

Tony Sheldon National Secretary

Section 268 *Fair Work (Registered Organisations) Act 2009* (RO Act).

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

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

- that the documents lodged herewith are copies of the full and the concise reports referred to in s268 of the RO Act for the Transport Workers Union of Australia for the period ended 31 December 2012; and
- that the full report (and the concise report) was presented to meetings of:
 - the National Committee of Management of the reporting unit on 14 March 2013 at which time the Committee of Management resolved (as required by section 265(2)) to provide a copy of the Concise report to members; and
 - the National Council of the reporting unit on 20 May in accordance with section 266 of the RO Act;
 - the National Committee of Management for re-endorsement on 23 May; and
- that the concise report was provided to members on 24 May 2013 in accordance with section 265 of the RO Act.



Anthony Sheldon

National Secretary

31 July 2013



**TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 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 2012


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 \$1,418,856
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 2012 was 82,344.
7. The number of persons who were employees of National Council on 31 December 2012 was 22, 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 2012 to 31 December 2012
Michael Kaine	1 January 2012 to 31 December 2012
Jim McGiveron	1 January 2012 to 31 December 2012
Wayne Forno	1 January 2012 to 31 December 2012
Wayne Mader	1 January 2012 to 31 December 2012
Ray Wyatt	1 January 2012 to 31 December 2012
Peter Biagini	1 January 2012 to 31 December 2012

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



.....
ANTHONY SHELDON
28 March 2013



.....
JIM MCGIVERON

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

NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 March 2013 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 2012.

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 2012;
- (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 2012 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 2012 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



.....
ANTHONY SHELDON

28 March 2013

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 \$	2011 \$
INCOME			
Sustentation Fees		2,541,064	2,407,215
ACTU Contributions		116,020	-
Distribution from Available-for-sale Financial Assets		39,041	34,341
National Training Fund		31,116	31,251
National Organising Fund		655,781	312,513
Grant Income		62,472	118,182
Legal Fees Reimbursement from Branches		474,943	486,807
Interest Received		297,813	429,552
Sundry Income		182,772	133,432
Sponsorship TWU Super		29,091	16,590
Trustee Fees Received		60,000	60,000
ITF		50,455	46,628
TOTAL INCOME		<u>4,540,568</u>	<u>4,076,511</u>
EXPENDITURE			
Depreciation		<u>109,107</u>	<u>90,752</u>
Employee benefits expense			
Accrued Annual Leave		(1,854)	27,525
Accrued LSL		14,654	29,035
Fringe Benefits Tax		18,005	33,118
Salaries	12	1,742,818	1,822,555
Superannuation	13	198,012	194,617
		<u>1,971,635</u>	<u>2,106,850</u>
Other expenses			
Advertising		20,150	28,583
Affiliation Fees	16	279,086	328,491
Accommodation		71,135	76,536
ACTU Levy		160,000	-
Auditors' Remuneration		20,620	23,000
Auditors' Remuneration-Other		-	2,000
Auditors' Remuneration-Prior Years		-	9,000
Bank Charges		3,354	2,751
Building Expenses		51,879	44,048
Campaign Expenses		200,338	98,178
Overnight /Interstate		42,909	25,849
Computer Maintenance		61,523	59,170
Donations		13,377	9,167
Functions		1,179	19,760
National Committee of Mgmt Expenses		41,521	40,855
National Council		102,518	86,950
General Expenses		1,240	2,401
Carried forward		<u>1,070,829</u>	<u>856,739</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	Note	2012 \$	2011 \$
Brought Forward		1,070,829	856,739
Insurance		24,798	43,603
Lease Rental Expenses – Operating leases		26,340	54,680
Legal & Professional Fees		1,392,600	647,860
Loss on Disposal of Assets		35,179	-
Meeting Expenses		48,883	39,883
Merchandise		4,725	22,062
Motor Vehicle Expenses		43,726	69,933
Overseas Expenses		20,112	10,961
Organising Assistance		63,636	63,636
Payroll Tax		98,436	113,119
Postage & Freight		5,980	10,283
Printing and Stationery		45,637	59,467
Publications		8,614	8,241
Reimbursement to S.A./N.T. Branch		33,268	41,585
Reimbursement to Branches		374,842	254,703
Records Storage		12,213	10,537
Repairs and Maintenance		658	1,138
Rent		182,676	228,213
Seminar and Course Fees		5,428	11,097
Staff Amenities		2,734	2,952
Telephone and Faxes		68,781	97,475
Training & Research Projects		124,442	58,254
Travelling Expenses		149,602	234,657
TUF FWEIP ITF Project Expense		13,124	37,089
Workers Compensation		21,419	24,361
		<u>3,878,682</u>	<u>3,002,528</u>
TOTAL EXPENDITURE		<u>5,959,424</u>	<u>5,200,130</u>
DEFICIT FOR THE YEAR		<u>(1,418,856)</u>	<u>(1,123,619)</u>
OTHER COMPREHENSIVE INCOME			
Increase/(Decrease) in Value of Available-for-Sale Financial Assets		<u>98,689</u>	<u>(174,604)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>98,689</u>	<u>(174,604)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,320,167)</u>	<u>(1,298,223)</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 2012**

	Note	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	5,671,652	6,333,177
Receivables	5	691,222	1,260,195
Available-for-sale Financial Asset	6	<u>942,261</u>	<u>843,572</u>
TOTAL CURRENT ASSETS		<u>7,305,135</u>	<u>8,436,944</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	380,122	397,519
Investment in Associate	8	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS		<u>380,222</u>	<u>397,619</u>
TOTAL ASSETS		<u>7,685,357</u>	<u>8,834,563</u>
CURRENT LIABILITIES			
Payables	9	628,777	470,616
Provision for Accrued Annual Leave	14	98,901	100,755
Provision for Long Service Leave	15	<u>42,219</u>	<u>27,565</u>
TOTAL CURRENT LIABILITIES		<u>769,897</u>	<u>598,936</u>
NET ASSETS		<u>6,915,460</u>	<u>8,235,627</u>
Accumulated Funds		6,898,199	8,317,055
Available for Sale Reserve		<u>17,261</u>	<u>(81,428)</u>
TOTAL EQUITY		<u>6,915,460</u>	<u>8,235,627</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 2012**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2011	9,440,674	93,176	9,533,850
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>
Deficit for the year	(1,418,856)		(1,418,856)
<i>Other Comprehensive Income</i>			
Increase in fair value of Available- for-sale financial assets	-	98,689	98,689
Total Comprehensive Loss for the year	<u>-</u>	<u>-</u>	<u>(1,320,167)</u>
Balance at 31 December 2012	<u>6,898,199</u>	<u>17,261</u>	<u>6,915,460</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 2012**

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		2,690,851	2,741,749
ACTU Contributions		76,912	70,077
Interest and Distributions Received		377,439	548,175
Grants Received		112,927	164,809
National Organising Fund		721,360	312,513
Legal fee reimbursement		537,619	486,807
Other Income		165,522	497,368
Payments to Suppliers and Employees		<u>(5,217,266)</u>	<u>(6,252,230)</u>
NET CASH USED IN OPERATING ACTIVITIES	10(b)	<u>(534,636)</u>	<u>(1,430,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(175,818)	(96,185)
Proceeds from Sale of Property, Plant & Equipment		<u>48,929</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>(126,889)</u>	<u>(96,185)</u>
NET (DECREASE) IN CASH HELD		(661,525)	(1,526,917)
Cash at Beginning of Year		<u>6,333,177</u>	<u>7,860,094</u>
CASH AT END OF YEAR	10(a)	<u>5,671,652</u>	<u>6,333,177</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 2012**

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 13 March 2013

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 2012**

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 – 40%
Library Computer Equipment	5 – 40%
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 2012**

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 2012**

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

	2012 \$	2011 \$
Cash at Bank	303,877	331,398
Cash in Hand	1,000	1,000
Deposits at Call	779	779
Term Deposit	<u>5,365,996</u>	<u>6,000,000</u>
	<u>5,671,652</u>	<u>6,333,177</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 \$	2011 \$
5. RECEIVABLES			
Accrued Interest & Distributions		42,890	83,475
Debtors – Branches	11	593,754	302,120
Sundry Debtors		30,000	32,640
Prepayments		24,578	2,870
Deposit	21	-	839,090
		<u>691,222</u>	<u>1,260,195</u>
6. AVAILABLE-FOR-SALE FINANCIAL ASSET			
Integrity Australian Share Fund – Fair Value		<u>942,261</u>	<u>843,572</u>
<p>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.</p>			
7. PROPERTY, PLANT AND EQUIPMENT			
Office Furniture and Equipment – At Cost		180,256	174,046
Less: Accumulated Depreciation		<u>(116,768)</u>	<u>(96,577)</u>
		<u>63,488</u>	<u>77,469</u>
Library – At cost		75,135	75,135
Less: Accumulated Depreciation		<u>(75,135)</u>	<u>(75,132)</u>
		<u>-</u>	<u>3</u>
Computer Equipment – At cost		415,560	351,804
Less: Accumulated Depreciation		<u>(200,637)</u>	<u>(138,106)</u>
		<u>214,923</u>	<u>213,698</u>
Motor Vehicles – At cost		138,295	163,085
Less: Accumulated Depreciation		<u>(36,584)</u>	<u>(56,736)</u>
		<u>101,711</u>	<u>106,349</u>
		<u>380,122</u>	<u>397,519</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

	Office Furniture and Equipment	Library	Computer Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2012	77,469	3	213,698	106,349	397,519
Additions	6,209	-	92,371	77,238	175,818
Disposals	-	-	(17,899)	(66,209)	(84,108)
Depreciation	<u>(20,190)</u>	<u>(3)</u>	<u>(73,247)</u>	<u>(15,667)</u>	<u>(109,107)</u>
Balance at 31 December 2012	<u>63,488</u>	<u>-</u>	<u>214,923</u>	<u>101,711</u>	<u>380,122</u>

	2012 \$	2011 \$
8. INVESTMENT IN ASSOCIATE		
Shares in unlisted company – at cost Blue Card Training Pty. Ltd.	100	100

9. PAYABLES

Creditors - Branches	111,263	81,443
Creditors - Other	<u>517,514</u>	<u>389,173</u>
	<u>628,777</u>	<u>470,616</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	303,877	331,398
Cash on Hand	1,000	1,000
Deposits at call	779	779
Term Deposit	<u>5,365,996</u>	<u>6,000,000</u>
	<u>5,671,652</u>	<u>6,333,177</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

10. CASH FLOW INFORMATION (Cont'd)

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

Operating Deficit	(1,418,856)	(1,123,619)
Non Cash Flows in Operating Result		
Depreciation	109,107	90,752
Loss on Disposal of Assets	35,179	-
Changes in assets and liabilities		
Increase/(Decrease) in Payables	158,161	(98,405)
Decrease/(Increase) in Receivables	568,973	(326,583)
Increase in Employees Entitlements	12,800	27,123
CASH FLOWS FROM OPERATIONS	<u>(534,636)</u>	<u>(1,430,732)</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11. AMOUNTS DUE FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2012						
Sustentation Fees	120,625	70,339	20,177	15,439	75,540	302,120
A.C.T.U. Contributions	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>120,625</u>	<u>70,339</u>	<u>20,177</u>	<u>15,439</u>	<u>75,540</u>	<u>302,120</u>
AMOUNTS CHARGED TO BRANCHES						
Sustentation Fees	1,012,732	726,243	194,423	409,594	452,179	2,795,171
A.C.T.U. Contributions	50,987	36,575	-	18,258	21,802	127,622
Litigation reimbursement	130,611	129,940	129,939	130,611	129,940	651,041
Training Levy	13,475	8,825	2,364	5,015	5,521	35,200
National Organising Fund	270,483	192,019	48,545	95,853	114,460	721,360
Other	(19,193)	16,738	8,582	17,055	-	23,182
	<u>1,459,095</u>	<u>1,110,340</u>	<u>383,853</u>	<u>676,386</u>	<u>723,902</u>	<u>4,353,576</u>
AMOUNTS RECEIVED FROM BRANCHES						
Sustentation Fees	1,026,938	662,495	196,843	342,091	462,484	2,690,851
A.C.T.U. Contributions	277	36,575	-	18,258	21,802	76,912
Litigation reimbursement	73,900	129,940	129,939	73,900	129,940	537,619
Training Levy	13,475	8,825	2,364	5,015	5,521	35,200
National Organising Fund	270,483	192,019	48,545	95,853	114,460	721,360
Other	-	-	-	-	-	-
	<u>1,385,073</u>	<u>1,029,854</u>	<u>377,691</u>	<u>535,117</u>	<u>734,207</u>	<u>4,061,942</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11. AMOUNTS DUE FROM BRANCHES (Cont'd)

	NSW &ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2012						
Sustentation Fees	106,420	134,087	17,757	82,942	65,235	406,441
A.C.T.U. Contributions	50,710	-	-	-	-	50,710
Litigation reimbursement	56,710	-	-	56,711	-	113,421
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	(19,193)	16,738	8,582	17,055	-	23,182
	<u>194,647</u>	<u>150,825</u>	<u>26,339</u>	<u>156,708</u>	<u>65,235</u>	<u>593,754</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
12. SALARIES		
Elected Officials	222,835	240,149
Staff – Other	<u>1,519,983</u>	<u>1,582,406</u>
	<u>1,742,818</u>	<u>1,822,555</u>
13. SUPERANNUATION		
Elected Officials	47,134	45,342
Staff - Other	<u>150,878</u>	<u>149,275</u>
	<u>198,012</u>	<u>194,617</u>
14. PROVISION FOR ANNUAL LEAVE		
Elected Officials	34,671	17,770
Staff – Other	<u>64,230</u>	<u>82,985</u>
	<u>98,901</u>	<u>100,755</u>
15. PROVISION FOR LONG SERVICE LEAVE		
Elected Officials	22,568	16,036
Staff - Other	<u>19,651</u>	<u>11,529</u>
	<u>42,219</u>	<u>27,565</u>
16. AFFILIATION FEES		
ACTU	235,041	252,360
ITF	44,045	44,045
ATA	-	26,733
ALC	-	2,944
Bus Industry Association	-	2,409
	<u>279,086</u>	<u>328,491</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

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

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

	2012	2011
	\$	\$
Not longer than 1 year	164,972	200,061
Longer than 1 year but not longer than 5 years	<u>98,983</u>	<u>302,037</u>
	<u>263,955</u>	<u>502,098</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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

21. UNION DETAILS

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

2nd Floor, 388-390 Sussex Street,
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Independent Auditor's Report

To the Members of Transport Workers' Union of Australia - National Council

We have audited the accompanying financial report of Transport Workers' Union of Australia - National Council (the "National Council"), which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Committee of Management of National Council.

Responsibility of the Committee of Management and the National Secretary for the financial report

The Committee of Management and 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. This responsibility includes such internal controls as the Committee of Management and the National Secretary determine are necessary to enable the preparation of the financial report to be 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 which require us to 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.

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In making those risk assessments, the auditor considers internal control relevant to the National Council'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 National Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and the National Secretary, 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

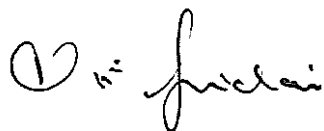
In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board and the Fair Work (Registered Organisations) Act 2009.

Auditor's Opinion

In our opinion, the financial report of presents fairly, in all material respects, the financial position of Transport Workers' Union of Australia National Council as at 31 December 2012 and its 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, 28 March 2013

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

**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 2012 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 2012 financial report.

Statement of Comprehensive Income and Statement of Financial Position:

The Deficit for the year 2012 was \$1,418,856. The majority of the decrease is explained by the payment of a fine exceeding \$800,000 relating to a safety and security stoppage of transport workers across the country in 2009 which was found to breach the WorkChoices legislation that was then still in place. The remainder of the decrease is explained by National Council's decision to intensify its campaigns, research and planning. The most significant campaigning efforts were in Road Transport and Aviation. In 2012 National Council applied significant resources to the achievement and implementation of new world-first National Legislation – the Road Safety Remuneration Tribunal - protecting the rights and safety of road transport workers. In aviation, National Council applied resources towards dealing with job security threats related to the continued trend of companies such as Qantas to cut costs by outsourcing work.

Total Income increased by \$464,057. This was attributable to reimbursement payments from branches relating to litigation expenses and also to an increase in branch contributions to the national organising fund to assist in the cost of the "Safe Rates" Legislation and aviation campaigns.

Expenditure remained consistent with the 2011 expenses for the National office with the exception of the safety and security stoppage fine. The Union's 'Safe Rates' and "Safe Skies", campaign expenses, increased with additional spending (\$102,159) and general needs associated with the research and development needed to run these campaigns successfully in 2013.

The net assets of the National Council have decreased by \$1,320,167 due to the deficit for the year of \$1,418,856 and an increase in the value of available-for-sale financial assets of \$98,689 for the year that has been credited to the available-for-sale Investment Reserve.

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

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 \$661,525 in net cash held reflects the excess of cash payments over cash receipts for the year. Cash at the end of year amounted to \$5,671,652.



.....
ANTHONY SHELDON
SECRETARY

28 March 2013

**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 2012.

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 \$1,418,856
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 2012 was 82,344
7. The number of persons who were employees of National Council on 31 December 2012 was 22, 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 2012 to 31 December 2012
Michael Kaine	1 January 2012 to 31 December 2012
Jim McGiveron	1 January 2012 to 31 December 2012
Wayne Forno	1 January 2012 to 31 December 2012
Wayne Mader	1 January 2012 to 31 December 2012
Ray Wyatt	1 January 2012 to 31 December 2012
Peter Biagini	1 January 2012 to 31 December 2012

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



.....
ANTHONY SHELDON
28 March 2013



.....
JIM MCGIVERON

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

NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 March 2013 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 2012.

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 2012;
- (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 2012 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 2012 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



.....
ANTHONY SHELDON
28 MARCH 2013

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
INCOME		
Sustentation Fees	2,541,064	2,407,215
ACTU Contributions	116,020	-
Distribution from Available-for-sale Financial Assets	39,041	34,341
National Training Fund	31,116	31,251
National Organising Fund	655,781	312,513
Grant Income	62,472	118,182
Legal Fees Reimbursement from Branches	474,943	486,807
Interest Received	297,813	429,552
Sundry Income	182,772	133,432
Sponsorship TWU Super	29,091	16,590
Trustee Fees Received	60,000	60,000
ITF	50,455	46,628
TOTAL INCOME	<u>4,540,568</u>	<u>4,076,511</u>
EXPENDITURE		
Depreciation	<u>109,107</u>	<u>90,752</u>
Employee benefits expense		
Accrued Annual Leave	(1,854)	27,525
Accrued LSL	14,654	29,035
Fringe Benefits Tax	18,005	33,118
Salaries	1,742,818	1,822,555
Superannuation	198,012	194,617
	<u>1,971,635</u>	<u>2,106,850</u>
Other expenses		
Advertising	20,150	28,583
Affiliation Fees	279,086	328,491
Accommodation	71,135	76,536
ACTU Levy	160,000	-
Auditors' Remuneration	20,620	23,000
Auditors' Remuneration-Other	-	2,000
Auditors' Remuneration-Prior Years	-	9,000
Bank Charges	3,354	2,751
Building Expenses	51,879	44,048
Campaign Expenses	200,338	98,178
Overnight /Interstate	42,909	25,849
Computer Maintenance	61,523	59,170
Donations	13,377	9,167
Functions	1,179	19,760
National Committee of Mgmt Expenses	41,521	40,855
National Council	102,518	86,950
General Expenses	1,240	2,401
Carried forward	<u>1,070,829</u>	<u>856,739</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)**

	2012	2011
	\$	\$
Brought Forward	1,070,829	856,739
Insurance	24,798	43,603
Lease Rental Expenses – Operating leases	26,340	54,680
Legal & Professional Fees	1,392,600	647,860
Loss on Disposal of Assets	35,179	-
Meeting Expenses	48,883	39,883
Merchandise	4,725	22,062
Motor Vehicle Expenses	43,726	69,933
Overseas Expenses	20,112	10,961
Organising Assistance	63,636	63,636
Payroll Tax	98,436	113,119
Postage & Freight	5,980	10,283
Printing and Stationery	45,637	59,467
Publications	8,614	8,241
Reimbursement to S.A./N.T. Branch	33,268	41,585
Reimbursement to Branches	374,842	254,703
Records Storage	12,213	10,537
Repairs and Maintenance	658	1,138
Rent	182,676	228,213
Seminar and Course Fees	5,428	11,097
Staff Amenities	2,734	2,952
Telephone and Faxes	68,781	97,475
Training & Research Projects	124,442	58,254
Travelling Expenses	149,602	234,657
TUF FWEIP ITF Project Expense	13,124	37,089
Workers Compensation	21,419	24,361
	<u>3,878,682</u>	<u>3,002,528</u>
TOTAL EXPENDITURE	<u>5,959,424</u>	<u>5,200,130</u>
DEFICIT FOR THE YEAR	<u>(1,418,856)</u>	<u>(1,123,619)</u>
OTHER COMPREHENSIVE INCOME		
Increase/(Decrease) in Value of Available-for-Sale Financial Assets	<u>98,689</u>	<u>(174,604)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>98,689</u>	<u>(174,604)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,320,167)</u>	<u>(1,298,223)</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	2012	2011
	\$	\$
CURRENT ASSETS		
Cash and Cash Equivalents	5,671,652	6,333,177
Receivables	691,222	1,260,195
Available-for-sale Financial Assets	<u>942,261</u>	<u>843,572</u>
TOTAL CURRENT ASSETS	<u>7,305,135</u>	<u>8,436,944</u>
NON-CURRENT ASSETS		
Property, Plant and Equipment	380,122	397,519
Investment in Associate	<u>100</u>	<u>100</u>
TOTAL NON-CURRENT ASSETS	<u>380,222</u>	<u>397,619</u>
TOTAL ASSETS	<u>7,685,357</u>	<u>8,834,563</u>
CURRENT LIABILITIES		
Payables	628,777	470,616
Provision for Accrued Annual Leave	98,901	100,755
Provision for Long Service Leave	<u>42,219</u>	<u>27,565</u>
TOTAL CURRENT LIABILITIES	<u>769,897</u>	<u>598,936</u>
NET ASSETS	<u>6,915,460</u>	<u>8,235,627</u>
Accumulated Funds	6,898,199	8,317,055
Available for Sale Reserve	<u>17,261</u>	<u>(81,428)</u>
TOTAL EQUITY	<u>6,915,460</u>	<u>8,235,627</u>

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

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
Balance at 1 January 2011	9,440,674	93,176	9,533,850
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>
Deficit for the year	(1,418,856)		(1,418,856)
<i>Other Comprehensive Income</i>			
Increase in fair value of Available- for-sale financial assets	-	98,689	98,689
Total Comprehensive Loss for the year	<u>-</u>	<u>-</u>	<u>(1,320,167)</u>
Balance at 31 December 2012	<u>6,898,199</u>	<u>17,261</u>	<u>6,915,460</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012	2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Sustentation Fees	2,690,851	2,741,749
ACTU Contributions	76,912	70,077
Interest and Distributions Received	377,439	548,175
Grants Received	112,927	164,809
National Organising Fund	721,360	312,513
Legal fee reimbursement	537,619	486,807
Other Income	165,522	497,368
Payments to Suppliers and Employees	<u>(5,217,266)</u>	<u>(6,252,230)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(534,636)</u>	<u>(1,430,732)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for Property, Plant and Equipment	(175,818)	(96,185)
Proceeds from Sale of Property, Plant & Equipment	<u>48,929</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(126,889)</u>	<u>(96,185)</u>
NET (DECREASE) IN CASH HELD	(661,525)	(1,526,917)
Cash at Beginning of Year	<u>6,333,177</u>	<u>7,860,094</u>
CASH AT END OF YEAR	<u>5,671,652</u>	<u>6,333,177</u>

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

**NOTES TO THE CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012**

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).



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Independent Auditor's Report To the Members of Transport Workers' Union of Australia - National Council

We have audited the concise financial report of Transport Workers' Union of Australia National Council for the financial year ended 31 December 2012 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.

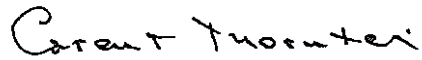
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Transport Workers' Union of Australia National Council for the year ended 31 December 2012. Our audit report on the full financial report was signed on 28 March 2013, 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 2012, 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."

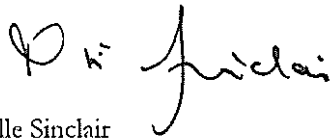
Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts and other disclosures which were not directly 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 for the year ended 31 December 2012 complies with Accounting Standard AASB 1039 Concise Financial Reports.



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, 28 March 2013