11,110
Deposit	21	<u>839,090</u>	<u>-</u>
		<u>1,260,195</u>	<u>933,612</u>
6. AVAILABLE-FOR-SALE FINANCIAL ASSET			
Integrity Australian Share Fund – Fair Value		<u>843,572</u>	<u>1,018,176</u>
		<u>843,572</u>	<u>1,018,176</u>

Fair value of the unlisted share fund was based on the market value of the investment in accordance to the statement as at 31 December provided by the investment management institution. Fair value increments (decrements) have been recognised in other comprehensive income as a separate component of equity.

7. PROPERTY, PLANT AND EQUIPMENT

Office Furniture and Equipment – At Cost	174,046	155,410
Less: Accumulated Depreciation	<u>(96,577)</u>	<u>(77,655)</u>
	<u>77,469</u>	<u>77,755</u>
Library – At cost	75,135	75,135
Less: Accumulated Depreciation	<u>(75,132)</u>	<u>(75,017)</u>
	<u>3</u>	<u>118</u>
Computer Equipment – At cost	351,804	274,256
Less: Accumulated Depreciation	<u>(138,106)</u>	<u>(90,855)</u>
	<u>213,698</u>	<u>183,401</u>
Motor Vehicles – At cost	163,085	163,085
Less: Accumulated Depreciation	<u>(56,736)</u>	<u>(32,273)</u>
	<u>106,349</u>	<u>130,812</u>
	<u>397,519</u>	<u>392,086</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Office Furniture and Equipment	Library	Computer Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2011	77,755	118	183,401	130,812	392,086
Additions	18,636	-	77,549	-	96,185
Disposals					
Depreciation	<u>(18,922)</u>	<u>(115)</u>	<u>(47,252)</u>	<u>(24,463)</u>	<u>(90,752)</u>
Balance at 31 December 2011	<u>77,469</u>	<u>3</u>	<u>213,698</u>	<u>106,349</u>	<u>397,519</u>

8. INVESTMENT IN ASSOCIATE

Shares in unlisted company – at cost
Blue Card Training Pty. Ltd.

	2011 \$	2010 \$
	<u>100</u>	<u>100</u>

9. PAYABLES

Creditors
ACTU Levy Payable

	470,616	481,021
	-	88,000
	<u>470,616</u>	<u>569,021</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	331,398	557,319
Cash on Hand	1,000	2,000
Deposits at call	779	775
Term Deposit	<u>6,000,000</u>	<u>7,300,000</u>
	<u>6,333,177</u>	<u>7,860,094</u>

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10. CASH FLOW INFORMATION (Cont'd)

(b) Reconciliation of cash flow from operations with operating result

Operating Deficit	(1,123,619)	(518,883)
Non Cash Flows in Operating Result		
Depreciation	90,752	60,601
Loss on Disposal of Assets	-	9,111
Changes in assets and liabilities		
(Decrease)/Increase in Payables	(98,405)	400,774
(Increase) in Receivables	(326,583)	(248,094)
Increase in Employees Entitlements	27,123	34,413
CASH FLOWS FROM OPERATIONS	<u>(1,430,732)</u>	<u>(262,078)</u>

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11. AMOUNTS DUE FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD.	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2011						
Sustentation Fees	160,554	116,337	18,182	35,361	65,499	395,933
A.C.T.U. Contributions	24,808	19,030	4,862	10,471	10,906	70,077
National Organising Fund	-	-	-	-	-	-
Other	58,566	103,066	45,545	19,536	2,305	229,018
	<u>243,928</u>	<u>238,433</u>	<u>68,589</u>	<u>65,368</u>	<u>78,710</u>	<u>695,028</u>
AMOUNTS CHARGED TO BRANCHES						
Sustentation Fees	987,523	701,169	191,352	349,371	418,521	2,647,936
A.C.T.U. Contributions	-	-	-	-	-	-
Litigation reimbursement	107,098	107,098	107,098	107,098	107,098	535,490
Training Levy	12,404	8,650	2,634	5,235	5,453	34,376
National Organising Fund	124,042	86,500	26,336	52,354	54,533	343,765
Other	-	-	-	-	-	-
	<u>1,231,067</u>	<u>903,417</u>	<u>327,420</u>	<u>514,058</u>	<u>585,605</u>	<u>3,561,567</u>
AMOUNTS RECEIVED FROM BRANCHES						
Sustentation Fees	1,027,452	747,167	189,357	369,293	408,480	2,741,749
A.C.T.U. Contributions	24,808	19,030	4,862	10,471	10,906	70,077
Litigation reimbursement	107,098	107,098	107,098	107,098	107,098	535,490
Training Levy	12,404	8,650	2,634	5,235	5,453	34,376
National Organising Fund	124,042	86,500	26,336	52,354	54,533	343,765
Other	58,566	103,066	45,545	19,536	2,305	229,018
	<u>1,354,370</u>	<u>1,071,511</u>	<u>375,832</u>	<u>563,987</u>	<u>588,775</u>	<u>3,954,475</u>

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11. AMOUNTS DUE FROM BRANCHES (Cont'd)

	NSW &ACT	VIC/TAS	SA & NT	QLD.	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2011						
Sustentation Fees	120,625	70,339	20,177	15,439	75,540	302,120
A.C.T.U. Contributions	-	-	-	-	-	-
Litigation reimbursement	-	-	-	-	-	-
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
	1260,625	70,339	20,177	15,439	75,540	302,120

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	2011 \$	2010 \$
12. SALARIES		
Elected Officials	240,149	233,896
Staff – Other	<u>1,582,406</u>	<u>989,035</u>
	<u>1,822,555</u>	<u>1,222,931</u>
13. SUPERANNUATION		
Elected Officials	45,342	41,129
Staff - Other	<u>149,275</u>	<u>94,188</u>
	<u>194,617</u>	<u>135,317</u>
14. PROVISION FOR ANNUAL LEAVE		
Elected Officials	17,770	17,491
Staff – Other	<u>82,985</u>	<u>72,132</u>
	<u>100,755</u>	<u>89,624</u>
15. PROVISION FOR LONG SERVICE LEAVE		
Elected Officials	16,036	-
Staff - Other	<u>11,529</u>	<u>11,573</u>
	<u>27,565</u>	<u>11,573</u>
16. AFFILIATION FEES		
ACTU	252,360	240,000
ITF	44,045	85,779
ATA	26,733	26,500
ALC	2,944	5,500
Bus Industry Association	<u>2,409</u>	<u>7,500</u>
	<u>328,491</u>	<u>365,279</u>

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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 National Council other than those relating to their membership of National Council and the reimbursement by National 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 National Council are entitled to benefits from a superannuation plan on retirement, disability or death. National Council participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. National Council's liability is limited to paying the contributions to the plan

19. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments – Office Equipment

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

	2011	2010
	\$	\$
Not longer than 1 year	200,061	24,924
Longer than 1 year but not longer than 5 years	302,037	49,848
	<u>502,098</u>	<u>74,772</u>

20. FINANCIAL RISK MANAGEMENT

Fair value estimation

For details regarding the fair value of available-for-sale assets and assets carried at fair value, refer to Note 6 Available-for-sale financial assets. The carrying value of receivables, net of impairment provisions, and payables are assumed to approximately their fair values due to their short-term nature.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

21. CONTINGENT LIABILITY

A claim for damages and penalties has been brought against the union by Qantas. The order of damages and related interest in accordance with the Federal Court order is \$839,090. Instructions have been given to the solicitor to lodge an appeal in the High Court by the National Council. The amount of \$839,090 has been deposited to a joint trust account held by the solicitor of both parties pending the outcome of the appeal which is likely to be determined in late 2012. Regardless of the result, the National Council will recognise the loss of interest resulting from the bridging payment of the damages claim. The principal is to be proportioned amongst the branches. An amount of \$21,958 has been provided for as the interest burden at 31 December 2011.

22. 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 National Council.

We have audited the accompanying financial report of Transport Workers' Union of Australia, National Council, which comprises the statement of financial position as at 31 December 2011, 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 National Committee of Management's statement.

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

The National Committee of Management and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the National Committee of Management and the National Secretary determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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 financial report presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia, National Council as at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

BDO

BDO Audit (NSW-VIC) Pty Ltd

Neville Sinclair

Director

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

10 April 2012