



19 July 2017

Mr Anthony Sheldon
National Secretary
Transport Workers' Union of Australia

By e-mail: twu@twu.com.au
legal@twu.com.au

Dear Mr Sheldon

Transport Workers' Union of Australia
Financial Report for the year ended 31 December 2016 - FR2016/398

I acknowledge receipt of the financial report for the year ended 31 December 2016 for the Transport Workers' Union of Australia (TWU). The financial report was lodged with the Registered Organisations Commission on 20 June 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. Committee of Management Statement

Reporting guideline 35 requires the committee of management statement to include the following:

- (e) iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and

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 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

Yours faithfully

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

Tony Sheldon National Secretary

Mr Mark Bielecki
Registered Organisations Commissioner
Registered Organisations Commission
GPO Box 2983
Melbourne VIC 3001

20 June 2017

By email – reorgs@roc.gov.au

Dear Commissioner

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*.

In you require any further information please contact me via email at wendy.carr@twu.com.au or telephone (02) 81146500.

Yours sincerely,



Wendy Carr
Director of Legal & Operations

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 report referred to in s268 of the *RO Act* for the Transport Workers' Union of Australia for the period ended 31 December 2016; 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 5 April 2017 (at which meeting the Committee of Management authorised the signing of the full report and also resolved (as required by section 265(2)) to provide a copy of the full report to members); and
 - to the National Council of the reporting unit on 15 May 2017 (at which meeting the National Council endorsed the signed full report); and
 - to the National Committee of Management of the reporting unit on 31 May 2017 (at which meeting the National Committee of Management endorsed the signed full report as endorsed by the National Council).
- that the full report was provided to members from 30 May 2017 in accordance with section 265 of the *RO Act*.

Anthony Sheldon



National Secretary
20 June 2017

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia National Council (National Office) presents its reports for the 2016 financial year.

Statement of Comprehensive Income and Statement of Financial Position:

REVENUE

Revenue earned from Sustentation Fees year was \$4,513,523 which when compared to the prior year has decreased by \$33,229 (2015: \$4,546,752).

The total income generated by the branch was \$5,151,864 a decrease of (\$334,211) when compared to the prior year (2015: 5,486,075).

EXPENDITURE

- (i) **Employee Related Payments (ERP)** for the year was \$2,735,453 which includes salary on-costs, Superannuation payments, FBT, and annual 3% salary increase. (2015: \$2,586,791)
- (ii) **Operating Expenditure** for the year was \$2,861,331 (2015: \$2,941,326). The decrease in expenditure by (\$79,995) can be attributed to ongoing cost reduction.
- (iii) **Cumulative Operating Expenditure** which includes Employee Related payments for the year was \$5,596,784 (2015: \$5,528,297).

NET POSITION

The deficit for the year 2016 was \$444,920. The result was largely attributable to unexpected costs incurred by the Union in defence of attacks by the conservative Federal Government on the rights of transport workers. These attacks included a continuation of matters associated with the politically motivated Royal Commission and also the Federal Government's decision to remove safety and industrial rights protections from truck drivers across the industry by abolishing the Road Safety Remuneration Tribunal. The Union's fight against the unexpected assault on the Road Safety Remuneration Tribunal resulted in the necessary application of significant resources. These increased costs contributed to the net position together with a reduction in sustentation income and loss incurred because of a necessary switch of investment vehicle during the year. Importantly, but for these unforeseen costs, the underlying result would have been within \$10,000 of the budget endorsed by National Council.

In 2014, the National Committee of Management and the National Council endorsed the "Towards 2035" Vision and Strategic Plan. Implementation of the plan continued and escalated in 2016 with increased activity in our Road Transport and Aviation campaigns. This included: continuing member-led actions linked with strategic training and organising initiatives focussed on the pressures in the road transport industry as a result of major client pressure; the fight against the abolition of the Road Safety Remuneration Tribunal which was setting safe and fair standards in retail/long distance, cash-in-transit, oil fuel & gas, waste and ports & wharves; further development of international the international framework for "Safe Rates" through the International Transport Federation and the ILO; and further supply chain organising across the country.

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In the aviation sector, the Union continued to develop its Safe & Secure Skies strategy including working mapping of airports; enterprise agreement negotiations; sector consolidation; the training of key delegates and member activists; and international work and focus including ongoing work with the ITF in exposing reprehensible worker treatment across the globe.

The Union continued to enhance governance and financial controls, following a longstanding and ongoing commitment to continuous improvement which is a core value of the Transport Workers' Union across the country.

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 \$379,398 and reflects consistency in the cash flow experienced during the year (2015: \$134,082). The Branch continues to perform to expectations.



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ANTHONY SHELDON
NATIONAL SECRETARY
05 APRIL 2017

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 2016.

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 \$444,920.
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.
6. The number of members of the Transport Workers Union of Australia at 31 December 2016 was 68,985.
7. The number of persons who were employees of National Council on 31 December 2016 was 22 (2015: 23), where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
8. The names of each person who were members of the National Committee of Management at any time during the financial year are as follows:

a) Name	Period Position Held
Anthony Sheldon	1 January 2016 to 31 December 2016
Michael Kaine	1 January 2016 to 31 December 2016
Tim Dawson	1 January 2016 to 31 December 2016
Michael Aird	1 January 2016 to 9 August 2016
Richard Olsen	10 August 2016 to 31 December 2016
Wayne Mader	1 January 2016 to 29 April 2016
John Berger	30 April 2016 to 31 December 2016
Ray Wyatt	1 January 2016 to 31 December 2016
Peter Biagini	1 January 2016 to 31 December 2016

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


.....
ANTHONY SHELDON
05 APRIL 2017


.....
PETER BIAGINI
05 APRIL 2017

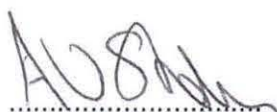
NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 05 April 2017 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 2016.

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 statements and notes comply with the reporting guidelines of the General Manager;
- (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 2016;
- (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 2016 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 including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) no information has been sought in any request of a member of the reporting unit or the General Manager of Fair Work Commission under section 272 of the RO Act has been provided to the member or General Manager; and
 - (v) no orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;
- (f) during the financial year ended 31 December 2016 the National Council did not participate in any recovery of wages activity.

For the National Committee of Management



ANTHONY SHELDON
05 APRIL 2017

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015 \$
INCOME			
Capitation/ Sustentation Fees	4	4,513,523	4,546,752
ACTU Contributions		117,594	120,032
Distribution from Available-for-sale Financial Assets		13,690	204,389
National Training Fund		29,399	30,008
Grant Income		-	7,895
Legal Fees Reimbursement from Branches		122,540	275,754
Interest Received		122,773	132,481
Sundry Income		153,121	73,446
Sponsorship TWU Super		18,277	35,318
Trustee Fees Received		60,000	60,000
Gain on Disposal of Assets		947	-
TOTAL INCOME		<u>5,151,864</u>	<u>5,486,075</u>
EXPENDITURE			
Depreciation		<u>61,734</u>	<u>74,044</u>
Employee benefits expense			
Accrued Annual Leave	5(d,e)	42,653	(33,197)
Accrued LSL	5(d,e)	49,019	5,997
Fringe Benefits Tax	5(d,e)	-	68,803
Salaries	5(d,e)	2,361,193	2,281,925
Superannuation	5(d,e)	282,587	263,443
		<u>2,735,453</u>	<u>2,586,971</u>
Other expenses			
Advertising		149,593	3,111
Affiliation Fees		497,184	358,252
Accommodation		116,895	103,478
ACTU Levy		74,150	153,490
Auditors' Remuneration		27,115	30,761
Bank Charges		8,925	15,167
Building Expenses		36,681	37,515
Campaign Expenses		197,094	173,068
Overnight /Interstate		-	-
Computer Maintenance		59,356	70,194
Donations		42,530	-
Gifts		1,582	2,683
Functions		7,274	5,999
FWEIP Expenses		-	-
National Council		95,126	87,836
National Committee of Mgmt. Expenses		79,118	72,428
General Expenses		3,797	10,183
Carried forward		<u>1,396,419</u>	<u>1,124,165</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)**

	Note	2016 \$	2015 \$
Brought Forward		1,396,419	1,124,165
Insurance		13,693	11,872
Lease Rental Expenses – Operating leases		49,254	56,513
Legal & Professional Fees	5(f)	263,498	545,896
Loss on Disposal of Financial Assets		61,759	-
Loss on Disposal of Assets		-	5,505
Meeting Expenses		44,347	40,815
Merchandise		-	989
Motor Vehicle Expenses		23,767	18,016
Organising Assistance		-	-
Payroll Tax		111,417	110,486
Postage & Freight		3,049	15,790
Printing and Stationery		36,678	42,098
Publications & Subscriptions		29,504	24,350
Recruitment costs		12,995	13,381
Temporary staff costs		26,186	76,699
Reimbursement to Branches		-	-
Records Storage		849	800
Repairs and Maintenance		809	1,941
Rent		297,124	292,805
Seminar and Course Fees		-	-
Staff Amenities		11,470	12,557
Telephone and Faxes		66,907	79,406
Training & Research Projects		16,873	4,732
Travelling Expenses		271,259	316,376
TUF FWEIP ITF Project Expense		-	-
Workers Compensation		21,325	20,319
NT Expenses		39,921	39,921
Entertainment		495	11,850
TOTAL OTHER		<u>2,799,597</u>	<u>2,867,282</u>
TOTAL EXPENDITURE		<u>5,596,784</u>	<u>5,528,297</u>
DEFICIT FOR THE YEAR		<u>(444,920)</u>	<u>(42,222)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Increase/(Decrease) in Value of Available - for - Sale Financial Assets		(140,454)	(30,826)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>(140,454)</u>	<u>(30,826)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(585,374)</u>	<u>(73,048)</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL

(The accompanying notes form part of this financial report)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	379,398	134,082
Receivables	10	612,151	1,033,424
Other Financial Assets	9	4,000,350	4,000,350
Available-for-sale Financial Assets	11	<u>498,157</u>	<u>1,054,276</u>
TOTAL CURRENT ASSETS		<u>5,490,055</u>	<u>6,222,132</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	<u>138,523</u>	<u>142,231</u>
TOTAL NON-CURRENT ASSETS		<u>138,523</u>	<u>142,231</u>
TOTAL ASSETS		<u>5,628,578</u>	<u>6,364,363</u>
CURRENT LIABILITIES			
Payables	13	491,667	733,751
Provision for Accrued Annual Leave		233,177	190,523
Provision for Long Service Leave		<u>94,222</u>	<u>45,202</u>
TOTAL CURRENT LIABILITIES		<u>819,066</u>	<u>969,477</u>
NET ASSETS		<u>4,809,512</u>	<u>5,394,886</u>
Accumulated Funds		4,821,248	5,266,168
Available for Sale Reserve		<u>(11,736)</u>	<u>128,718</u>
TOTAL EQUITY		<u>4,809,512</u>	<u>5,394,886</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 2016

	Accumulated Funds	Available-for-sale Investment Reserve	Total Equity
	\$	\$	\$
Balance at 1 January 2015	5,308,390	159,544	5,467,934
Deficit for the year	(42,222)	-	(42,222)
<i>Other Comprehensive Income</i>			
Increase/(Decrease) in Value of Available-for-Sale Financial Assets	-	(30,826)	(30,826)
Total Comprehensive Loss for the year	(42,222)	(30,826)	(73,048)
Balance at 31 December 2015	5,266,168	128,718	5,394,886
Deficit for the year	(444,920)	-	(444,920)
<i>Other Comprehensive Income</i>			
Increase/(Decrease) in Value of Available-for-Sale Financial Assets	-	(140,454)	(140,454)
Total Comprehensive Loss for the year	(444,920)	(140,454)	(585,374)
Balance at 31 December 2016	4,821,248	(11,736)	4,809,512

(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 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		4,677,510	4,552,130
ACTU Contributions		137,877	202,357
Interest and Distributions Received		328,489	169,805
Grants Received		29,400	49,923
Legal fee reimbursement		127,213	506,050
Other Income		105,807	156,744
Payments to affiliates			
ACTU		(725,774)	(536,773)
International Transport Workers Federation		(64,529)	(62,374)
Australian Trucking association		(10,000)	(10,000)
Payments to Suppliers and Employees		(4,657,506)	(5,616,382)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	14(b)	(51,512)	(588,520)
Payment for Available-for-sale Investment		(509,335)	-
Payment for Property, Plant and Equipment		(59,168)	100
Proceeds from Sale of Property, Plant & Equipment		2,090	(45,247)
Payment for Term Deposits invested		-	-
Proceeds from Term Deposit redeemed		863,241	497,587
NET CASH PROVIDED/(USED IN) BY INVESTING ACTIVITIES		296,828	452,440
NET INCREASE/(DECREASE) IN CASH HELD		245,316	(136,080)
Cash at Beginning of Year		134,082	270,162
CASH AT END OF YEAR	14(a)	379,398	134,082

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL

(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 2016**

The Transport Workers' Union of Australia - National Council has not undertaken recovery of wages activity. The Federal 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. State Branch TWU 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.

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

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. For the purpose of preparing the general purpose financial statements the Union is a not-for profit entity.

The financial statements were authorised for issue in accordance with a resolution of the committee of management on the 05 April 2017.

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 is a general purpose financial report (GPFR) and 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.

(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.

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

(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 – 20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the statement of comprehensive income in the year of disposal.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

(e) Employee Benefits

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

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

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

(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.

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

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.

(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% (NSW 12.69%) 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.

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

(m) Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard.

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the reporting unit include:

Standard Name	Effective date - year ended	Requirements	Impact
AASB 9 <i>Financial Instruments</i> (December 2014)	1 January 2018	<p>AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.</p> <p>These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:</p> <p>a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.</p> <p>b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.</p> <p>d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> • the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) • the remaining change is presented in profit or loss <p>If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</p> <p>Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:</p> <ul style="list-style-type: none"> • classification and measurement of financial liabilities; and • derecognition requirements for financial assets and liabilities. <p>AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.</p> <p>Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model</p>	<p><i>Impacts on the reported financial position and performance have not yet been determined.</i></p>

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		<p>makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p>	
<p>AASB 1056 <i>Superannuation Entities</i></p>	<p>1 July 2016</p>	<p>AASB 1056 replaces the existing requirements in AAS 25, and applies to large superannuation entities regulated by the Australian Prudential Regulation Authority (APRA) and to public sector superannuation entities. This Standard is expected to result in significant changes to the recognition, measurement, presentation and disclosures relating to superannuation entity financial statements. Some of the key changes include:</p> <ul style="list-style-type: none"> • greater level of integration between AASB 1056 and other Australian Accounting Standards • a revised definition of a superannuation entity • revised content/presentation of financial statements (e.g. the introduction of a statement of changes in member benefits and a statement of changes in equity/reserves) • use of fair value rather than net market value for measuring assets and liabilities (subject to certain exceptions) • revised member liability recognition and measurement requirements • new requirements regarding employer-sponsor receivables • new / revised disclosure requirements 	<p><i>There will be no impact as the entity is not a superannuation entity</i></p>
<p>AASB 15 Revenue from Contracts with Customers</p>	<p>1 January 2018</p>	<p>AASB 15:</p> <ul style="list-style-type: none"> • replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations: <ul style="list-style-type: none"> – establishes a new revenue recognition model – changes the basis for deciding whether revenue is to be recognised over time or at a point in time – provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) – expands and improves disclosures about revenue <p>In May 2015, the AASB issued ED 260 <i>Income of Not-for-Profit Entities</i>, proposing to replace the income recognition requirements of AASB 1004 <i>Contributions</i> and provide guidance to assist not-for-profit entities to apply the principles of AASB 15. The ED was open for comment until 14 August 2015 and the AASB is currently in the process of redeliberating its proposals with the aim of releasing the final amendments in late 2016.</p>	<p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 15.</i></p>
<p>AASB 16 Leases</p>	<p>1 January 2019</p>	<p>AASB 16:</p> <ul style="list-style-type: none"> • replaces AASB 117 Leases and some lease-related Interpretations • requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases • provides new guidance on the application of the definition of lease and on sale and lease back accounting • largely retains the existing lessor accounting requirements in AASB 117 • requires new and different disclosures about leases 	<p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 16.</i></p>
<p>AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p>	<p>1 January 2018</p>	<p>The amendments address a current inconsistency between AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i>. The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 <i>Business Combinations</i>. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.</p> <p>This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that</p>	<p><i>No impact as there are no joint ventures in the entity</i></p>

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		does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128.	
<i>AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</i>	1 July 2016	The amendments extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit public sector entities. The key impact of the amendments is to specify consistent related party disclosure requirements for the Australian Government, State Governments, local councils and other not-for-profit public sector entities	<i>Related party transactions have been addressed as per the fair work requirements</i>
<i>AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not- for-Profit Public Sector Entities</i>	1 July 2016	AASB 2015-7 amends AASB 13 <i>Fair Value Measurement</i> to provide disclosure relief to not-for-profit public sector entities from certain disclosures about the fair value measurements of property, plant and equipment held for their current service potential rather than to generate net cash inflows. This includes relief from disclosures of quantitative information about the significant unobservable inputs used in fair value measurements and of the sensitivity of certain fair value measurements to changes in unobservable inputs.	<i>Fair Value disclosures have been addressed as per the fair work requirements</i>
<i>AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017	AASB 2016-1 amends AASB 112 <i>Income Taxes</i> to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.	<i>There is no impact as the entity is tax exempt</i>
<i>AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107</i>	1 January 2017	AASB 2016-2 amends AASB 107 <i>Statement of Cash Flows</i> to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	<i>The entity is yet to undertake a detailed assessment of the impact of AASB 107</i>
<i>AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash- Generating Specialised Assets of Not-for-Profit Entities</i>	1 January 2017	This Standard amends AASB 136 <i>Impairment of Assets</i> to: a Remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and b Clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 <i>Fair Value Measurement</i> , with the consequence that: i AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 <i>Property, Plant and Equipment</i> and AASB 138 <i>Intangible Assets</i> ; and ii AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138.	<i>The entity is yet to undertake a detailed assessment of the impact of the amendment</i>
<i>AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018	This Standard amends AASB 2 <i>Share-based Payment</i> to address: a The accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; b The classification of share-based payment transactions with a net settlement feature for withholding tax obligations; and c The accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.	<i>There is no impact for the entity as there are no share based payment transactions</i>
<i>AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4</i>	1 January 2018	This Standard amends AASB 4 <i>Insurance Contracts</i> to permit issuers of insurance contracts to: a Choose to apply the 'overlay approach' that involves applying AASB 9 <i>Financial Instruments</i> and also applying AASB 139 <i>Financial Instruments: Recognition and Measurement</i> to eligible financial assets to calculate a single line item adjustment to profit or loss so that the	<i>There is no impact for the entity as there are no insurance contracts</i>

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<i>Insurance Contracts</i>		<p>overall impact on profit or loss is the same as if AASB 139 had been applied; or b Choose to be temporarily exempt from AASB 9 when those issuers' activities are predominantly connected with insurance, provided they make additional disclosures to enable users to make comparisons with issuers applying AASB 9.</p> <p>This Standard incorporates amendments into AASB 4 that are set out in <i>Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)</i> issued by the IASB in September 2016. A key motivation for the IASB issuing the amendments to IFRS 4 is to address concerns among some stakeholders about having to implement IFRS 9 shortly before having to implement a forthcoming new IFRS on insurance contracts. In general, those stakeholders have been concerned that IFRS 9 would require some financial assets to be measured at fair value through profit or loss that are currently measured under IAS 39 <i>Financial Instruments: Recognition and Measurement</i> at fair value through other comprehensive income.</p> <p>AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> require financial assets backing insurance liabilities, when possible, to be measured at fair value through profit or loss. The AASB has decided to retain these requirements until a new AASB Standard on insurance contracts (that is expected to replace AASB 4, AASB 1023 and AASB 1038) is applied. Accordingly, the AASB expects the applicability of AASB 2016-6 to be very limited.</p>	
<i>AASB 1058 Income of Not-for-Profit Entities</i>	1 January 2019	<p>AASB 1058 clarifies and simplifies the income recognition requirements that apply to NFP entities, in conjunction with AASB 15 <i>Revenue from Contracts with Customers</i>. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 <i>Contributions</i>.</p> <p>Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.</p> <p>This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 <i>Property, Plant and Equipment</i>).</p> <p>Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:</p> <ul style="list-style-type: none"> a Contributions by owners; b Revenue, or a contract liability arising from a contract with a customer; c A lease liability; d A financial instrument; or e A provision. <p>These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.</p>	<i>The entity is yet to undertake a detailed assessment of the impact of AASB 1058</i>
<i>AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	1 January 2017	<p>AASB 2016-7 amends the mandatory effective date of AASB 15 for not-for-profit entities so that AASB 15 is required to be applied by such entities for annual reporting periods beginning on or after 1 January 2019 instead of 1 January 2018.</p>	<i>The entity is yet to undertake a detailed assessment of the impact of AASB 1058</i>
<i>AASB 2016-8 Amendments to Australian Accounting Standards – Australian</i>	1 January 2019	<p>AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 <i>Financial Instruments</i> (2014) and AASB 15 <i>Revenue from Contracts with Customers</i>. This guidance will assist not-for-profit entities in applying</p>	<i>The entity is yet to undertake a detailed assessment of the impact of this amendment</i>

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<i>Implementation Guidance for Not-for- Profit Entities</i>		those Standards.	
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(n) **Administration by Another Entity**

The National Council was not administered by another entity.

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 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).

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

4. INCOME

Capitation/Sustentation fees

	2016	2015
	\$	\$
NSW & ACT	1,358,493	1,351,648
VIC & TAS	1,222,749	1,203,210
QLD	812,892	819,782
WA	793,458	833,771
SA	325,931	338,341
Total Capitation/Sustentation fees	<u>4,513,523</u>	<u>4,546,752</u>

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

	2016	2015
	\$	\$
Affiliation Fees		
ACTU	422,655	285,878
International Transport Workers Federation (ITF)	64,529	62,374
Australian Trucking Association	10,000	10,000
	<u>497,184</u>	<u>358,252</u>

Reimbursement to State Branches

TWU of Australia - Victoria Branch	-	-
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- (b) Compulsory levies

ACTU Levy	74,150	153,490
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The levy is imposed by ACTU as a fee for affiliation with the peak union body.

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

(c) Donations

2016

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

Details to whom payment made	Purpose	\$
Campbelltown Campaign-Greg Warren	Fundraising lunch	990
Maroubra State Campaign-Michael Daley	Fundraising dinner	990
Corio & Corangamite Campaign	Federal Campaign	900
Watson Campaign	Fundraising dinner	850
Irish for Scully- Paul Scully	Fundraising dinner	800
Dobell Campaign-Emma McBride	2016 Federal election fundraiser	300
TOTAL		4,830

Reportable donations exceeding \$1,000 (Incl. GST)

Details to whom payment made	Purpose	\$
Australian Labour Party	2016 Federal Election donation	20,000
McEwen Campaign- ALP VIC	Fundraising lunch	5,000
Motoring Enthusiast Party	2016 Federal Election donation	5,000
Margaret Whitlam Annual Dinner	Federal campaign	2,000
Irish Friends of Labour	2016 Federal election fundraiser	1,600
Lilley Campaign- ALP QLD	2016 Federal Election donation	1,500
Justine Elliot MP-North Coast NSW	Fundraising lunch	1,500
Graynder Campaign-ALP	Fundraising dinner	1,100
TOTAL		37,700

2015

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

Details to whom payment made	Purpose	\$
-	-	-

Reportable donations exceeding \$1,000 (Incl. GST)

Details to whom payment made	Purpose	\$
-	-	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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(d) Employee expenses related to holders of office

	2016	2015
	\$	\$
Wages and Salaries	346,661	237,919
Superannuation	56,177	66,516
Leave and other entitlements	44,351	5,587
Separation and redundancies	-	-
Other employee expenses	-	61,733
	<u>447,189</u>	<u>371,755</u>

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

	2016	2015
	\$	\$
Wages and Salaries	2,014,532	1,870,129
Superannuation	226,410	196,927
Leave and other entitlements	47,322	(32,787)
Separation and redundancies	-	54,945
Other employee expenses	-	126,002
	<u>2,288,264</u>	<u>2,215,216</u>

(f) Legal costs

	2016	2015
	\$	\$
Legal costs - other	128,313	187,500
Legal costs - Litigation	135,185	358,396
	<u>263,498</u>	<u>545,896</u>

(g) Other expenses

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:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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- a. Payments to employers for payroll deduction activity
- b. Capitation fee payments to other reporting units
- c. Fees or allowances paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings.
- d. Expenses 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
- f. No amounts paid in grants that were equal to or less than \$1,000 or in excess of \$1,000.

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 10 and Note 14 respectively. A breakdown of amounts due from Branches is disclosed in Note 16.

- (b) Legal costs payable

	2016	2015
	\$	\$
Legal costs payable - other	-	14,866
Legal costs payable - Litigation	2,448	31,167
	<u>2,448</u>	<u>46,032</u>

- (c) Employee provisions related to holders of office

	2016	2015
	\$	\$
Officers provisions		
Annual leave	43,354	28,361
Long service leave	77,488	45,202
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>120,842</u>	<u>73,563</u>

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

(d) Employee provisions related to employees (other than holders of office)

	2016	2015
	\$	\$
Employees provisions		
Annual leave	189,823	162,163
Long service leave	16,733	-
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>206,556</u>	<u>162,163</u>

(e) Other balances at 31 December 2016

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.
- e. Nil balance of general fund

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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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. A breakdown of amounts received can be found at Note 16.

		2016	2015
		\$	\$
Cash inflows from State Branches	16	5,077,807	5,359,932
Cash outflows to State Branches (VIC Branch)		-	-

		2016	2015
		\$	\$
9. CASH AND CASH EQUIVALENTS			
Cash at Bank		378,398	133,082
Cash in Hand		1,000	1,000
		<u>379,398</u>	<u>134,082</u>

OTHER FINANCIAL ASSETS

Term Deposits		4,000,000	4,000,000
Refundable Security Deposit		350	350
		<u>4,000,350</u>	<u>4,000,350</u>

10. RECEIVABLES

Accrued Interest & Distributions		16,647	217,324
Debtors – Branches			
TWU of Australia NSW Branch ACT		13,080	13,812
TWU of Australia QLD Branch		81,239	72,647
TWU of Australia SA Branch		33,053	34,746
TWU of Australia VIC/TAS Branch		177,085	288,521
TWU of Australia WA Branch		108,721	120,773
TWU of Australia NSW		123,687	188,369
Sundry Debtors		-	5,040
Prepayments		58,639	92,192
Provision for doubtful debts		-	-
		<u>612,151</u>	<u>1,033,424</u>

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

11. AVAILABLE-FOR-SALE FINANCIAL ASSET	2016	2015
Integrity Australian Share Fund – Fair Value	-	1,053,718
Wesfarmers Share Holding – Fair Value	558	558
Nikko Investment-Fair Value	497,599	-
TOTAL	498,157	1,054,276

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 2016 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

Movement Schedule	2016	2015
<u>Integrity Australian Share Fund</u>		
Opening January	1,053,718	1,084,544
Additions	-	-
Disposals	(1,053,718)	-
Revaluations	-	(30,826)
Closing December	-	1,053,718
<u>Wesfarmers Share Holding</u>		
Opening January	558	558
Additions	-	-
Disposals	-	-
Closing December	558	558
<u>Nikko Investment- Share Fund</u>		
Opening January	-	-
Additions	509,335	-
Disposals	-	-
Revaluations	(11,736)	-
Closing December	497,599	-

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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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11 (a) Fair value hierarchy (continued)

(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

At 31 December 2016	Level 1	Level 2	Level 3	Total
Financial Assets				
Integrity Australian Share Fund – Fair Value	-	-	-	-
Wesfarmers Share Holding – Fair Value	558	-	-	558
Nikko Investment-Fair Value	497,599	-	-	497,599
Total Financial Assets	498,157	-	-	498,157
At 31 December 2015	Level 1	Level 2	Level 3	Total
Financial Assets				
Integrity Australian Share Fund – Fair Value	1,053,718	-	-	1,053,718
Wesfarmers Share Holding – Fair Value	558	-	-	558
Total Financial Assets	1,085,102	-	-	1,085,102

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2016 \$	2015 \$
12. PROPERTY, PLANT AND EQUIPMENT		
Office Furniture and Equipment – At Cost	273,220	273,220
Less: Accumulated Depreciation	<u>(229,302)</u>	<u>(208,833)</u>
	43,918	64,387
Library – At cost	-	75,135
Less: Accumulated Depreciation	<u>-</u>	<u>(75,135)</u>
	-	-
Computer Equipment – At cost	499,997	460,818
Less: Accumulated Depreciation	<u>(471,199)</u>	<u>(453,914)</u>
	28,797	6,904
Motor Vehicles – At cost	96,400	95,855
Less: Accumulated Depreciation	<u>(30,593)</u>	<u>(29,907)</u>
	65,807	65,948
Leasehold Improvements – At cost	13,182	13,182
Less: Accumulated Depreciation	<u>(13,182)</u>	<u>(8,190)</u>
	-	4,992
Total Property, Plant and Equipment	<u>138,523</u>	<u>142,231</u>

	Office Furniture and Equipment \$	Library \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
1 Jan 2016	64,387	-	6,904	65,948	4,992	142,231
Additions			39,178	20,900	-	60,078
Disposals				(2,052)		(2,052)
Depreciation	<u>(20,469)</u>	-	<u>(17,285)</u>	<u>(18,988)</u>	<u>(4,992)</u>	<u>(61,734)</u>
31 Dec 2016	43,918	-	28,797	65,807	-	138,523

13. PAYABLES

Deferred Revenues	30,000	30,000
Creditors – Other	459,819	703,005
Creditors – Union NSW Fees	347	-
Creditors – Branches		
TWU of NSW	-	654
TWU SA/NT Branch	1502	101
TWU Qld Branch	-	-
TWU VIC/TAS Branch	-	-
TWU WA Branch	-	-
	<u>491,667</u>	<u>733,751</u>

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

	2016	2015
	\$	\$
14. CASH FLOW INFORMATION		
(a) For the purpose of the Statement of Cash Flows, Cash includes: Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.		
Cash at Bank	378,398	133,082
Cash on Hand	1,000	1,000
Deposits at call	-	-
	<u>379,398</u>	<u>134,082</u>
(b) Reconciliation of cash flow from operations with operating result		
Operating Deficit	(444,920)	(42,222)
Non Cash Flows in Operating Result		
Depreciation	61,734	74,044
Gain on Disposal of Assets	(947)	11,766
Loss on Disposal of Investment	61,759	-
Changes in assets and liabilities		
(Decrease)/Increase in Payables	421,274	(833,067)
Decrease/(Increase) in Receivables	(242,083)	197,710
Increase in Employees Entitlements	91,673	3,249
CASH FLOWS FROM OPERATIONS	<u>(51,512)</u>	<u>(588,520)</u>

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

15. AMOUNTS DUE FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2016						
Sustentation Fees	162,319	261,891	31,187	62,442	108,909	626,748
A.C.T.U. Contributions	20,283	-	-	-	-	20,283
Litigation reimbursement	1,097	401	401	2,373	401	4,673
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	102	-	-	1,228	-	-
	<u>183,801</u>	<u>262,292</u>	<u>31,588</u>	<u>66,043</u>	<u>109,793</u>	<u>653,517</u>

AMOUNTS CHARGED TO BRANCHES

Sustentation Fees	1,358,493	1,222,749	325,931	812,892	793,458	4,513,523
A.C.T.U. Contributions	43,168	28,050	7,828	19,110	19,438	117,594
Litigation reimbursement	24,490	24,490	24,490	24,482	24,590	122,540
Training Levy	10,792	7,013	1,957	4,778	4,860	29,399
National Organising Fund	-	-	-	-	-	-
Other	28,326	24,669	22,481	28,705	25,112	129,293
	<u>1,465,269</u>	<u>1,306,970</u>	<u>382,686</u>	<u>889,966</u>	<u>867,457</u>	<u>4,912,349</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

AMOUNTS RECEIVED FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
Sustentation Fees	1,398,584	1,332,576	327,440	809,868	809,042	4,677,510
A.C.T.U. Contributions	63,451	28,050	7,828	19,110	19,438	137,877
Litigation reimbursement	25,587	24,890	24,890	26,856	24,990	127,214
Training Levy	10,792	7,013	1,957	4,778	4,860	29,400
National Organising Fund	-	-	-	-	-	-
Other	26,322	15,747	22,110	21,545	20,084	105,807
	<u>1,524,736</u>	<u>1,408,276</u>	<u>384,226</u>	<u>882,156</u>	<u>878,414</u>	<u>5,077,807</u>

AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2016

Sustentation Fees	122,228	152,064	29,677	65,466	93,325	462,760
A.C.T.U. Contributions	-	-	-	-	-	-
Litigation reimbursement	-	-	-	-	-	-
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	2,107	8,922	371	8,388	5,512	25,300
	<u>124,334</u>	<u>160,986</u>	<u>30,048</u>	<u>73,854</u>	<u>98,837</u>	<u>488,059</u>

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

16. 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.

(i) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 5 (d)).

(ii) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$ 56,177 (2015: \$66,516).

(iii) 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.

(iv) 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).

(v) Amounts receivable from and payable to the Transport Workers' of Australia State Branches at balance date are disclosed at Note 14 and Note 10 of the accounts respectively.

(vi) National Council of the Transport Workers' Union of Australia is a member of Transport Education Audit Compliance Health Organisation (TEACHO) Limited. There were no transactions between this entity and the National Council of the Transport Workers' Union of Australia during the year.

(b) Key management personnel remuneration

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

	2016	2015
	\$	\$
Short-term employee benefits		
Wages and Salaries	346,661	237,919
Annual leave	44,351	5,587
	-	
Other employee expenses		61,733
Post-employment benefits		
Superannuation	56,177	66,516
Other long-term employee benefits		
Long service leave	-	-
Total	447,189	371,755

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

17. 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.

18. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

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

	2016	2015
	\$	\$
No longer than 1 year	354,593	290,909
Longer than 1 year but not longer than 5 years	376,669	484,848
	<u>731,262</u>	<u>775,757</u>

Nature of lease	Remaining Lease Term as at 31 December 2016
Tenancy lease	44 Months
Photocopy lease	52 Months

19. 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 (see section (e (i)) below), liquidity risk and credit risk.

The Federal Committee of Management and the Federal 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 2016

(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:

	2016	2015
	\$	\$
Cash and cash equivalents	379,398	134,082

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

Debtors - Branches	536,865	718,869
Sundry Debtors	-	5,039
Total accounts receivable	<u>536,865</u>	<u>723,908</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 2016 it had \$379,398 (2015: \$134,082) of Cash and Cash Equivalents and \$4,000,000 (2015: \$4,000,000) of Other Financial Assets (Term Deposits) to meet these obligations as they fall due. Financial liabilities at 31 December 2016 totalled \$491,667 (2015: \$733,751). 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 2016

(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 2016	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash and cash equivalents	-	378,398	1,000	379,398
Held- to maturity investments	4,000,000	-	-	4,000,000
Available for sale financial asset	498,157	-	-	498,157
Receivables	-	-	536,835	536,835
Total financial assets	4,498,157	379,398	537,835	5,414,390
Weighted average Interest rate	3.10%	0.05%	-	-
Financial Liabilities				
Payables	-	-	(491,667)	(491,667)
Net Financial Assets	4,498,157	378,398	46,168	4,922,723

31 December 2015	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash and cash equivalents	-	133,082	1,000	134,082
Held- to maturity investments	4,000,000	-	-	4,000,000
Available for sale financial asset	1,054,276	-	-	1,054,276
Receivables	-	-	723,908	723,908
Total financial assets	5,054,276	133,082	724,908	5,912,266
Weighted average Interest rate	3.55%	0.04%	-	-
Financial Liabilities				
Payables	-	-	(733,751)	(733,751)
Net Financial Assets	5,054,276	133,082	(8,843)	5,178,515

TRANSPORT WORKERS' UNION OF AUSTRALIA
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Sensitivity Analysis

2016	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
Cash Assets	\$ 379,398	\$ 18,970	\$ (18,970)
2015			
Cash Assets	134,082	671	(671)

(f) *Other Price Risks*

The National Council manages risks arising from share price fluctuations as deemed appropriate.

(g) *Foreign Exchange Risk*

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

20 PROFESSIONAL FEES

	2016	2015
	\$	\$
Audit Fees	27,115	30,761
Audit Other Fees	-	-
	<u>27,115</u>	<u>30,761</u>

21. UNION DETAILS

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

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

Level 17, 383 Kent Street
Sydney NSW 2000

Correspondence to:
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E info.nsw@au.gt.com
W www.grantthornton.com.au

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 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 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, the financial report of Transport Workers' Union of Australia - National Council:

- i. The GPFR 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. The National Committee of Management appropriately applied the going concern basis of accounting.
- iv. Complies with any other requirement imposed by these reporting guidelines or Part 3 of Chapter 8 of the RO Act

Report on the recovery of wages activity

The National 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 Chartered Accountants Australia & New Zealand, and is a registered company auditor.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Madeleine Mattera

Madeleine Mattera
Partner - Audit & Assurance

Sydney, 5 April 2017