



19 June 2017

Mr Richard Olsen  
Branch Secretary  
Transport Workers' Union of Australia, New South Wales Branch

By e-mail: [twu.legal@twunsw.org.au](mailto:twu.legal@twunsw.org.au)  
[legal@twu.com.au](mailto:legal@twu.com.au)

Dear Mr Olsen

**Transport Workers' Union of Australia, New South Wales Branch  
Financial Report for the year ended 31 December 2016 - FR2016/349**

I acknowledge receipt of the financial report for the year ended 31 December 2016 for the Transport Workers' Union of Australia, New South Wales Branch (TWU-NSW). The financial report was lodged with the Registered Organisations Commission (ROC) on 15 May 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report**

Numbering of Notes

- (i) Statement of Profit or Loss – Donations expense Note 4(a) should read Note 5.
- (ii) Note 21(e) refers to notes 11 and 13. These should read notes 15 and 17 respectively.

Please ensure that future financial reports accurately cross reference notes.

Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20 (d)). Item 20(c) and 20(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately

disclose separation and redundancies and other employee provisions provided for officers and employees.

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

#### Activities under Reporting Guidelines (RG) not disclosed

Items 13 and 19 of the RG state that if the activities identified in items 10 and 18 respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure has been made:

- 10 - going concern financial support received from another reporting unit (refers to agreement regarding financial support not dollar amount)

If no undertaking to provide financial support has been received the following statement should be included:

The TWU, New South Wales Branch's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit.

- 18(a) - receivable with another reporting unit

Please note: The Transport Workers' Union of New South Wales is a state based entity and not a reporting unit registered under the *Fair Work (Registered Organisations) Act 2009*.

#### Model Financial Statements

The ROC recommends that reporting units use the Model Financial Statements (available from the ROC website <http://www.roc.gov.au>) to assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Use of the Model Financial Statements has also been found to assist members better understand the financial reports.

## **2. Auditor's Statement**

### New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the TWU-NSW was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**  
Financial Reporting Advisor  
Registered Organisations Commission



# Transport Workers' Union of Australia, NSW Branch

Richard Olsen State Secretary | P: 02 9912 0700 | F: 02 9891 4953 | E: info@twunsw.org.au | W: www.twunsw.org.au

ABN: 24 302 560 296

12 May 2017

Mr Mark Bielecki  
Registered Organisations Commissioner  
Registered Organisations Commission  
Level 4, 414 La Trobe Street  
MELBOURNE VIC 3000

Dear Sir

## Re: Financial Report 2016 of the Transport Workers' Union of Australia, NSW Branch

In accordance with the *Fair Work (Registered Organisations) Act 2009* the Transport Workers' Union of Australia, NSW Branch hereby submits the Certificate of Designated Officer and 2016 Financial Report.

The 2016 Financial Report was presented to the Branch Committee of Management on 10 March 2017, made available to members through the union's website on 17 March 2017 and was again presented and endorsed by a second Branch Committee of Management meeting on 5 May 2017.

If there is anything further please do not hesitate to contact Rajeev Nijhawan, Chief Financial Officer, on (02) 9912 0700.

Yours sincerely

**Richard Olsen**  
**Branch Secretary**  
**Transport Workers' Union of Australia, NSW Branch**

**AUSTRALIA'S STRONGEST UNION, GIVING TRANSPORT WORKERS A POWERFUL VOICE SINCE 1888**

### PARRAMATTA

31 Cowper Street,  
Parramatta NSW 2150  
PO Box 649 Parramatta NSW 2124

### NEWCASTLE

5 Canavan Drive,  
Beresfield NSW 2322  
P: 02 4969 3900 F: 02 4962 2614

### WOLLONGONG

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### CANBERRA

3/289 Canberra Avenue,  
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# Transport Workers' Union of Australia, NSW Branch

Richard Olsen State Secretary | P: 02 9912 0700 | F: 02 9891 4953 | E: info@twunsw.org.au | W: www.twunsw.org.au

ABN: 24 302 560 296

## Section 268 Fair Work (Registered Organisations) Act 2009

### CERTIFICATE OF DESIGNATED OFFICER

#### 2016 Financial Report (The Full Report)

I, Richard Olsen, being the Branch Secretary of the Transport Workers' Union of Australia, NSW Branch, hereby certify:

- That the documents lodged herewith are copies of the Full Report for the Transport Workers' Union of Australia, NSW Branch for the period ended 31 December 2016 in accordance with s 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the Full Report was provided to the members of the reporting unit by posting on the Union's website on 17 March 2017 in accordance with s 265 of the *Fair Work (Registered Organisations) Act 2009*; and
- Prior to being placed on the Union's website the Full Report was provided to a meeting of the Branch Committee of Management of the reporting unit on 10 March 2017; and
- That the Full Report was presented to a second meeting of the Branch Committee of Management of the reporting unit on 5 May 2017 in accordance with s 266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Richard Olsen  
Branch Secretary  
Transport Workers' Union of Australia, NSW Branch

Dated: 12 May 2017

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**TRANSPORT WORKERS' UNION OF  
AUSTRALIA (NEW SOUTH WALES BRANCH)**

**FINANCIAL REPORT**

**YEAR ENDED 31 DECEMBER 2016**

**ESTABLISHED 24 JULY 1888**

**PROUDLY Carrying Australia for 125+ years**

## TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

### ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia New South Wales Branch (Federal) presents its reports for the 2016 financial year.

### STATEMENT OF COMPREHENSIVE INCOME

#### REVENUE

Revenue earned from Member Contributions and Entrance Fees for the year was \$723,808 which when compared to the prior year has increased by \$93,160 i.e. 14.77% (FY 2015: \$630,648).

Service Fees for the financial year was \$1,233,278 an increase of \$36,206 (3.02%) when compared to the prior year. (FY 2015: \$1,197,072)

The total income generated by the branch was \$1,974,737 an increase of \$95,629 (5.16%) when compared to the prior year (FY 2015: \$1,852,108)

#### EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$300,896 which includes salary on-costs, novated lease payments, superannuation payments, FBT, and a 3.25% remuneration increase consisting of a 2.25% salary increase and 1% superannuation increase. (FY 2015: \$279,211)
- (ii) **Operating Expenditure** for the year was \$1,636,160 (FY 2015: \$1,579,281). The increase in expenditure by \$56,879 relates to a mix of over and under spend in various operating cost line item expenditure over the year and the reversal of provision of doubtful debts for \$55,175 in FY 2015.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$1,937,056 (FY2015: \$1,859,020).

#### NET POSITION

The surplus of \$37,681 for year ended 2015 (FY 2015: \$6,912 deficit) is a direct flow-on effect of a modest 3% increase/review to the membership subscription in 2016, adjustment of \$1,556 relating to member debtors FY 2016 as compared to FY 2015 and other expenses.

#### STATEMENT OF CASHFLOWS

The cash flow of the Branch has been managed to ensure liabilities are paid as and when they fall due for payment. Cash at the end of the year amounted to \$160,015 and reflects consistency in the cash flow experienced during the year. (FY 2015: \$96,323). The Branch continues to perform to expectations.

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**STATEMENT OF FINANCIAL POSITION**

The net assets are \$8,434 (FY 2015: \$33,537 negative). The decision to recognize member debtors as implemented from FY 2013 has been continued in 2016. As at 31 December 2016 the outstanding debt owed, for 30 and 60 days, from members is \$4,227 (GST Inclusive). Further details are set out in Note 1.

The financial viability of the branch is assured through the continued financial support from the Transport Workers Union of NSW. Refer Note 19.



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**RICHARD OLSEN**  
BRANCH SECRETARY

Friday 10 March 2017



**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**OPERATING REPORT**

The Branch Committee of Management presents its operating report of the Transport Workers' Union of Australia, New South Wales Branch for the financial year ended 31 December 2016.

1. The principal activities of the Branch are aimed at the improvement of wages and working conditions for members. There were no changes to those activities during the financial year.
2. There were no significant changes to the Branch's financial affairs during the year. The profit for the year has helped the Branch net assets return to positive zone.
3. The Branch's financials reported a surplus of \$37,681 for the year. (FY 2015 Deficit: \$6,912).
4. All members have a right to resign in accordance with rule 16.1 of the Union's Registered Rules and section 174 (1) of the Fair Work (Registered Organisations) Act 2009. 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. There was no change to this rule during the year..
5. Richard Olsen is a director of TWU Superannuation Fund.
6. At the end of the financial year the number of registered members of the New South Wales Branch was 22,832. (NSW 21,249 and ACT 1,583)
7. The number of persons who were employees of the reporting unit on 31 December 2016 was 3, 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 Branch Committee of Management at any time during the financial year are as follows:

	<b>Name</b>	<b>Period Position Held</b>
1	Richard Olsen	1 January 2016 to 31 December 2016
2	George Clarke	1 January 2016 to 31 December 2016
3	Charles McKay	1 January 2016 to 31 December 2016
4	Paul Eid	1 January 2016 to 31 December 2016
5	Brian Beckwith	1 January 2016 to 31 December 2016
6	Robert Pirc	23 September 2016 to 31 December 2016
7	Michael Aird	1 January 2016 to 08 August 2016
8	Michael Forbes	1 January 2016 to 31 December 2016
9	Klaus Pinkas	1 January 2016 to 31 December 2016
10	Trevor Binskin	1 January 2016 to 31 December 2016
12	Stephen Pettiford	1 January 2016 to 31 December 2016
13	Richard Cockburn	1 January 2016 to 31 December 2016
14	Doug Fox	1 January 2016 to 31 December 2016
15	Donald McPherson	1 January 2016 to 31 December 2016
16	Mark Trevillian	1 January 2016 to 31 December 2016
17	Nick McIntosh	1 January 2016 to 09 September 2016
18	Ray Childs	1 January 2016 to 31 December 2016
19	Mick Pieri	1 January 2016 to 31 December 2016
20	George Oei	1 January 2016 to 31 December 2016

Signed in accordance with a resolution of the Branch Committee of Management:

  
 GEORGE CLARKE

  
 RICHARD OLSEN

Friday 10 March 2017

Friday 10 March 2017

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**BRANCH COMMITTEE OF MANAGEMENT'S STATEMENT**

On 04 March, 2016, the Branch Committee of Management of the Transport Workers' Union of Australia, New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 31 December 2016.

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

- (a) The Financial Statements and notes comply with the Australian Accounting Standards;
- (b) The Financial Statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- (c) The Financial Statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2016;
- (d) There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) During the financial year ended 31 December 2016 and since the end of the financial year:
  - (i) meetings of the Branch Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
  - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
  - (iii) the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
  - (iv) the Financial Statements of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches and national office of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, the Branch has complied.
- (f) during the financial year ended 31 December 2016 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

For the Branch Committee of Management:



.....  
**RICHARD OLSEN**  
BRANCH SECRETARY

Friday 10 March 2017

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	NOTE	2016 \$	2015 \$
<b>INCOME</b>			
Contributions and Entrance Fees		723,808	630,648
Interest		327	449
Property Rentals		15,783	15,339
Service Fees - Transport Workers' Union of New South Wales		1,233,278	1,197,072
Sundry Income		1,541	8,600
<b>TOTAL INCOME</b>		<u>1,974,737</u>	<u>1,852,108</u>
<b>Depreciation expense</b>		<u>-</u>	<u>528</u>
<b>Officers benefits expense (holders of office)</b>			
Wages and Salaries		108,488	104,726
Superannuation		13,770	12,367
Leave and other entitlements		19,236	15,064
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		-	-
		<u>141,494</u>	<u>132,157</u>
<b>Employees benefits expense</b>			
Wages and Salaries		123,055	116,837
Superannuation		14,618	13,492
Leave and other entitlements		22,867	16,753
Separation and redundancies		-	-
Other employee expenses (Fringe benefits)		(1,138)	(28)
		<u>159,402</u>	<u>147,054</u>
<b>Other expenses</b>			
Administration Fees - Transport Workers' Union of New South Wales		42,468	55,578
Affiliation Fees		14,716	11,831
Audit and Accountancy Fees		11,900	11,663
Badges		1,335	1,155
Bank Charges		2,009	2,090
Commission		385	395
Computer Costs		20,955	10,400
Country Organising		204	1,246
Donations	4(a)	5,409	1,427
Doubtful Debt Expense		-	(55,175)
Deficit on Disposal of Assets		-	-
Electricity		3,242	3,863
Freight		-	293
General Expenses		7,731	8,264
Insurance		2,599	2,846
IR Levy		2,594	3,840
Legal and Professional Fees		2,304	29,546
Meeting and Conference Expenses		23,208	29,714
Motor Car Expenses		41,487	45,034
Officials expenses		5,109	3,315
Payroll Tax		19,769	18,128

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 31 DECEMBER 2016  
(CONT'D)

Postage	4,790	3,545
Printing and Stationery	5,754	9,771
Property Expenses	47,857	51,551
Staff Training	1,177	3,049
Telephones	7,551	7,861
Sustentation Fees – NSW – to TWU of NSW (National Office)	1,233,278	1,197,072
Sustentation Fees – ACT – to TWU of NSW (National Office)	127,680	120,979
Training Levy	649	-
Financial Support from Transport Workers' Union of New South Wales	-	-
	<u>1,636,160</u>	<u>1,579,281</u>
<b>TOTAL EXPENDITURE</b>	<u>1,937,056</u>	<u>1,859,020</u>
<b>OPERATING SURPLUS/(DEFICIT) FOR THE YEAR</b>	<u>37,681</u>	<u>(6,912)</u>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	37,681	(6,912)
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>37,681</u>	<u>(6,912)</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**  
(The attached notes form part of these financial statements)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	NOTE	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	13	160,015	96,323
Investments	14	6,844	2,554
Receivables	15	169,129	208,416
Prepayments and Deposits		<u>14,219</u>	<u>12,243</u>
<b>Total Current Assets</b>		<u>350,207</u>	<u>319,536</u>
<b>Non Current Assets</b>			
Property, Plant and Equipment	16	<u>-</u>	<u>-</u>
<b>Total Non Current Assets</b>		<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>350,207</u>	<u>319,536</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	17	231,086	259,416
Provision for Accrued Annual Leave	18	41,715	38,839
Provision for Long Service Leave	18	<u>68,972</u>	<u>54,818</u>
<b>Total Current Liabilities</b>		<u>341,773</u>	<u>353,073</u>
<b>Non Current Liabilities</b>			
Provision for Long Service Leave		<u>-</u>	<u>-</u>
<b>Total Non Current Liabilities</b>		<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>341,773</u>	<u>353,073</u>
<b>NET ASSETS</b>		<u>8,434</u>	<u>(33,537)</u>
<b>EQUITY</b>			
AFS Reserve		4,290	-
Accumulated Funds		4,144	(33,537)
<b>TOTAL EQUITY</b>		<u>8,434</u>	<u>(33,537)</u>

(The attached notes form part of these financial statements)

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	AFS Reserve	Accumulated Funds \$	Total Equity
Balance at 1 January 2015		(26,625)	(26,625)
Total Comprehensive Income for the Year	<u>-</u>	<u>(6,912)</u>	<u>(6,912)</u>
Balance at 31 December 2015	-	(33,537)	(33,537)
Total Comprehensive Income for the Year		37,681	37,681
Revaluation	<u>4,290</u>	<u>-</u>	<u>4,290</u>
Balance at 31 December 2016	<u>4,290</u>	<u>4,414</u>	<u>8,434</u>

(The attached notes form part of these financial statements)

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from Members			
- Contributions and Entrance Fees		722,252	640,139
Service Fees from Transport Workers' Union of New South Wales		1,274,210	1,172,074
Payments to Transport Workers' Union of New South Wales – Administration Fees		(37,323)	(143,644)
Payments to Suppliers and Employees		(468,043)	(480,456)
Payments to Transport Workers' Union of Australia - Sustentation Fees & Levies		(1,445,055)	(1,306,619)
Interest Received		327	449
Other Receipts		17,324	23,939
		<u>                    </u>	<u>                    </u>
<b>NET CASH (USED IN) FOR OPERATING ACTIVITIES</b>	20(b)	<u>63,692</u>	<u>(94,118)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for mobile phones		-	-
Proceeds from sale of motor vehicle		-	-
Payment for motor vehicle		-	-
		<u>                    </u>	<u>                    </u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		63,692	(94,118)
Cash at beginning of Year		96,323	190,441
		<u>                    </u>	<u>                    </u>
<b>CASH AT END OF YEAR</b>	20(a)	<u>160,015</u>	<u>96,323</u>

(The attached notes form part of these financial statements)

## TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

#### 1. CHANGE IN ACCOUNTING POLICY

##### Revenue Recognition

The union has applied the accrual basis of accounting for member contributions since the 31 December 2011 financial report using the month of January receipts to account for unpaid December contributions for Payroll deductions and direct debit recovery. For the financial year FY 2016 the unpaid member contributions (refer note 3) amounts due for 30 and 60 days is \$4,227 (FY 2015: \$2,671) (GST Inclusive). The Committee seeks to recover these unpaid contributions over the coming year and has recognised the amounts in the current years reported revenue as an accrual. In line with AASB 118 'Revenue', membership income received for future years will be recognized when due. As at 31 December 2016 Membership Fees \$4,227 (GST Inclusive) has been carried forward to 2016. Refer to Note 3 for estimates of recoverable values.

According to AASB 101 Presentation of financial Statements for NFP's in making its assessment, of material uncertainties the ability to continue as a 'Going Concern' would not be affected should the debt not be collected due to the financial support from the Transport Workers Union of NSW. Refer Note 19.

#### 2. STATEMENT OF ACCOUNTING POLICIES

The financial report is for the New South Wales Branch of the Transport Workers' Union of Australia, and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The New South Wales Branch is a Branch 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 New South Wales Branch are not subject to the *Corporations Act 2001*. The Transport Workers' Union of Australia NSW Branch is a not-for-profit entity.

#### SIGNIFICANT ACCOUNTING POLICIES

The financial report of Transport Workers Union of Australia New South Wales Branch for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of the Committee of Management on 10 March 2017.

##### (a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting 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 New South Wales Branch have, prepared a full set of general purpose financial statements to apply the Tier 1 reporting requirements under AASB 1053.



## TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### 2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied. 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 Branch in the preparation of the financial report.

##### (b) Revenue

- (i) Revenue received for services and management fee/s is recognised when the service is provided.
- (ii) In prior years, revenue (contributions and entrance fees) was accounted on cash basis that is using the contributions-in-transit method.
- (iii) A decision was made in FY 2011 (*1(b) Financial Report FY 2011*) to move away from the cash basis contributions-in-transit method and recognize prior year revenue being received in the current year by an accrual journal at year end. That is membership income/revenue should be recognised in the subscription year in which the service was provided.
- (iv) For the financial year FY 2016 the membership-debtors accrual journal for \$4,227 (FY 2015: \$2,671) (GST inclusive) has been accounted at year end recognising prior year revenue being received in the current year which complies with *AASB101-Presentation of Financial Statements*.
- (v) Service Fees received interest, received and rental income from the Transport Workers' Union of New South Wales is accounted for on an accrual basis.

##### (c) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

##### (d) Employee Entitlements

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

(e) 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.

(f) 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.

(g) Property Plant and Equipment

*Depreciation*

The depreciable amount of all fixed assets is depreciated on a straight line basis over their useful lives to the Branch commencing from the time the asset is ready for use.

The depreciation rates used for each class of assets are:

Mobile Phones	50.00%
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each period end date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is derecognised.

(h) Accounting Standards Issued But Not Yet Effective

There has been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

(i) Accounting Standards

There were no new accounting standards which were adopted during the financial year.

## TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### 2. STATEMENT OF ACCOUNTING POLICIES (Cont'd)

##### (j) Financial Instruments (Cont'd)

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

##### **Classification and subsequent measurement of financial liabilities**

The Branch financial liabilities include borrowings and trade and other payable. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### 3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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 Branch 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 Branch's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

In line with section 125 and 131 of AASB 101, the monies would be recovered and as such there will not be any significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

**3. ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)**

**Receivables**

After the introduction of the new 'Membership Connect' system in September 2013 and considering debts overdue by 30 and 60 days - The amount of \$4,227 (FY 2015 \$2,671) (including GST) has been considered as receivable, which represents:

	2016	2015
Financial Members in arrears	\$ 4,227	\$ 2,671
Less financial members for future periods	-	-
Add: Un-financial members in arrears	-	-
Less provision for doubtful debts (including gst)	-	-
	<hr/> \$ 4,227	<hr/> \$ 2,671

The estimated amount of \$4,227 (FY 2015 \$2,671) unpaid contributions, will be pursued in the coming year and are accordingly recognized as a receivable.

The member debtors for FY 2016 have been determined based on the expected recovery of debts after making allowance for the age of the debts and the values outstanding in each case. The aging of the debts has been determined in accordance with the revenue recognition policy in Note 1.

**4. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF FAIR WORK COMMISSION**

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 Commission, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A Reporting unit must comply with an application made under subsection (1).

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

**5. DONATIONS**

**Non-reportable donations less than \$1,000 (excl GST)**

Details to whom payment made	Purpose	2016 \$	2015 \$
Australian Labor Party ACT Branch	Tickets to ALP Conference	409	
Rodger Bean	Donation to Member		200
Australian Labor Party ACT Branch	Ticket to Simon Corbell Fundraising Dinner		318
Australian Labor Party ACT Branch	Ticket to Simon Corbell Fundraising Dinner		318
Australian Labor Party ACT Branch	Tickets to ALP Conference		591
<b>Total</b>		<b>409</b>	<b>1,427</b>

**Reportable donations equal to or exceeding \$1,000 (excl GST)**

Details to whom payment made	Purpose	2016 \$	2015 \$
ACT Labor - Mick Gentleman	Donation for ACT Legislative Assembly elections	2,000	
ACT Labor - Rachel Stephen-Smith	Donation for ACT Legislative Assembly elections	2,000	
ACT Labor - Angie Drake	Donation for ACT Legislative Assembly elections	1,000	
<b>Total</b>		<b>5,000</b>	<b>Nil</b>

**6. RECOVERY OF WAGES ACTIVITY**

The Transport Workers Union ("TWU") of Australia (NSW Branch) has not undertaken recovery of wages activity. The Transport Workers Union (TWU) of Australia (NSW Branch) 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. our TWU member) and at no point of time is any money banked to the Union's TWU Branch 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

**7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED**

The following prescribed disclosures under the reporting guidelines of *the Fair Work (registered Organisations) Act, 2009*, have not occurred in the reporting period

1. Statement of Comprehensive Income - revenue
  - a. Capitation fees
  - b. Compulsory levies
  - c. Donations or grants received.

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

**7. SPECIFIED ITEMS THAT HAVE NOT OCCURRED (Cont'd)**

2. Statement of Comprehensive Income – expenses
  - a. Payments to employer's for payroll deduction activity
  - b. 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
  - c. Penalties imposed under the RO Act.
  - d. Grants paid < \$1,000
  - e. Grants paid ≥\$1,000
  - f. Capitation fees paid
  - g. Compulsory levies imposed
  
3. Statement of Financial position
  - a. Payments to employers for payroll deduction activity

**8. ADMINISTRATION**

The financial affairs of the branch are administered by another Transport Workers Union of New South Wales. The services provided included

- Receipt and processing of member contributions
- Payment of wages, legal and administration expenses
- Provision of office and office equipment and office utilities.

The Transport Workers Union of New South Wales receives reimbursement of the costs of the above services as set out in the Statement of income and expenses.

**9. DISCLOSURES IN RESPECT OF STATEMENT OF COMPREHENSIVE INCOME**

**9 (a) LEGAL AND PROFESSIONAL FEES**

	2016	2015
	\$	\$
<b>Legal costs - litigation</b>	-	-
Legal costs – other matters	2,304	29,546
<b>Total</b>	<u>2,304</u>	<u>29,546</u>
 <b>Audit Fees</b>		
Audit Of Accounts	11,900	11,663
Audit Fees -- Others	-	-
<b>Total</b>	<u>11,900</u>	<u>11,663</u>
 <b>9 (b) OTHER EXPENSES</b>		
Payments to employers for payroll deduction activity	<u>-</u>	<u>-</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

DISCLOSURES IN RESPECT OF STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

9 (c) EXPENSES

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

	2016 \$	2015 \$
<b>Affiliation Fees</b>		
ALP NSW Branch	-	-
ALP ACT Branch	5,551	4,634
Unions ACT	9,165	7,197
<b>Total Affiliation Fees</b>	<u>14,716</u>	<u>11,831</u>
<b>Capitation Fees</b>		
Capitation Fees - Paid	-	-
Capitation Fees - Accrued	-	-
<b>Total (Capitation Fees)</b>	<u>-</u>	<u>-</u>
<b>National Council Fund</b>		
Contributions paid	-	-
<b>Total National Council Fund</b>	<u>-</u>	<u>-</u>

9 (d) Fees and/or allowances paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings.

	2016 \$	2015 \$
Branch Committee of Management (BCOM) Attendance Fees paid to independent Committee members as per bullet point 8 page 3	15,577	13,472
	-	-
	<u>15,577</u>	<u>13,472</u>

9 (e) Expenses incurred in connection with holding meetings of members of the Union and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the Union was wholly or partly responsible.

	2016 \$	2015 \$
Branch Committee of Management (BCOM) Meeting Expenses	2,750	6,675
	-	-
	<u>2,750</u>	<u>6,675</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

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

**10 (a) Employee provisions related to holders of office**

	2016	2015
	\$	\$
<b>Officers provisions</b>		
Annual leave	13,610	17,751
Long service leave	44,845	36,287
Separation and redundancies	-	-
Other employee provisions (sick leave)	-	-
	<u>58,455</u>	<u>54,038</u>

**10 (b) Employee provisions related to employees (other than holders of office)**

	2016	2015
	\$	\$
<b>Employees provisions</b>		
Annual leave	28,105	21,088
Long service leave	24,127	18,531
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>52,232</u>	<u>39,619</u>

**10 (c) Payables in respect of legal costs and other expenses related to litigation or other legal matters;**

	2016	2015
	\$	\$
Litigation	-	-
Other Legal matters	-	-
	<u>-</u>	<u>-</u>

**11. 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.



TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

12. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS

Amounts received/paid to/from other reporting units of the Union

Amounts received and paid in respect of the Capitation Fees and other charges have been incorporated as part of the Statement of Cash Flows.

13. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on Hand	1,125	1,125
Cash at Bank - National Australia Bank	158,890	95,198
	<u>160,015</u>	<u>96,323</u>

14. INVESTMENTS

AVAILABLE-FOR-SALE FINANCIAL ASSET	2016	2015
	\$	\$
Boral Limited	979	364
Lindsay Australia Limited	731	272
Insurance Australia Group Ltd	5,134	1,908
<b>Total</b>	<u>6,844</u>	<u>2,544</u>

Fair value of listed shares is determined by reference to quoted market prices on the Australian Securities Exchange at the reporting date.

Movement Schedule	2016	2015
	\$	\$
<u>Boral Limited</u>		
Opening January	364	364
Additions	-	-
Revaluations	615	-
Closing December	<u>979</u>	<u>364</u>
<u>Lindsay Australia Limited</u>		
Opening January	272	272
Additions	-	-
Revaluations	459	-
Closing December	<u>731</u>	<u>272</u>
<u>Insurance Australia Group Ltd</u>		
Opening January	1,908	1,908
Additions	-	-
Revaluations	3,225	-
Closing December	<u>5,133</u>	<u>1,908</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets, financial liabilities and available-for-sale financial assets at fair value through profit or loss (FVTPL)
- The Union has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

**(a) Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**(i) Recognised fair value measurements**

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2016 and 2015

<b>At 31 December 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Boral Limited – Fair Value	979	-	-	979
Lindsay Australia Limited – Fair Value	731	-	-	731
Insurance Australia Group Ltd – Fair Value	5,134	-	-	5,134
<b>Total Financial Assets</b>	<b>6,844</b>	<b>-</b>	<b>-</b>	<b>6,844</b>
<b>At 31 December 2015</b>				
<b>Financial Assets</b>				
Boral Limited – Fair Value	364	-	-	364
Lindsay Australia Limited – Fair Value	272	-	-	272
Insurance Australia Group Ltd – Fair Value	1,908	-	-	1,908
<b>Total Financial Assets</b>	<b>2,554</b>	<b>-</b>	<b>-</b>	<b>2,554</b>

There were no transfers between levels for recurring fair value measurements during the year. The Unions policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Disclosed fair values**

For all financial instruments other than those measured at fair value, their carrying value approximates fair value.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

15. RECEIVABLES

	2016	2015
	\$	\$
Debtor – Revenue Accruals	4,227	2,671
Less Provision for Doubtful Debts	-	-
Debtor - Transport Workers' Union of New South Wales	163,331	204,263
Sundry Debtors	1,571	1,482
	<u>169,129</u>	<u>208,416</u>

16. PROPERTY, PLANT AND EQUIPMENT

MOTOR VEHICLES

	2016	2015
	\$	\$
Motor Vehicles at cost	-	-
Less Accumulated Depreciation	-	-
	<u>-</u>	<u>-</u>

MOVEMENTS IN CARRYING AMOUNTS

	2016	2015
	\$	\$
Balance at 1 January 2015	-	28,039
Additions	-	-
Disposals	-	(28,039)
Depreciation	-	-
Balance at 31 December 2015	<u>-</u>	<u>-</u>

17. PAYABLES

	2016	2015
	\$	\$
Creditor - Transport Workers' Union of New South Wales	5,957	812
Creditor - Transport Workers' Union of Australia	134,450	218,547
Creditors and Accruals	81,108	32,538
GST Payable	9,571	7,519
	<u>231,086</u>	<u>259,416</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

18. OFFICERS & EMPLOYEE PROVISIONS

	2016	2015
	\$	\$
<b>Annual Leave</b>		
Officers	13,610	17,751
Employees	<u>28,105</u>	<u>21,088</u>
	<u>41,715</u>	<u>38,839</u>
<b>Long Service Leave</b>		
Officers	44,845	36,287
Employees	<u>24,127</u>	<u>18,531</u>
	<u>68,972</u>	<u>54,818</u>

19. FINANCIAL DEPENDENCE

The Transport Workers' Union of Australia New South Wales Branch is dependent upon the ongoing financial support of the Transport Workers' Union of New South Wales in order to pay its debts as and when they fall due. In this regard the net assets of the Union at 31 December 2016 were \$4,839,772 (FY 2015: \$5,101,248).

Transport Workers' Union of New South Wales has agreed to provide unconditional ongoing financial support to The Transport Workers' Union of Australia New South Wales Branch as and when required.

The Transport Workers' Union of Australia New South Wales Branch has not provided financial support to another reporting unit to continue as a going concern.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

	2016 \$	2015 \$
<b>20. CASH FLOW INFORMATION</b>		
(a) For the purpose of the Statement of Cash Flows, Cash includes:		
Cash at Bank	158,890	95,198
Cash on Hand	<u>1,125</u>	<u>1,125</u>
	<u>160,015</u>	<u>96,323</u>
(b) Reconciliation of cash flow from operations with operating result		
<b>Net Surplus</b>	37,681	(6,912)
<b>Non cash flows in operating results</b>		
Depreciation	-	528
<b>Changes in Assets and Liabilities</b>		
Decrease/ (Increase) in Debtor - Transport Workers' Union of New South Wales	40,932	(24,998)
Decrease/(Increase) in Prepayments and Sundry Debtors	(3,621)	3,400
Increase in Employee Entitlement Provisions	17,030	6,279
Increase/(Decrease) in GST Payable	2,052	4,672
Increase/(Decrease) in Creditors and Accruals (Decrease)/Increase in Creditor-	48,570	(453)
Transport Workers' Union of Australia	(84,097)	11,432
(Decrease)/Increase in amount payable to Transport Workers' Union of New South Wales	<u>5,145</u>	<u>(88,066)</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>63,692</u>	<u>(94,118)</u>

## TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### 21. 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 22).
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers is \$13,770 (FY 2015: \$12,367).
- (c) There have been no other transactions between the officers and the Branch other than those relating to their membership of the Branch and the reimbursement by the Branch 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) Service Fees received from, and administration fees paid to the Transport Workers' Union of New South Wales are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash received and cash paid respectively in the Statement of Cash Flows.
- (e) Amounts receivable from and payable to the Transport Workers' Union of New South Wales at balance date are disclosed at Note 11 and Note 13 of the accounts respectively.

The ultimate controlling entity of the Branch is the Transport Workers' Union of Australia.

Transactions with Ultimate Controlling Entity:

- (a) Sustentation Fees and Levies are disclosed as expenses in the Statement of Comprehensive Income and as payments in the Statement of Cash Flows.
- (b) The amounts payable to the Ultimate Controlling Entity at balance date are disclosed at Note 17

#### 22. CORPORATE GOVERNANCE FRAMEWORK

The Transport Workers' Union of Australia NSW Branch has been an 'early adopter' and established a Governance Framework which is based on best practice for non-profit organizations. Governance sets out the standards of accountability and transparency expected of the Union, by our many stakeholders and members. The overall aim of the framework is to drive performance improvement while meeting our obligations through strong leadership, integrity, responsible and ethical decision-making and management, accountability and performance improvement.

#### 23. SUPERANNUATION

Employees of the Branch are entitled to benefits from a superannuation plan on retirement, disability or death. The Branch participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The Branch's liability is limited to paying the contributions to the plan.

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

<b>24. COMMITMENTS</b>		<b>2016</b>	<b>2015</b>
		\$	\$
	Costs in respect of a five year Fuji Xerox copier operating lease on office equipment 25 -03-14 to 25-03-2019 (@ \$447 pm excl GST):		
	- Less than one year	5,362	5,362
	- One to five years	<u>6,702</u>	<u>10,724</u>
		<u>12,064</u>	<u>16,086</u>

**25. CONTINGENCIES**

**Contingent liabilities**

The Union has guaranteed the novated lease payments and the lease termination cost, should the employee leave the employ of the Union and elects not to retain the novated car lease. Accordingly, a potential liability arises for the repayment of motor vehicle lease payments to Orix Australia Corporation Limited (financier), upon the dismissal or resignation of an employee until such time the lease is terminated. As the amount of the commitment is contingent to the above event it cannot be determined as it is subject to the employment circumstances and election from the employee.

**26. RELATED PARTY**

Transactions with key management personnel.

*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>2016</b>	<b>2015</b>
	\$	\$
Short term employee benefits	124,110	116,164
Post-employment benefits	13,770	12,367
Long-term employee benefits	<u>3,614</u>	<u>3,625</u>
<b>Total remuneration</b>	<u>141,494</u>	<u>132,156</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

**27. FINANCIAL RISK MANAGEMENT NOTE**

**(a) *General objectives, policies, and processes***

The Transport Workers' Union of Australia NSW Branch is exposed to risks that may arise from its use of financial instruments. This note describes the Branch's objectives, policies, and processes for managing those risks and the methods used to measure them. The Transport Workers' Union of Australia NSW Branch has no financial instruments relevant to the risk mentioned and this objective does not apply.

There have been no substantive changes in the Branch'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 Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

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

**(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 Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

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, are disclosed below:



TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)

(b) *Credit Risk (Cont'd)*

	2016	2015
	\$	\$
Cash and cash equivalents	<u>160,015</u>	<u>96,323</u>

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

	2016	2015
	\$	\$
Receivable – Revenue accrual	4,227	2,671
Less Provision for Doubtful Debts	-	-
Sundry Debtors	<u>164,902</u>	<u>205,745</u>
Total receivables	<u>169,129</u>	<u>208,416</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 Branch may encounter difficulties in raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 Dec 2016 it has \$160,015 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 Dec 2016 were \$341,773.

The Branch manages liquidity risk by monitoring cash flows. Further the Transport Workers' Union of New South Wales has made an undertaking to provide financial support to the Branch.

(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).

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

27. FINANCIAL RISK MANAGEMENT NOTE(Cont'd)

(e) (i) *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 2016	Floating interest rate	Non interest Bearing	Total
<b>Financial Assets</b>	\$	\$	\$
Cash and cash equivalents	158,890	1,125	160,015
Term Deposit	-	-	-
Receivables	-	169,129	169,129
	<u>158,890</u>	<u>170,254</u>	<u>329,144</u>
Weighted average Interest rate	0.17%	-	
<b>Financial Liabilities</b>			
Payables	-	231,086	231,086
<b>Net Financial Assets (Liabilities)</b>	<u>158,890</u>	<u>(60,832)</u>	<u>98,058</u>
31 December 2015	Floating interest rate	Non interest bearing	Total
<b>Financial Assets</b>	\$	\$	\$
Cash and cash equivalents	95,198	1,125	96,323
Term Deposit	-	-	-
Receivables	-	208,416	208,416
	<u>95,198</u>	<u>209,541</u>	<u>304,739</u>
Weighted average Interest rate	0.40%		
<b>Financial Liabilities</b>			
Payables	-	259,416	259,416
<b>Net Financial Assets (Liabilities)</b>	<u>95,198</u>	<u>(49,875)</u>	<u>45,323</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

**27. FINANCIAL RISK MANAGEMENT NOTE (Cont'd)**

**(e)(i) Interest Rate Risk (Cont'd)**

**Sensitivity Analysis**

2016	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
Cash Assets	\$ 158,890	\$ 794	\$ (794)
2015			
Cash Assets	95,198	476	(476)

**(e) (ii) Other Price Risks**

The Branch 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.

**(e) (iii) Foreign Exchange Risk**

The Branch is not directly exposed to foreign exchange rate.

**28. AMALGAMATIONS AND RESTRUCTURES**

The Branch has not acquired any asset or liability during the financial year as a result of an Amalgamation or restructure; or a determination by the General Manager under subsection 245(1) of the RO Act; or a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

**29. FINANCIAL SUPPORT RECEIVED FROM ANOTHER REPORTING UNIT**

Transport Workers' Union of New South Wales has agreed to provide unconditional ongoing financial support to The Transport Workers' Union of Australia New South Wales Branch as and when required.

**30. ADMINISTRATION BY ANOTHER ENTITY**

The Branch financial affairs are not administered by another entity  
No payments were made during the reporting period to a former related party of the Branch.

**31. FINANCIAL SUPPORT**

The Transport Workers' Union of Australia New South Wales Branch has not provided financial support to another reporting unit to continue as a going concern.

**32. BRANCH OFFICE DETAILS**

The Registered Office of the Transport Workers' Union of Australia NSW Branch is located at:  
Quinn House  
31 Cowper Street  
PARRAMATTA NSW 2150

TRANSPORT WORKERS' UNION OF AUSTRALIA NEW SOUTH WALES BRANCH



Level 17, 363 Kent Street  
Sydney NSW 2000

Correspondence to:  
Locked Bag Q800  
QVB Post Office  
Sydney NSW 1230

T +61 2 8297 2400  
F +61 2 9299 4445  
E [info.nsw@au.gt.com](mailto:info.nsw@au.gt.com)  
W [www.grantthornton.com.au](http://www.grantthornton.com.au)

## **Independent Auditor's Report To the Members of Transport Workers Union of Australia New South Wales Branch**

We have audited the accompanying financial report of Transport Workers Union of Australia New South Wales Branch (the "Trade Union"), which comprises the statement of financial position as at 31 December 2016, 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 Branch Committee of Management.

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

The Branch 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 Branch 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the 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 Branch 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, the financial report of Transport Workers Union of Australia New South Wales Branch

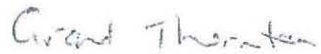
- i The GPFRR presents fairly, in all material respects, the Trade Union's financial position as at 31 December 2016 and of its performance and cash flows for the year then ended, and
- ii complies with Australian Accounting Standards and the relevant legislation
- iii management appropriately applied the going concern basis of accounting
- iv complies with any other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RO Act.

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

The Branch 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 Branch 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 Matter**

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



Madeleine Mattera  
Partner - Audit & Assurance

Sydney, 10 March 2017



