



# Transport Workers' Union

## National Office

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**Tony Sheldon National Secretary**

Ms Bernadette O'Neill  
General Manager,  
Fair Work Commission  
GPO Box 1994  
Melbourne VIC 3001

8 July 2014

By email – [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)

Dear Ms O'Neill

**Re: Division 5 – Reporting Requirements of the *Fair Work (Registered Organisations) Act 2009***

Please find enclosed the reports and designated certificate as required by s.268 of the *Fair Work (Registered Organisations) Act 2009*.

The Union has been requested by the Delegate of the General Manager Mr Chris Enright to provide information in relation to its membership figures for previous years (Reference AR2014/97).

We have given an undertaking to the delegate to investigate the matters raised, which may or may not have a bearing on the figures contained in this report.

In you require any further information please contact me via email at [wendy.carr@twu.com.au](mailto:wendy.carr@twu.com.au) or telephone (02) 81146573.

Yours sincerely,

Wendy Carr  
Head of Legal

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NSW State Secretary  
Wayne Forno

Vic/Tas State Secretary  
Wayne Mader

Qld State Secretary  
Peter Biagini

WA State Secretary  
Rick Burton

SA/NT State Secretary  
Ray Wyatt

**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 2013; and
- that, in accordance with s266 of the *RO Act*, the full report was presented to the relevant series of meetings as follows:
  - to the National Committee of Management of the reporting unit on 18 May 2014 (at which meeting the Committee of Management authorised the signing of the full and concise reports and also resolved (as required by section 265(2)) to provide a copy of the Concise report to members); and
  - to the National Council of the reporting unit on 19 May 2014 (at which meeting the National Council endorsed the signed reports); and
  - to the National Committee of Management of the reporting unit on 25 June 2014 (at which meeting the National Committee of Management endorsed the signed reports as endorsed by the National Council).
- that the concise report was provided to members from 24 May 2014 in accordance with section 265 of the *RO Act*.



Anthony Sheldon

National Secretary

**7 July 2014**



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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 "Trade Union"), which comprises the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity 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.

### **Responsibility of the Committee of Management for the financial report**

The Committee of Management of the Trade Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work Act 2009 (Registered Organisations). This responsibility includes such internal controls as the Committee of Management 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 Trade Union'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 Trade Union'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, 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.

### **Auditor's Opinion**

In our opinion,

- a the financial report of Transport Workers' Union of Australia - National Council:
  - i presents fairly, in all material respects, the Trade Union's financial position as at 31 December 2013 and of its performance and cash flows for the year then ended ;  
and
  - ii complies with Australian Accounting Standards and the relevant legislation;
- b the Committee of Management appropriately applied the going concern basis of accounting.

### **Report on the recovery of wages activity**


The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work Act 2009 (Registered Organisations). Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly we have not been instructed by the Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.

**Other Matters**

The signor is an Approved Auditor (who holds a current Public Practice Certificate) with the Institute of Chartered Accountants in Australia.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Neville Sinclair  
Partner - Audit & Assurance

Sydney, 21 May 2014

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
NATIONAL COUNCIL  
FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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

**ANALYSIS OF FINANCIAL STATEMENTS**

The Transport Workers' Union of Australia National Council (National Office) presents its reports for the 2013 financial year.

**Statement of Comprehensive Income and Statement of Financial Position:**

**REVENUE**

Revenue earned from Sustentation Fees and Grants for the year was \$4,392,172 which when compared to the prior year has increased by \$1,851,108 i.e. 72.85% (2012: \$2,541,064).

The total income generated by the branch was \$5,126,307 an increase of \$ 585,739 when compared to the prior year (2012: \$4,540,568)

**EXPENDITURE**

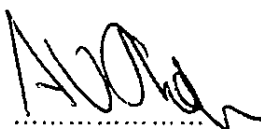
- (i) **Employee Related Payments (ERP)** for the year was \$2,459,815 which includes salary on-costs, Superannuation payments, FBT, and annual 4% salary increase.) (2012: \$1,971,635)
- (ii) **Operating Expenditure** for the year was \$3,108,910 (2012: \$3,878,682). The decrease in expenditure by \$769,772 relates to a mix of over and under spend in expenditure over the year, including a reduction in external legal costs and tighter expense control.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$5,743,996 (2012: \$5,959,424).

**NET POSITION**

The deficit for the year ended 2013 is \$617,689 (2012 Deficit: \$1,418,856)

**CASH FLOW STATEMENT**

The cash flow of the National Office has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$5,166,246 and reflects consistency in the cash flow experienced during the year. (2012: \$5,671,652).The National Office continues to perform to expectations.



.....  
**ANTHONY SHELDON**  
NATIONAL SECRETARY  
18 MAY 2014

**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 2013.

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 \$617,689.
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 directors of the TWU Superannuation fund: Mr Anthony Sheldon and Mr Michael Kaine. The positions are held as employee representatives by reason of the criteria established for industry superannuation funds.
6. The external directorships of officers of the Transport Workers Union of Australia, National Council, are as follows:

Organisation	Officers	Nature	Role
TWU Super	Anthony Sheldon Michael Kaine	Industry Superannuation Fund	Nominees of the reporting unit
Transport & Logistics Industry Skills Council	Michael Kaine	Industry skills council	Nominees of the reporting unit
Transport Education Audit Health Compliance Organisation (TEACHO) Ltd	Anthony Sheldon Michael Kaine Wayne Forno	Promote a safe & sustainable transport industry	Nominees of the reporting unit
BlueCard Training Pty Ltd	Anthony Sheldon Wayne Mader Howard Smith	No present activities. Application to deregister has been made.	Nominees of the reporting unit
The McLean Forum Ltd	Anthony Sheldon Wayne Forno	A political action committee advocating for a strong Union movement with strong, effective leadership, moderate & progressive social policies, development & advancement of debate of socially fair policy, advancing the interests of workers in the transport industry generally.	N/A

7. The number of members of the Transport Workers Union of Australia at 31 December 2013 was 94,025.




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

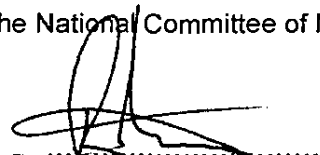
**OPERATING REPORT (cont'd)**

8. The number of persons who were employees of National Council on 31 December 2013 was 23, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
9. The names of each person who were members of the National Committee of Management at any time during the financial year are as follows:

<b>Name</b>	<b>Period Position Held</b>
Anthony Sheldon	1 January 2013 to 31 December 2013
Michael Kaine	1 January 2013 to 31 December 2013
Rick Burton	1 January 2013 to 31 December 2013
Wayne Forno	1 January 2013 to 31 December 2013
Wayne Mader	1 January 2013 to 31 December 2013
Ray Wyatt	1 January 2013 to 31 December 2013
Peter Biagini	1 January 2013 to 31 December 2013

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

  
.....  
**ANTHONY SHELDON**  
18 May 2014

  
.....  
**RAY WYATT**

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

**NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT**

On 18 May 2014 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 2013.

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;
  - (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 2013;
  - (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 2013 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 2013 the National Council did not participate in any recovery of wages activity.
- Recovery of Wages Activity**
- (g) during the financial year ended 31 December 2013 did not undertake recovery of wages activity. The TWU of Australia (NSW Branch) assisted with recovery of TWU member wages. However as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. our TWU member) and at no point of time is any money banked the Union's TWU Branch bank account

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

- (h) in relation to recovery of wages activity:
- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For the National Committee of Management

  
.....  
**ANTHONY SHELDON**  
18 May 2014

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>INCOME</b>			
Capitation/ Sustentation Fees	4	4,392,172	2,541,064
ACTU Contributions		142,689	116,020
Distribution from Available-for-sale Financial Assets		65,373	39,041
National Training Fund		51,306	31,116
National Organising Fund		-	655,781
Grant Income		20,883	62,472
Legal Fees Reimbursement from Branches		64,544	474,943
Interest Received		211,130	297,813
Sundry Income		(70,630)	182,772
Sponsorship TWU Super		16,818	29,091
Trustee Fees Received		30,000	60,000
ITF		-	50,455
FWEIP Grant		202,022	-
<b>TOTAL INCOME</b>		<b>5,126,307</b>	<b>4,540,568</b>
<b>EXPENDITURE</b>			
Depreciation		175,271	109,107
<b>Employee benefits expense</b>			
Accrued Annual Leave	5 d	23,044	(1,854)
Accrued LSL	5 d	24,249	14,654
Fringe Benefits Tax	5 d	4,421	18,005
Salaries	5 d	2,178,519	1,742,818
Superannuation	5 d	229,582	198,012
		2,459,815	1,971,635
<b>Other expenses</b>			
Advertising		4,470	20,150
Affiliation Fees		326,783	279,086
Accommodation		82,513	71,135
ACTU Levy		80,000	160,000
Auditors' Remuneration		35,050	20,620
Bank Charges		5,702	3,354
Building Expenses		69,018	51,879
Campaign Expenses		193,663	200,338
Overnight /Interstate		22,633	42,909
Computer Maintenance		165,370	61,523
Donations	5 c	49,375	10,324
Staff Gifts		4,879	3,053
Functions		51	1,179
FWEIP Expenses		113,922	-
National Committee of Mgmt. Expenses		54,018	41,521
Federal Council		109,077	102,518
General Expenses		22,494	1,240
Carried forward		1,339,018	1,070,829

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)**

	Note	2013 \$	2012 \$
Brought Forward		1,339,018	1,070,829
Insurance		39,371	24,798
Lease Rental Expenses – Operating leases		3,211	26,340
Legal & Professional Fees	5(f)	286,363	1,392,600
Loss on Disposal of Assets		1,713	35,179
Meeting Expenses		85,546	48,883
Merchandise		2,476	4,725
Motor Vehicle Expenses		28,602	43,726
Overseas Expenses		-	20,112
Organising Assistance		6,055	63,636
Payroll Tax		117,121	98,436
Postage & Freight		9,433	5,980
Printing and Stationery		111,316	45,637
Publications		21,756	8,614
Reimbursement to S.A./N.T. Branch		-	33,268
Reimbursement to Branches		358,091	374,842
Records Storage		712	12,213
Repairs and Maintenance		1,289	658
Rent		220,142	182,676
Seminar and Course Fees		9,184	5,428
Staff Amenities		36,249	2,734
Telephone and Faxes		97,554	68,781
Training & Research Projects		24,993	124,442
Travelling Expenses		283,379	149,602
TUF FWEIP ITF Project Expense		5,523	13,124
Workers Compensation		19,813	21,419
		<u>3,108,910</u>	<u>3,878,682</u>
<b>TOTAL EXPENDITURE</b>		<u>5,743,996</u>	<u>5,959,424</u>
<b>DEFICIT FOR THE YEAR</b>		<u>(617,689)</u>	<u>(1,418,856)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Increase in Value of Available-for-Sale Financial Assets		158,386	98,689
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>158,386</u>	<u>98,689</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u>(459,303)</u>	<u>(1,320,167)</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	Note	2013 \$	2012 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	5,166,246	5,671,652
Receivables	10	1,032,400	691,222
Available-for-sale Financial Assets	11	1,100,647	942,261
<b>TOTAL CURRENT ASSETS</b>		<u>7,299,293</u>	<u>7,305,135</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	12	327,357	380,122
Investment in Associate	13	100	100
<b>TOTAL NON-CURRENT ASSETS</b>		<u>327,457</u>	<u>380,222</u>
<b>TOTAL ASSETS</b>		<u>7,626,750</u>	<u>7,685,357</u>
<b>CURRENT LIABILITIES</b>			
Payables	14	982,180	628,777
Provision for Accrued Annual Leave		121,945	98,901
Provision for Long Service Leave		66,468	42,219
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,170,593</u>	<u>769,897</u>
<b>NET ASSETS</b>		<u>6,456,157</u>	<u>6,915,460</u>
Accumulated Funds		6,280,510	6,898,199
Available for Sale Reserve		175,647	17,261
<b>TOTAL EQUITY</b>		<u>6,456,157</u>	<u>6,915,460</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 2013**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
<b>Balance at 1 January 2012</b>	8,317,055	(81,428)	8,235,627
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
<b>Total Comprehensive Loss for the year</b>	<u>(1,418,856)</u>	<u>98,689</u>	<u>(1,320,167)</u>
<b>Balance at 31 December 2012</b>	<u>6,898,199</u>	<u>17,261</u>	<u>6,915,460</u>
Deficit for the year	(617,689)	-	(617,689)
<i>Other Comprehensive Income</i>			
Increase in fair value of Available-for-sale financial assets	-	158,386	158,386
<b>Total Comprehensive Loss for the year</b>	<u>(617,689)</u>	<u>158,386</u>	<u>(459,303)</u>
<b>Balance at 31 December 2013</b>	<u>6,280,510</u>	<u>175,647</u>	<u>6,456,157</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 2013**

	2013	2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sustentation Fees	4,368,455	2,690,851
ACTU Contributions	207,668	76,912
Interest and Distributions Received	272,965	377,439
Grants Received	222,905	112,927
National Organising Fund	-	721,360
Legal fee reimbursement	184,420	537,619
Other Income	77,594	165,522
Payments to Suppliers and Employees	<u>(5,715,193)</u>	<u>(5,217,266)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	15(b) <u>(381,186)</u>	<u>(534,636)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment	(131,111)	(175,818)
Proceeds from Sale of Property, Plant & Equipment	<u>6,891</u>	<u>48,929</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(124,220)</u>	<u>(126,889)</u>
<b>NET (DECREASE) IN CASH HELD</b>	(505,406)	(661,525)
Cash at Beginning of Year	<u>5,671,652</u>	<u>6,333,177</u>
<b>CASH AT END OF YEAR</b>	15(a) <u>5,166,246</u>	<u>5,671,652</u>

(The accompanying notes form part of this financial report)



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

**RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 31 DECEMBER 2013**

The Transport Workers' Union of Australia - National Council has not undertaken recovery of wages activity. The National office does assist with recovery of TWU member wages. However as and when decreed by the court we confirm that any settlement or recovery of wages is directly managed between the employer and the employee (i.e. TWU State Branch member) and at no point of time is any money banked in the Union's TWU National Council bank account. Reportable amounts are NIL for:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. STATEMENT OF ACCOUNTING POLICIES**

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

The reporting guidelines made under section 255 of the Fair Work (Registered Organisations) Act 2009 (the RO Act) require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 Application for Tiers of Australian Accounting Standards. As such the National Council of the Transport Workers' Union of Australia have prepared a full set of financial statements with all disclosures requirements. In the prior year the organisation had early adopted Australian Accounting Standards – Reduced Disclosure Requirements but this is no longer permissible. This has had no material impact on amounts recognised in the financial statements and related notes because it merely requires more detailed note disclosures on financial risk management than if these financial statements were prepared using Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue in accordance with a resolution of the committee of management on the 07 May 2014.

**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**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from sustentation fees is accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Grant revenue is recognised when earned in accordance with grant conditions. Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**1. STATEMENT OF ACCOUNTING POLICIES (cont'd)**

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**(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.

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**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.

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**(i) Going concern**

The National Council ability to continue as a going concern is reliant on the on-going sustentation fees paid by the State branches.

The terms and conditions are as follows:

- i. The State branches must pay the National Council 17.64% of the total fees received by the State branches as Entrance fees and Annual Fees in each calendar month;
- ii. The payments must be made to the National Council within 21 days of the last day of the month in which the dues are received by the State Branches;
- iii. The payments of Sustentation Fees must not be used by Branches for any other purpose.

**(j) Going concern support**

The National Council has not agreed to provide financial support to any other reporting units to ensure they can continue on a going concern basis.

**(k) Amalgamations and Restructures**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**(l) Business Combinations**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**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).

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**4. INCOME**

**(a) Capitation/Sustentation fees (excluding GST)**

	2013	2012
	\$	\$
NSW & ACT	1,285,974	920,665
VIC & TAS	1,233,140	660,221
QLD	773,967	372,358
WA	808,793	411,072
SA	290,298	176,748
<b>Total Capitation/Sustentation fees</b>	<b>4,392,172</b>	<b>2,541,064</b>

**(b) Other income**

The following income items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Membership fees
- b. Compulsory levies
- c. Donations or grants
- d. Other financial support from other reporting units

**5. Expenses**

**(a) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters**

<b>Affiliation Fees</b>	<b>2013</b>	<b>2012</b>
	\$	\$
ACTU	274,182	235,041
International Trucking Federation	42,601	44,045
Australian Trucking Association	10,000	-
	<b>326,783</b>	<b>279,086</b>
<b>Reimbursement to State Branches</b>	<b>2013</b>	<b>2012</b>
	\$	\$
TWU of Australia - Victoria Branch	358,091	374,872
TWU of Australia - SA/NT Branch	-	33,268
	<b>358,091</b>	<b>408,140</b>

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**(b) Compulsory levies**

	2013	2012
	\$	\$
ACTU Levy	80,000	160,000

The levy is imposed by ACTU as a fee for affiliation with the peak union body.

**(c) Donations**

2013

**Non-reportable donations less than or equal to \$1,000 (excluding GST)**

Details to whom payment made	Purpose	\$
Grayndler Federal campaign	Stamps	200

**Reportable donations exceeding \$1,000 (excluding GST)**

Details to whom payment made	Purpose	\$
Rob Mitchell	McEwen Assembly Candidate	5,000
Mike Kelly	Eden Monaro Federal Campaign	5,000
Maritime Union of Australia	TUF Organising Campaign	5,000
Bill Shorten Leadership campaign	Australian Labor Leadership campaign	10,000
The McKell Institute	Institute Hosted a speech by the National Secretary- Tony Sheldon	1,000
Emma McBride	Dobell Federal Election campaign	5,000
Clare O'Neil	Hotham Campaign Fund	5,000
Maritime and Transport Industry	Support White Ribbon Lunch	1,000
Australian Labor Party- NSW Branch	Fundraising Lunch	2,000
Anthony Albanese	Grayndler Election Campaign	7,175
Philippine Airlines Employees Association	PALEA's strike and picket fund to aid PALEA workers	3,000



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2012

**Non-reportable donations less than or equal to \$1,000 (excluding GST)**

Details to whom payment made	Purpose	\$
Red Cross Australia	Red Cross Appeal	18

**Reportable donations exceeding \$1,000 (excluding GST)**

Details to whom payment made	Purpose	\$
TEAMSTERS- United States	Support the families of Toll Workers taking Industrial Action in California	5,000
Teamsters Toll Gift Card	Teamsters for the families of workers who were victims of Hurricane Sandy in New Jersey	4,306
Vietnam War Veterans	Fundraising Dinner	1,000

**(d) Employee expenses related to holders of office**

	2013 \$	2012 \$
<b>Officers benefits expense</b>		
Wages and Salaries	244,326	222,836
Superannuation	51,038	47,134
Leave and other entitlements	26,056	15,911
Allowances	-	-
Other employee expenses	58,244	28,830
	<u>379,664</u>	<u>314,711</u>

**(e) Employee expenses related to employees (other than holders of office)**

	2013 \$	2012 \$
<b>Employees benefits expense</b>		
Wages and Salaries	1,934,193	1,392,108
Superannuation	178,544	150,878
Leave and other entitlements	21,237	3,524
Allowances	95,355	72,004
Other employee expenses	91,176	55,870
	<u>2,320,505</u>	<u>1,674,384</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**(f) Legal costs**

	2013	2012
	\$	\$
Legal costs	286,363	1,392,600
Litigation	-	-
Other legal matters	-	-

**(i) Other expense**

The following expense items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. Payments to employers for payroll deduction activity
- b. Capitation fee payments to other reporting units
- c. Fees or allowances (other than those already disclosed above) paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings.
- d. Expenses (other than expenses included in any amounts referred to above) incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible
- e. Penalties imposed under the RO Act.

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION**

**(a) Amounts receivable/payable to/from other reporting units of the Union**

Amounts receivable and payable in respect of the State Branches have been disclosed in Note 5 and Note 9 respectively. A breakdown of amounts due from Branches is disclosed in Note 11.

**(b) Legal costs payable**

	2013	2012
	\$	\$
Legal costs payable	81,398	103,110

**(f) Employee provisions related to holders of office**

	2013	2012
	\$	\$
<b>Officers provisions</b>		
Annual leave	47,897	34,671
Long service leave	38,516	22,567
Separation and redundancies	-	-
Other employee provisions	-	-
	86,413	57,238

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**(g) Employee provisions related to employees (other than holders of office)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Employees provisions</b>		
Annual leave	74,048	64,230
Long service leave	27,952	11,529
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>102,000</u>	<u>75,759</u>

**(c) Other balances at 31 December 2013**

Items noted above as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009 which have not occurred in the reporting period do not have respective balances at year-end and therefore not disclosed. These include:

- a. Payables to employers as consideration for the employers making payroll deductions of membership subscriptions

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the Fair Work (Registered Organisations) Act, 2009, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the Union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

**(a) Amounts received/paid to/from other reporting units of the Union**

Amounts received and paid in respect of the State Branches have been incorporated as part of the Statement of Cash Flows and detailed below.

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Cash inflows from State Branches	4,854,202	4,061,942
Cash outflows to State Branches	358,091	408,110

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2013 \$	2012 \$
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	399,601	303,877
Cash in Hand	1,000	1,000
Deposits at Call	779	779
Term Deposit	4,764,866	5,365,996
	5,166,246	5,671,652

Note that \$186,269 (2012: \$114,616) of the Cash at Bank balance is restricted in use and does not form part of the Transport Workers' Union's available working capital.

**10. RECEIVABLES**

Accrued Interest & Distributions	46,428	42,890
Debtors – Branches	869,375	593,754
Sundry Debtors	3,084	30,000
Prepayments	113,513	24,578
	1,032,400	691,222

**11. AVAILABLE-FOR-SALE FINANCIAL ASSET**

Integrity Australian Share Fund – Fair Value	1,100,647	942,261
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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 2013 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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<b>12. PROPERTY, PLANT AND EQUIPMENT</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Office Furniture and Equipment – At Cost	273,220	180,256
Less: Accumulated Depreciation	(141,533)	(116,768)
	<u>131,687</u>	<u>63,488</u>
Library – At cost	75,135	75,135
Less: Accumulated Depreciation	(75,135)	(75,135)
	<u>-</u>	<u>-</u>
Computer Equipment – At cost	437,504	415,560
Less: Accumulated Depreciation	(316,059)	(200,637)
	<u>121,445</u>	<u>214,923</u>
Motor Vehicles – At cost	117,944	138,295
Less: Accumulated Depreciation	(43,719)	(36,584)
	<u>74,225</u>	<u>101,711</u>
	<u>327,357</u>	<u>380,122</u>

	Office Furniture & Equipment	Library	Computer Equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$
Balance at 1 January 2013	63,488	-	214,923	101,711	380,122
Additions	92,962	-	36,436	-	129,398
Disposals	-	-	-	(6,892)	(6,892)
Depreciation	(24,763)	-	(129,914)	(20,594)	(175,271)
Balance at 31 December 2013	<u>131,687</u>	<u>-</u>	<u>121,445</u>	<u>74,225</u>	<u>327,357</u>

<b>13. INVESTMENT IN ASSOCIATE</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Shares in unlisted company – at cost Blue Card Training Pty. Ltd.	<u>100</u>	<u>100</u>

**14. PAYABLES**

Creditors – Branches	188,844	111,263
Creditors – Other	793,336	517,514
	<u>982,180</u>	<u>628,777</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**15. CASH FLOW INFORMATION**

(a) For the purpose of the Statement of Cash Flows, Cash includes:	<b>2013</b>	<b>2012</b>
	\$	\$
Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.		
Cash at Bank	399,601	303,877
Cash on Hand	1,000	1,000
Deposits at call	779	779
Term Deposit	<u>4,764,866</u>	<u>5,365,996</u>
	<u>5,166,246</u>	<u>5,671,652</u>
 (b) Reconciliation of cash flow from operations with operating result		
<b>Operating Deficit</b>	(617,689)	(1,418,856)
 <b>Non Cash Flows in Operating Result</b>		
Depreciation	175,271	109,107
Loss on Disposal of Assets	1,713	35,179
 <b>Changes in assets and liabilities</b>		
Increase/(Decrease) in Payables	353,403	158,161
Decrease/(Increase) in Receivables	(341,178)	568,973
Increase in Employees Entitlements	<u>47,294</u>	<u>12,800</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>(381,186)</u>	<u>(534,636)</u>

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**16. AMOUNTS DUE FROM BRANCHES**

	<b>NSW &amp; ACT</b>	<b>VIC/TAS</b>	<b>SA &amp; NT</b>	<b>QLD</b>	<b>WA</b>	<b>TOTAL</b>
<b>AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2013</b>						
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
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>
<b>AMOUNTS CHARGED TO BRANCHES</b>						
Sustentation Fees	1,414,572	1,356,454	319,328	851,364	889,673	4,831,391
A.C.T.U. Contributions	61,867	35,319	17,631	20,060	22,081	156,958
Litigation reimbursement	14,200	14,200	14,200	14,200	14,200	71,000
Training Levy	34,699	8,830	2,374	5,015	5,520	56,438
National Organising Fund	-	-	-	-	-	-
Other	12,817	-	485	505	232	14,039
	<u>1,538,155</u>	<u>1,414,803</u>	<u>354,018</u>	<u>891,144</u>	<u>931,706</u>	<u>5,129,826</u>
<b>AMOUNTS RECEIVED FROM BRANCHES</b>						
Sustentation Fees	1,326,420	1,234,639	280,923	722,543	803,930	4,368,455
A.C.T.U. Contributions	63,083	47,692	30,004	32,433	34,454	207,666
Litigation reimbursement	62,209	-	-	92,210	-	184,419
Training Levy	34,699	8,830	2,374	5,015	5,520	56,438
National Organising Fund	-	-	-	-	-	-
Other	-	16,738	3,431	17,055	-	37,224
	<u>1,516,411</u>	<u>1,307,899</u>	<u>316,732</u>	<u>869,256</u>	<u>843,904</u>	<u>4,854,202</u>

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**AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2013**

Sustentation Fees	180,713	210,435	36,248	169,085	115,049	711,530
A.C.T.U. Contributions	43,412	-	-	-	-	43,412
Litigation reimbursement	12,909	12,909	12,909	12,909	12,909	64,545
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	(7,940)	22,334	2,417	20,050	13,027	49,888
	<u>229,094</u>	<u>245,678</u>	<u>51,574</u>	<u>202,044</u>	<u>140,985</u>	<u>869,375</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**17. RELATED PARTY DISCLOSURES**

**(a) 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 (Note 5 (d)).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$51,038 ( 2012: \$47,134).
- (c) 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.
- (d) Sustentation Fees received from and administration fees paid to the Transport Workers' Union State Branches are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash received and cash paid respectively in Note 8(a).
- (e) Amounts receivable from and payable to the Transport Workers' of Australia National Council at balance date are disclosed at Note 14 and Note 10 respectively.

**(b) Key management personnel remuneration**

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any member of the Committee of Management. Key management personnel remuneration includes the following expenses:

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Wages and Salaries	244,326	222,835
Annual leave	9,448	5,875
Other employee expenses	58,244	28,830
<b>Post-employment benefits</b>		
Superannuation	51,038	47,134
<b>Other long-term employee benefits</b>		
Long service leave	16,608	10,037
<b>Total</b>	<u>379,664</u>	<u>314,711</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**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:

	2013	2012
	\$	\$
Not longer than 1 year	98,983	164,972
Longer than 1 year but not longer than 5 years	-	98,983
	<u>98,983</u>	<u>263,955</u>

**20. FINANCIAL RISK MANAGEMENT**

*(a) General objectives, policies and processes*

The National Council is exposed to risks that arise from its use of financial instruments. This note describes the National Council's objectives, policies and processes for managing those risks and the methods used to measure them.

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

The National Council's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The National Committee of Management and the National Secretary have overall responsibility for the determination of the Branch's risk management objectives and policies.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

(b) *Credit Risk*

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

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

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

	2013	2012
	\$	\$
Cash and cash equivalents	5,166,246	5,671,652
Branches	869,375	593,754
Sundry Debtors	3,084	30,000
Total receivables	<u>872,459</u>	<u>623,754</u>

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

(c) *Liquidity Risk*

Liquidity risk is the risk that the National Council may encounter difficulties raising funds to meet commitments associated with financial instruments. The National Council is not significantly exposed to this risk. As at 31 December 2013 it had \$5,166,246 (2012: \$5,671,652) of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 December 2013 totalled \$976,963 (2012: \$628,777). The National Council manages liquidity risk by monitoring cash flows.

(d) *Market Risk*

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

(e) *Interest Rate Risk*

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

31 December 2013	Fixed Interest rate	Floating interest rate	Non- interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents		416,436	1,000	417,436
Held- to maturity investments	5,849,559	-	-	5,849,559
Receivables	-	-	872,459	872,459
<b>Total financial assets</b>	<b>5,849,559</b>	<b>416,436</b>	<b>873,459</b>	<b>7,139,454</b>
Weighted average Interest rate	4.06%	0.05%	-	-
<b>Financial Liabilities</b>				
Payables	-	-	976,964	976,964
<b>Net Financial Assets</b>	<b>5,849,559</b>	<b>416,436</b>	<b>(103,505)</b>	<b>6,162,490</b>

31 December 2012	Fixed Interest rate	Floating interest rate	Non- interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents		304,656	1,000	305,656
Held- to maturity investments	6,308,257	-	-	6,308,257
Receivables	-	-	623,754	623,754
<b>Total financial assets</b>	<b>6,308,257</b>	<b>304,656</b>	<b>624,754</b>	<b>7,237,667</b>
Weighted average Interest rate	5.51%	0.14%		
<b>Financial Liabilities</b>				
Payables	-	-	628,777	628,777
<b>Net Financial Assets</b>	<b>6,308,257</b>	<b>304,656</b>	<b>(4,023)</b>	<b>6,608,890</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**Sensitivity Analysis**

<b>2013</b>	<b>Carrying Amount</b>	<b>+0.5% (50 basis points) Profit</b>	<b>-0.5% (50 basis points) Loss</b>
	\$	\$	\$
Cash Assets	<u>5,166,246</u>	<u>25,831</u>	<u>(25,831)</u>
<b>2012</b>			
Cash Assets	<u>5,671,652</u>	<u>28,358</u>	<u>(28,358)</u>

(f) *Other Price Risks*

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

(g) *Foreign Exchange Risk*

The National Council is not directly exposed to foreign exchange rate.

**21. UNION DETAILS**

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

2<sup>nd</sup> Floor, 388-390 Sussex Street,  
Sydney, NSW 2000



**TRANSPORT WORKERS' UNION OF AUSTRALIA**  
**NATIONAL COUNCIL**  
**CONCISE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

## **Information of 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 2013 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 and is based on the Transport Workers' Union of Australia National Council 2013 financial report.

### **Statement of Comprehensive Income and Statement of Financial Position**

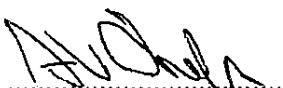
The deficit for the year 2013 was \$617,689, a significant improvement. This improvement is partly supported by an increase in sustentation levels, but is also substantially due to tight control of operating expenses. The result reflects the continuing commitment of National Council to intensify its campaigns, research and planning. Since the 2013 National Council, the TWU has continued to focus on the Road Transport and Aviation sectors. We have delivered a major bargaining round, made important progress in the retail supply chain campaign with the Distribution Centre Pilot Programme and we continue to develop an aviation strategy that uses major airports as the framework for organising. Most importantly, over the past year, the National Committee of Management has developed a shared vision and Strategic Plan, 'Towards 2035', which we hope will shape our progress over the next 21 years.

Expenditure was down in 2013 by \$215,428. A large reduction in legal fees from 2012 offset by an increase in employment expenses by \$488,180 in line with the above mentioned commitment by National Council to boost campaign, research and planning resources.

Notwithstanding the deficit, the net assets of the National Council have decreased by \$459,303 significantly aided by the strong performance in the National Council's investment portfolio by \$158,386.

### **Statement of Cash Flows:**

The cash flow of National Council has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$5,166,246.



.....  
**ANTHONY SHELDON**  
SECRETARY  
18 May 2014

## 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 2013.

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 \$555,496.
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 directors of the TWU Superannuation fund: Mr Anthony Sheldon and Mr Michael Kaine. The positions are held as employee representatives by reason of the criteria established for industry superannuation funds.
6. The external directorships of officers of the Transport Workers Union of Australia, National Council, are as follows:

Organisation	Officers	Nature	Role
TWU Super	Anthony Sheldon Michael Kaine	Industry Superannuation Fund	Nominees of the reporting unit
Transport & Logistics Industry Skills Council	Michael Kaine	Industry skills council	Nominees of the reporting unit
Transport Education Audit Health Compliance Organisation (TEACHO) Ltd	Anthony Sheldon Michael Kaine Wayne Forno	Promote a safe & sustainable transport industry	Nominees of the reporting unit
BlueCard Training Pty Ltd	Anthony Sheldon Wayne Mader Howard Smith	No present activities. Application to deregister has been made.	Nominees of the reporting unit
The McLean Forum Ltd	Anthony Sheldon Wayne Forno	A political action committee advocating for a strong Union movement with strong, effective leadership, moderate & progressive social policies, development & advancement of debate of socially fair policy, advancing the interests of workers in the transport industry generally.	N/A


7. The number of members of the Transport Workers Union of Australia at 31 December 2013 was 94,025.



8. The number of persons who were employees of National Council on 31 December 2013 was 23, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
9. 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
Mr. Anthony Sheldon	1 January 2013 to 31 December 2013
Mr. Michael Kaine	1 January 2013 to 31 December 2013
Mr. Rick Burton	1 January 2013 to 31 December 2013
Mr. Wayne Forno	1 January 2013 to 31 December 2013
Mr. Wayne Mader	1 January 2013 to 31 December 2013
Mr. Ray Wyatt	1 January 2013 to 31 December 2013
Mr. Peter Biagini	1 January 2013 to 31 December 2013

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

  
 ANTHONY SHELDON  
 18 May 2014

  
 RAY WYATT

## NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 18 May 2014 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 2013.

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 2013;
- (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 2013 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 2013 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



.....  
**ANTHONY SHELDON**  
18 May 2014

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>INCOME</b>		
Sustentation Fees	4,392,172	2,541,064
ACTU Contributions	142,689	116,020
Distribution from Available-for-sale Financial Assets	65,373	39,041
National Training Fund	51,306	31,116
National Organising Fund	-	655,781
Grant Income	20,883	62,472
Legal Fees Reimbursement from Branches	64,544	474,943
Interest Received	211,130	297,813
Sundry Income	(70,630)	182,772
Sponsorship TWU Super	16,818	29,091
Trustee Fees Received	30,000	60,000
ITF	-	50,455
FWEIP Grant	<u>202,022</u>	<u>-</u>
<b>TOTAL INCOME</b>	<u>5,126,307</u>	<u>4,540,568</u>
<b>EXPENDITURE</b>		
Depreciation	<u>175,271</u>	<u>109,107</u>
<b>Employee benefits expense</b>		
Accrued Annual Leave	23,044	(1,854)
Accrued LSL	24,249	14,654
Fringe Benefits Tax	4,421	18,005
Salaries	2,178,519	1,742,818
Superannuation	<u>229,582</u>	<u>198,012</u>
	<u>2,459,815</u>	<u>1,971,635</u>
<b>Other expenses</b>		
Advertising	4,470	20,150
Affiliation Fees	326,783	279,086
Accommodation	82,513	71,135
ACTU Levy	80,000	160,000
Auditors' Remuneration	35,050	20,620
Bank Charges	5,702	3,354
Building Expenses	69,018	51,879
Campaign Expenses	193,663	200,338
Overnight /Interstate	22,633	42,909
Computer Maintenance	165,370	61,523
Donations	49,375	10,324
Staff Gifts	4,879	3,053
Functions	51	1,179
FWEIP Expenses	113,922	-
National Committee of Mgmt. Expenses	54,018	41,521
National Council	109,077	102,518
General Expenses	<u>22,494</u>	<u>1,240</u>

Carried forward

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1,339,018

1,070,829

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013 (Cont'd)**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Brought Forward	<u>1,339,018</u>	<u>1,070,829</u>
Insurance	39,371	24,798
Lease Rental Expenses – Operating leases	3,211	26,340
Legal & Professional Fees	286,363	1,392,600
Loss on Disposal of Assets	1,713	35,179
Meeting Expenses	85,546	48,883
Merchandise	2,476	4,725
Motor Vehicle Expenses	28,602	43,726
Overseas Expenses	-	20,112
Organising Assistance	6,055	63,636
Payroll Tax	117,121	98,436
Postage & Freight	9,433	5,980
Printing and Stationery	111,316	45,637
Publications	21,756	8,614
Reimbursement to S.A./N.T. Branch	-	33,268
Reimbursement to Branches	358,091	374,842
Records Storage	712	12,213
Repairs and Maintenance	1,289	658
Rent	220,142	182,676
Seminar and Course Fees	9,184	5,428
Staff Amenities	36,249	2,734
Telephone and Faxes	97,319	68,781
Training & Research Projects	24,993	124,442
Travelling Expenses	283,379	149,602
TUF FWEIP ITF Project Expense	5,523	13,124
Workers Compensation	<u>19,813</u>	<u>21,419</u>
	<u>3,108,910</u>	<u>3,878,682</u>
<b>TOTAL EXPENDITURE</b>	<u>5,743,996</u>	<u>5,959,424</u>
<b>DEFICIT FOR THE YEAR</b>	<u>(612,689)</u>	<u>(1,418,856)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Increase/(Decrease) in Value of Available-for-Sale Financial Assets	<u>158,386</u>	<u>98,689</u>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>158,386</u>	<u>98,689</u>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<u>(459,303)</u>	<u>(1,320,167)</u>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	5,166,246	5,671,652
Receivables	1,032,400	691,222
Available-for-sale Financial Assets	<u>1,100,647</u>	<u>942,261</u>
<b>TOTAL CURRENT ASSETS</b>	<u>7,299,293</u>	<u>7,305,135</u>
<b>NON-CURRENT ASSETS</b>		
Property, Plant and Equipment	327,357	380,122
Investment in Associate	<u>100</u>	<u>100</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>327,457</u>	<u>380,222</u>
<b>TOTAL ASSETS</b>	<u>7,626,750</u>	<u>7,685,357</u>
<b>CURRENT LIABILITIES</b>		
Payables	982,180	628,777
Provision for Accrued Annual Leave	121,945	98,901
Provision for Long Service Leave	<u>66,468</u>	<u>42,219</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,170,593</u>	<u>769,897</u>
<b>NET ASSETS</b>	<u>6,456,157</u>	<u>6,915,460</u>
Accumulated Funds	6,280,510	6,898,199
Available for Sale Reserve	<u>175,647</u>	<u>17,261</u>
<b>TOTAL EQUITY</b>	<u>6,456,157</u>	<u>6,915,460</u>

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Accumulated Funds \$	Available-for- sale Investment Reserve \$	Total Equity \$
<b>Balance at 1 January 2012</b>	8,317,055	(81,428)	8,235,627
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	(1,418,856)	98,689	(1,320,167)
<b>Balance at 31 December 2012</b>	<u>6,898,199</u>	<u>17,261</u>	<u>6,915,460</u>
Deficit for the year	(617,689)		(612,689)
<i>Other Comprehensive Income</i>			
Increase in fair value of Available- for-sale financial assets	-	158,386	158,386
Total Comprehensive Loss for the year	(617,689)	158,386	(459,303)
<b>Balance at 31 December 2013</b>	<u>6,280,510</u>	<u>175,647</u>	<u>6,456,157</u>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013	2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Sustentation Fees	4,368,455	2,690,851
ACTU Contributions	207,668	76,912
Interest and Distributions Received	272,965	377,439
Grants Received	222,905	112,927
National Organising Fund	-	721,360
Legal fee reimbursement	184,420	537,619
Other Income	77,594	165,522
Payments to Suppliers and Employees	<u>(5,715,193)</u>	<u>(5,217,266)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(381,186)</u>	<u>(534,636)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant and Equipment	(131,111)	(175,818)
Proceeds from Sale of Property, Plant & Equipment	<u>6,891</u>	<u>48,929</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(124,220)</u>	<u>(126,889)</u>
<b>NET (DECREASE) IN CASH HELD</b>	(505,406)	(661,525)
Cash at Beginning of Year	<u>5,671,652</u>	<u>6,333,177</u>
<b>CASH AT END OF YEAR</b>	<u>5,166,246</u>	<u>5,671,652</u>



**NOTES TO THE CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**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).

**Paper prepared during without prejudice conciliation conference to further conciliation on the topic of cost recovery.**

*Without Prejudice to Any Interested Party*

