



Australian Government
Registered Organisations Commission

11 July 2017

Mr Peter Biagini
Branch Secretary
Transport Workers' Union of Australia, Queensland Branch
11 Alexandra Place
Murrarie QLD 4172

By e-mail: info@twuqld.asn.au
legal@twu.com.au

Dear Mr Biagini

Transport Workers' Union of Australia, Queensland Branch
Financial Report for the year ended 31 December 2016 - FR2016/423

I acknowledge receipt of the amended financial report for the year ended 31 December 2016 for the Transport Workers' Union of Australia, Queensland Branch. The financial report was lodged with the Registered Organisations Commission on 10 July 2017.

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

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'.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

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INDEPENDENT AUDITOR'S REPORT

To members of Transport Workers Union Australia (QLD Branch)

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Transport Workers Union Australia (QLD Branch) as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (*Registered Organisations*) Act 2009 and the reporting guidelines of the General Manager.

Report on recovery of wages activity

We have audited the recovery of wages activity financial report included in Transport Workers Union Australia (QLD Branch)'s report for the year ended 31 December 2016.

The Branch Committee of Management is responsible for the preparation and fair presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the recovery of wages activity financial report presents fairly, in all material respects the recovery of wages activity of Transport Workers Union Australia (QLD Branch) for the year ended 31 December 2016 in accordance with the guidelines of the General Manager, including:

- 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.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note 1 in the preparation of the financial statements is appropriate. Because not all future events or conditions can be predicted, this statement is not a guarantee as to the entity's ability to continue as a going concern.

Report on the Financial Report

We have audited the accompanying financial report of Transport Workers Union Australia (QLD Branch), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management committee declaration.



Committee's Responsibility for the Financial Report

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

The financial report has been prepared for the distribution to members of the Union for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the *Fair Work (Registered Organisations) Act 2009* in relation to the financial report and independent auditors' report.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 entity'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.

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 independence requirements of the Australian professional accounting bodies.



Declaration by the auditor

I, Paul Gallagher, declare the following:

- 1) I am a registered auditor;
- 2) I am a member of the Institute of Chartered Accountants in Australia; and
- 3) I hold a current Public Practice Certificate

BDO Audit Pty Ltd

BDO
Paul Gallagher

P A Gallagher
Director

Brisbane, 12 April 2017

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Committee of Management of the Transport Workers Union of Australia (QLD Branch) presents the following Operating Report in respect of the financial year ended 31 December 2016.

Membership

Total membership of the Branch as at 31 December 2016 was 9,210 of which 7,518 were financial members. (This translates into 9,207 effective members for 2016. In 2015 there were 9,554 effective members).

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

Principal Activities

The principal activities of the Union during the financial year were the provision of industrial, professional and managerial services to the members consistent with the objects and rules of the Union and in particular, protecting and improving the interests of members.

The Branch produced a range of publications for its members.

Significant Changes in Principal Activities

There were no significant changes in the nature of the Union's principal activities during the financial year.

Number of Employees

At 31 December 2016, there were 25 persons employed by the Branch.

Rights of Members to Resign

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with rule 11 of the Branch.

Trustees or Directors of Public Sector Superannuation Scheme

The following officers of the Transport Workers Union of Australia (QLD Branch) were officeholders of TWU Nominees Pty Ltd, which is trustee of the TWU Superannuation Fund:

Mr Peter Biagini appointed 10/01/2011

To the best of the knowledge of the Committee, no other officer or member of the Union has held any position as Trustee or Director of Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme at any time during the financial year. There has been no criterion for any other officer or member of the Union to hold such a position during the year financial year.

Affiliations & Directorships

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP. The Branch Secretary is a member of the ALP State Administrative Committee.

Significant changes in financial affairs

No significant changes in the Union's financial state of affairs occurred during the financial year.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016

OPERATING REPORT (CONTINUED)

Members of Committee of Management

The persons who held office as members of the Committee of Management at any time during the financial year were:

<i>Name</i>	<i>Position</i>	<i>Period in Office this year</i>
Peter Biagini	Secretary	1 January 2016 - 31 December 2016
Adam Carter	Assistant Secretary	1 January 2016 - 31 December 2016
Brad Wyatt	President	1 January 2016 - 31 December 2016
Grant Mitchell	Vice-President	1 January 2016 - 31 December 2016
Darren White	Trustee	1 January 2016 - 31 December 2016
Michael Cardile	Trustee	1 January 2016 - 31 December 2016
Henry Adsett	Committee Member	1 January 2016 - 31 December 2016
Gary Dickfos	Committee Member	1 January 2016 - 31 December 2016
Brett Perry	Committee Member	1 January 2016 - 31 December 2016
Ken Suesee	Committee Member	1 January 2016 - 31 December 2016
Peter Ferguson	Committee Member	1 January 2016 - 31 December 2016
Craig Williams	Committee Member	1 January 2016 - 31 December 2016
Agnes Green	Committee Member	1 January 2016 - 31 December 2016
Harry Rawson	Committee Member	1 January 2016 - 26 July 2016
Greg Delamotte	Committee Member	1 January 2016 - 31 December 2016
Adam Winters	Committee Member	1 January 2016 - 31 December 2016
Neil Conway	Committee Member	13 December 2016 - 31 December 2016

The Association maintained its rules and reported according to statutory requirements.

Dated at Brisbane this 7th day of July 2017



.....
Peter Biagini
Branch Secretary

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)


STATEMENT BY MEMBERS OF THE COMMITTEE

On the 28th day of February 2017 the Committee of Management of Transport Workers Union of Australia (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the financial year ended 31 December 2016.

The 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;
- (c) the financial statements 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 to which they relate;
- (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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the 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) 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 consistent manner with each of the other reporting units 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 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, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

Signed on behalf of the Committee of Management:



.....
Peter Biagini
Branch Secretary

Date 28/02/2017

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2016 \$	2015 \$
INCOME			
Interest		111	202
Investment income		406,319	518,284
Rental income		44,554	45,354
Reimbursement & Sponsorship		107,386	134,310
Director Fees		30,000	30,000
Advertising		20,311	16,600
Realised Gain/(Loss) on investments		214,418	202,078
Unrealised Gain/(Loss) on Investments		(213,967)	(177,300)
Membership subscriptions		4,608,229	4,647,286
Profit/(Loss) on sale of fixed assets		48,124	(19,888)
Training income		44,584	48,246
Other income		100,521	7,217
TOTAL INCOME		5,410,590	5,452,389
LESS EXPENSES			
Accounting & Audit fees		31,168	38,097
Advertising		104,080	89,804
Affiliation fees	2	103,120	140,062
Bank & direct debit processing charges		43,093	36,758
Campaign Expenses		58,096	-
Cleaning		17,353	19,344
Computer expenses		71,628	65,651
Delegates Conference		147,995	13,768
Delegates & BCOM Training		6,593	10,641
Depreciation		424,281	374,349
Donations	25	68,176	62,352
Electricity		42,138	36,487
Fees and permits		99,312	107,366
Freight and cartage		304	249
Fringe benefits		34,832	58,524
General expenses	3	160,813	226,124
Insurance		48,375	49,840
Legal costs		99,781	149,966
Motor vehicle expenses		113,445	131,043
Expenses carried forward		1,674,583	1,610,425

These financial statements should be read in conjunction with the accompanying notes.

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Notes	2016 \$	2015 \$
Expenses brought forward		1,674,583	1,610,425
Other Federal Expenses		23,888	32,803
Payroll tax		114,865	110,408
Postage		49,847	55,479
Printing and stationery		49,486	34,083
Rates and taxes		11,562	11,048
Recruitment		374	568
Rent		29,205	28,110
Repairs and maintenance		6,401	7,567
Salaries and Wages	6A	2,736,899	2,709,054
Security costs		11,028	8,600
Staff training and welfare		15,978	21,749
Subscriptions		4,378	9,290
Superannuation	6A	325,539	314,910
Sustentation fees		812,892	819,781
Telephone		128,533	135,265
Travelling expenses		88,120	95,145
Uniforms		3,381	6,657
TOTAL EXPENSES		<u>6,086,959</u>	<u>6,010,942</u>
OPERATING PROFIT/(LOSS) FOR THE YEAR		<u>(676,369)</u>	<u>(558,553)</u>
 OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified into Profit or Loss:			
Gain on revaluation of land and buildings		570,079	-
Net transfers in/(out) of Fund Reserves		82,554	72,827
TOTAL OTHER COMPREHENSIVE INCOME		<u>652,633</u>	<u>72,827</u>
 Total comprehensive income attributable to the organisation		<u><u>(23,736)</u></u>	<u><u>(485,726)</u></u>

These financial statements should be read in conjunction with the accompanying notes.

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF FINANCIAL POSITION

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	7	448,974	395,760
Trade and other receivables	8	32,437	79,451
Other assets	10	172,373	98,767
TOTAL CURRENT ASSETS		<u>653,784</u>	<u>573,978</u>
NON-CURRENT ASSETS			
Other Investments	9	7,833,582	8,280,062
Property, plant and equipment	11	3,381,809	2,958,042
Intangibles	12	155,026	226,373
Other assets	10	1,650	1,650
TOTAL NON-CURRENT ASSETS		<u>11,372,067</u>	<u>11,466,127</u>
TOTAL ASSETS		<u>12,025,851</u>	<u>12,040,105</u>
CURRENT LIABILITIES			
Trade and other payables	13	496,955	610,854
Provisions	14	619,555	496,174
TOTAL CURRENT LIABILITIES		<u>1,116,510</u>	<u>1,107,028</u>
NON-CURRENT LIABILITIES			
Other	15	4,333	4,333
TOTAL NON-CURRENT LIABILITIES		<u>4,333</u>	<u>4,333</u>
TOTAL LIABILITIES		<u>1,120,843</u>	<u>1,111,361</u>
NET ASSETS		<u>10,905,008</u>	<u>10,928,744</u>
MEMBERS' FUNDS			
Asset Revaluation Reserve	16	1,967,294	1,397,215
Funeral Fund	17	152,267	109,630
Support Fund	17	127,394	88,594
Political Activist	17	1,646	529
Accumulated Surplus	18	8,656,407	9,332,776
TOTAL MEMBERS' FUNDS		<u>10,905,008</u>	<u>10,928,744</u>

These financial statements should be read in conjunction with the accompanying notes.

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF CHANGES IN EQUITY

Notes	Accumulated Surplus \$	Funeral Fund \$	Support Fund \$	Political Activist Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 31 December 2014	9,891,452	68,030	57,896	-	1,397,215	11,414,593
Adjustment for errors	(123)	-	-	-	-	(123)
Profit/(loss) attributable to the organisation	(558,553)	-	-	-	-	(558,553)
Transfers to and from reserves	-	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-	-
Funds collected from members	-	41,600	30,698	529	-	72,827
Balance at 31 December 2015	9,332,776	109,630	88,594	529	1,397,215	10,928,744
Profit/(loss) attributable to the organisation	(676,369)	-	-	-	-	(676,369)
Transfers to and from reserves	-	-	-	-	570,079	570,079
Transfers to and from retained earnings	-	-	-	-	-	-
Funds collected from members	-	42,637	38,800	1,117	-	82,554
Balance at 31 December 2016	8,656,407	152,267	127,394	1,646	1,967,294	10,905,008

These financial statements should be read in conjunction with the accompanying notes.

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

STATEMENT OF CASH FLOWS

	Notes	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		4,857,066	4,950,166
Payments to suppliers and employees		(5,618,050)	(5,627,288)
Interest received		-	(2,075)
Investment income received		406,319	518,284
Interest and other costs of borrowing paid		-	(451)
Training income		44,584	48,246
Rent received		44,554	45,354
Net cash provided by/(used in) operating activities	19	<u>(265,527)</u>	<u>(67,764)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(241,625)	(460,780)
Proceeds from sale of property, plant and equipment		30,881	56,943
Proceeds from members for Funeral, Support & Activist Funds	17	82,554	72,827
Payment for investments		446,931	649,492
Net cash used in investing activities		<u>318,741</u>	<u>318,482</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		53,214	250,718
Cash at beginning of financial year		395,760	145,042
Cash at end of financial year	7	<u>448,974</u>	<u>395,760</u>

These financial statements should be read in conjunction with the accompanying notes.

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FOR THE YEAR ENDED 31 DECEMBER 2016**

RECOVERY OF WAGES ACTIVITY

	Consolidated		Parent	
	2016	2015	2016	2015
	\$	\$	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-	-	-
Receipts				
Amounts recovered from employers in respect of wages etc.	-	-	-	-
Interest received on recovered money	-	-	-	-
Total receipts	-	-	-	-
Payments				
Deductions of amounts due in respect of membership for:				
12 months or less	-	-	-	-
Greater than 12 months	-	-	-	-
Deductions of donations or other contributions to accounts or funds of:				
The reporting unit:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other reporting unit of the organisation:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other entity:				
name of account	-	-	-	-
name of fund	-	-	-	-
Deductions of fees or reimbursement of expenses	-	-	-	-
Payments to workers in respect of recovered money	-	-	-	-
Total payments	-	-	-	-
Cash assets in respect of recovered money at end of year	-	-	-	-

These financial statements should be read in conjunction with the accompanying notes.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, Transport Workers Union of Australia (QLD Branch) is a not-for-profit entity.

The financial report of Transport Workers Union of Australia (QLD Branch) complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been not discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit & loss during the financial period in which they occurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of profit & loss.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated using the straight line and diminishing value methods over their useful lives to the Branch commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	25%	Diminishing value
Office Equipment	20.00% - 66.67%	Diminishing value
Computer Software	40.00% - 80.00%	Diminishing value
Furniture Fittings & Equipment	2.50% - 66.67%	Diminishing value

The assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit & loss. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(b) Asset Revaluation Reserve

Increments in the valuation of property plant & equipment are recognised in the asset revaluation reserve. Any decrements in the valuation of a class of property, plant & equipment are recognised in the asset revaluation reserve up to the amount of previous valuation increments. Any excess decrement is recognised in the statement of profit & loss.

Increments and decrements in the valuation of land and buildings held as investments properties are recognised in the statement of profit & loss in the period in which they arise.

(c) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit & loss.

Impairment testing is performed annually for intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash generating unit to which the asset belongs.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Employee Benefits

Provisions are made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are 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. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(g) Revenue

Subscription income is brought to account in the period to which it relates to.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Proceeds from the disposal of non-current assets are stated net of carrying amounts.

(h) Taxation & Goods and Services Tax (GST)

The income of the Branch is exempt from income 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 Taxation 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss.

Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial Instruments (continued)

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of profit & loss.

(k) Critical accounting estimates and judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Key estimates - impairment

The Branch assesses impairment at each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is terminated. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(l) Changes in accounting policies

In accordance with correspondence received from the Fair Work Commission (Regulatory Compliance Branch), the entity has reclassified liabilities to members recorded for the Funeral Fund and Support Fund respectively (at 31 December 2012) as reserves under equity for the year ended 31 December 2013. As per the accounting principles, movements in these reserves are included as 'Other Comprehensive Income'. Note that there was no income recognised for the funds received as at 31 December 2012 and prior years.

(m) Working capital

The financial statement show a working capital deficiency of \$462,726 The Union will be able to meet its working capital deficiency through the cash and equity portion held with Macquarie Investment Portfolio. As at 31st Dec 2016 this cash portion is \$444,096 and investment in equities of \$7,389,486. As and when needed TWU has the ability to withdraw this cash and equity portion to cover any working capital deficiencies in less than 5 days.

(n) Reserves

Funeral fund reserve

The purpose of the fund is that a member's deceased estate can claim a maximum of \$7,000 upon the death of a member. Members contribute a weekly amount of \$1.50 towards this fund totalling \$78 per year. In order to be eligible for a funeral fund payment, the member must be a member for more than 3 months, their Union dues must be paid up and their funeral fund contributions must be up to date.

Support fund reserve

The purpose of the support fund reserve is to reimburse members who have lost wages in the event of a strike or industrial action. The payment they receive is based on 90% of the modern award rate of pay for their industry, and they can make a claim on this fund if they are a paid up financial member who currently contribute to the fund. The first 48 hours of a strike is not covered but thereafter, should the action proceed longer, they will be covered under the fund.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Reserves - (continued)

Political Activist fund

The Political Activist fund was established as a result of the discussion around the possibility of banning unions making political donations, unless all members agreed by way of a ballot. A decision was made to establish an opt-in fund, whereby should the sanctions be put in place restricting donations without a ballot of members taking place, then the TWU QLD could validly donate as they see fit, using only the funds in the 'Political Activist' account. The weekly contribution from members is \$2.00

(o) New Australian Accounting Standards

New, revised or amending Accounting Standards and Interpretations adopted

The union has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the union from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Union. The following Accounting Standards and Interpretations are most relevant to the Union:
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities.

The Union has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) New Australian Accounting Standards (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

New/revised pronouncements	Nature of change	Application date to the Union	Impact to the Union
AASB 15 Revenue from Contracts with Customers	The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.	31 December 2019	The Union has not yet assessed the full impact of this Standard however does not believe that it will a significant impact on the union due to membership revenue already being recognised over time.

NOTE 2: AFFILIATION FEES

	2016 \$	2015 \$
Affiliation Fees - ALP QLD	48,191	63,855
Affiliation Fees - Union Shopper	22,640	21,656
Affiliation Fees - Queensland Community Organising	4,000	-
Affiliation Fees- QCU	27,929	54,451
Affiliation Fees - Other	360	100
	103,120	140,062

NOTE 3: GENERAL EXPENSES

Meetings and functions	49,721	51,750
Other employee expenses	-	-
Honorarium expenses	21,310	24,325
Other expenses	89,782	150,049
	160,813	226,124

NOTE 4: AUDITOR'S REMUNERATION

Remuneration of the auditor for:		
Auditing of the financial report	29,870	29,000
Other accounting, compliance and taxation services provided by related practice of auditor	-	6,966
	29,870	35,966

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 5: REQUIREMENTS OF SUBSECTION 272(5)

In accordance with the requirements of subsection 272(5) of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

(1) A member of a reporting unit, or the General Manager, 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; and

(3) A reporting unit must comply with an application made under subsection (1).

NOTE 6A: EMPLOYEE BENEFITS

	2016 \$	2015 \$
Holders of office:		
Wages and salaries	312,740	231,150
Superannuation	40,124	29,130
Leave and other entitlements	12,032	72,251
Separation and redundancies	-	-
Other employee expenses	-	-
	364,896	332,531
Subtotal employee expenses holders of office		
Employees other than office holders:		
Wages and salaries	2,246,037	2,226,709
Superannuation	285,416	285,779
Leave and other entitlements	111,346	136,208
Separation and redundancies	54,743	42,737
Other employee expenses	-	-
	2,697,542	2,691,433
Subtotal employee expenses employees other than office holders		
Total employee expenses	3,062,438	3,023,964

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 6B: KEY MANAGEMENT PERSONNEL (OFFICE HOLDER'S) COMPENSATION

Income paid or payable to key management personnel by the union

	2016 \$	2015 \$
Short-term employee benefits		
Salary (including annual leave taken)	312,740	231,150
Annual leave accrued	2,255	24,651
Performance bonus	-	-
Total short-term employee benefits	<u>314,995</u>	<u>255,801</u>
Post-employment benefits:		
Superannuation	40,124	29,130
Total post-employment benefits	<u>40,124</u>	<u>29,130</u>
Other long-term benefits:		
Long-service leave	9,777	47,600
Total other long-term benefits	<u>9,777</u>	<u>47,600</u>
Termination benefits	-	-
Total	<u><u>364,896</u></u>	<u><u>332,531</u></u>

	2016 \$	2015 \$
NOTE 7: CASH ASSETS		
Cash on hand	600	600
Cash at Bank	172,670	204,642
Cash held for specific purpose (reserves)	275,704	190,518
	<u>448,974</u>	<u>395,760</u>

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	32,437	79,451
	<u>32,437</u>	<u>79,451</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$
NOTE 9: FINANCIAL ASSETS		
CURRENT		
Other investments		
Macquarie Investment Portfolio - cash	444,096	363,802
Macquarie Investment Portfolio - shares	7,389,486	7,916,260
	<u>7,833,582</u>	<u>8,280,062</u>
NOTE 10: OTHER ASSETS		
CURRENT		
GST receivable	25,745	32,328
Prepayments	86,934	63,254
Accrued Revenue	56,396	-
Accrued interest receivable	3,298	3,185
	<u>172,373</u>	<u>98,767</u>
NON-CURRENT		
Rental Bond - Cairns Office	1,650	1,650
	<u>1,650</u>	<u>1,650</u>
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
LAND AND BUILDINGS		
At independent valuation	3,000,000	2,600,000
Improvements	-	63,291
Less accumulated depreciation	(4,992)	(192,201)
Total land and buildings	28 <u>2,995,008</u>	<u>2,471,090</u>
PLANT AND EQUIPMENT		
(a) Motor vehicles		
At cost	556,754	581,394
Less accumulated depreciation	(299,680)	(242,645)
	<u>257,074</u>	<u>338,749</u>
(b) Office equipment		
At cost	322,649	405,702
Less accumulated depreciation	(279,043)	(350,476)
	<u>43,606</u>	<u>55,226</u>
(c) Furniture, fixtures and fittings		
At cost	198,323	191,232
Less accumulated depreciation	(112,202)	(98,255)
	<u>86,121</u>	<u>92,977</u>
Total plant and equipment	<u>386,801</u>	<u>486,952</u>
Total property, plant and equipment	<u>3,381,809</u>	<u>2,958,042</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in property, plant & equipment during the financial year were as follows:

	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,471,090	486,952	2,958,042
Revaluation	570,079	-	570,079
Additions	-	73,796	73,796
Disposals	-	(32,751)	(32,751)
Depreciation & amortisation expenses	(46,161)	(141,196)	(187,357)
Carrying amount at the end of the year	<u>2,995,008</u>	<u>386,801</u>	<u>3,381,809</u>

2016
\$

2015
\$

NOTE 12: INTANGIBLES

Software -at cost	460,797	453,789
Less accumulated amortisation	(305,771)	(227,416)
	<u>155,026</u>	<u>226,373</u>

Movements in intangibles during the financial year were as follows:

	Software pool	Total
Balance at the beginning of the year	226,373	226,373
Additions	167,828	167,828
Disposals	(2,251)	(2,251)
Depreciation expenses	(236,924)	(236,924)
Carrying amount at the end of the year	<u>155,026</u>	<u>155,026</u>

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	336,566	459,865
Superannuation Payable	32,437	31,376
Accrued expenses	79,662	23,210
Accrued Membership Fees 2017/2016	23,353	73,144
Credit Card	24,937	23,259
	<u>496,955</u>	<u>610,854</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
NOTE 14: PROVISIONS		
CURRENT		
<i>Office Holders</i>		
Annual Leave Provision - Office Holders	86,275	84,020
Long Service Leave Provision- Office Holders	57,377	47,600
Separation and redundancies -office holders	-	-
Other employee provisions -office holders	-	-
	<u>143,652</u>	<u>131,620</u>
<i>Other Employees</i>		
Annual Leave Provision - Other Employees	272,821	242,906
Long Service Leave Provision- Other Employees	203,082	121,648
Separation and redundancies -other employees	-	-
Other employee provisions - other employees	-	-
	<u>475,903</u>	<u>364,554</u>
	<u>619,555</u>	<u>496,174</u>
 (a) Aggregate employee benefits liability	 619,555	 496,174
(b) Number of employees at year end	25	29
NOTE 15: OTHER LIABILITIES		
NON-CURRENT		
Rental Bond	<u>4,333</u>	<u>4,333</u>
NOTE 16: RESERVES		
Asset revaluation reserve	<u>1,967,294</u>	<u>1,397,215</u>
(a) Asset Revaluation Reserve		
Movements during the financial year:		
Opening balance	1,397,215	1,397,215
Add: Movement during the year	<u>570,079</u>	<u>-</u>
Closing balance	<u>1,967,294</u>	<u>1,397,215</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 \$	2015 \$
NOTE 17: FUNERAL, SUPPORT & POLITICAL ACTIVIST FUNDS		
(a) Funeral Fund		
Opening balance	109,630	68,030
Add: net Funds collected in the year	42,637	41,600
Closing balance	<u>152,267</u>	<u>109,630</u>
(b) Support Fund		
Opening balance	88,594	57,896
Add: Funds collected in the year	38,800	30,698
Closing balance	<u>127,394</u>	<u>88,594</u>
(c) Political Activist Fund		
Opening balance	529	-
Add: Funds collected in the year	1,117	529
Closing balance	<u>1,646</u>	<u>529</u>
NOTE 18: ACCUMULATED SURPLUS		
Retained earnings at the beginning of the financial year	9,332,776	9,891,452
Net profit / (loss) attributable to members of the entity	(676,369)	(558,553)
Prior year correction	-	(123)
Retained Earnings at the end of the financial year	<u>8,656,407</u>	<u>9,332,776</u>
NOTE 19: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with Net profit attributable to the organisation:		
Profit (Loss)	(676,369)	(558,553)
Non-cash flows in profit		
Depreciation	424,281	374,349
Loss/(gain) on disposal of property, plant & equipment	(48,124)	19,888
Changes in assets and liabilities		
(Increase)/decrease in value of investments	(451)	(24,778)
(Increase)/decrease in receivables	47,014	114,753
(Increase)/decrease in other assets	(73,606)	16,878
Increase/(decrease) in payables	(61,652)	(218,759)
Increase/(decrease) in provisions	123,380	208,458
Cash flows from operations	<u>(265,527)</u>	<u>(67,764)</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 20: FINANCIAL RISK MANAGEMENT

Financial Risk Management

The union is exposed to the following risks from their use of financial instruments:

- Market Risk
- Credit Risk
- Liquidity Risk

The Committee has overall responsibility for risk management. The Committee has established risk management policies designed to identify and monitor risks from financial instruments and ensure any adverse effects from these risks are minimized. The Committee meet on a regular basis to review compliance with risk management policy and to analyse financial risk exposure in the context of the current economic environment.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, and equity prices will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk other than price risk and interest rate risk.

Price risk

Equity price risk arises principally from available for sale financial assets where the company is exposed to fluctuations in price that are inherent in such a market. To limit the risk, the company holds a diverse portfolio and investment decisions are made in accordance with the stated policy above.

Credit Risk

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 31 December 2016.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

31 December 2016	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	496,955	-	-
Provisions	619,555	-	-
Other payables	-	4,333	-
31 December 2015			
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	610,854	-	-
Provisions	496,174	-	-
Other payables	-	4,333	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Sensitivity analysis:

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2016 \$	2015 \$
Change in profit /(loss)		
– Increase in interest rate by 2%	8,967	7,903
– Decrease in interest rate by 2%	(8,967)	(7,903)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 20: FINANCIAL RISK MANAGEMENT (CONTINUED)

Price risk

A 2% change in equity prices at reporting date would have increased/(decreased) profit/(loss) by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

– Increase in equity prices by 2%	156,672	165,601
– Decrease in equity prices by 2%	(156,672)	(165,601)

NOTE 21: COMMITMENTS

Lease Commitments Payable

The Branch has commitments payable related to tenancy agreements:

	2016	2015
	\$	\$
Less than one year	29,293	28,969
Greater than one year but less than five years	58,586	57,938
	87,879	86,907

Equipment Lease Commitments Payable

The Branch has commitments payable related to lease equipment:

Less than one year	45,384	45,384
Greater than one year but less than five years	181,611	181,611
	226,995	226,995

NOTE 22: CONTINGENT LIABILITIES

Estimates of material amounts of contingent liabilities are not provided for in the accounts, arising from ongoing activities of the union as its not practical to estimate/ quantify the liability.

NOTE 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.

NOTE 24: RELATED PARTIES

	2016	2015
	\$	\$
<i>Expenditure incurred in relation to TWU Australia.</i>		
Entity	Purpose	
TWU Australia	Sustentation	812,892
TWU Australia	Other Federal Expenses	23,888
		819,781
		32,803

Sales invoices raised in relation to TWU Australia.

Entity	Purpose	
TWU Australia	Reimbursement	14,906
		40,658

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 25: DONATIONS & GRANTS

DONATIONS

Total paid that were \$1,000 or less	17,330	12,687
Total paid that exceeded \$1,000	50,846	49,665
	<u>68,176</u>	<u>62,352</u>

GRANTS

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
	<u>-</u>	<u>-</u>

NOTE 26: BRANCH DETAILS

The registered office of the Branch is:
11 Alexandra Place
Murarrie, QLD 4172

NOTE 27: PARENT ENTITY

TWU Australia is the Branch's parent entity.

Note 28: FAIR VALUE MEASUREMENT

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Fair value measurements categorised by fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method.

The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or indirectly.

Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy for financial assets

	Level 1		Level 2		Level 3	
	2016	2015	2016	2015	2016	2015
Financial Assets						
Macquarie Investment Portfolio	7,833,582	8,280,062	-	-	-	-
Total	<u>7,833,582</u>	<u>8,280,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Financial Assets						
Financial Assets						
Land and Buildings	-	-	-	-	2,995,008	2,471,090
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,995,008</u>	<u>2,471,090</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Note 28: FAIR VALUE MEASUREMENT (continued)

Land and Building was revalued by independent valuer CBRE on 15 November 2016.

The revalued land and buildings consist of land and buildings at 11 Alexandra Place, Murarrie Qld. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Fair value of the properties was determined by using a combination of capitalisation approach and direct comparison approach. This means that valuations performed by the valuer are based on looking at rental income and rate per square metre, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation 15 November 2016, the properties' fair values are based on valuations performed by CBRE, an accredited independent valuer.

Significant unobservable valuation input	Range
Price per square metre	\$3,200 to \$3,500

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

NOTE 29 : REPORTING GUIDELINE DISCLOSURES

TWU's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit. TWU has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

The items listed below as required to be disclosed as required by the Reporting Guideline was nil in the current and prior year.

14(b) - capitation fees received

14(c) - compulsory levies raised

14(d) - donations or grants received

14(e) - financial support received from another reporting unit

16(a) - fees incurred as consideration for employers making payroll deductions of membership subscriptions

16(d) - compulsory levies imposed

16(h) - fees or allowances paid to persons to attend conferences or meetings as a representative of the reporting unit

16(j) - legal costs or other litigation expenses incurred by:

(i) - litigation; and

(ii) - other legal matters

16(k) - penalties imposed under RO Act

18(a) - receivable with another reporting unit

18(b) - payable with another reporting unit

20(a) - payables to employers as consideration for employer making payroll deductions of membership subscriptions

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

NOTE 29 : REPORTING GUIDELINE DISCLOSURES (continued)

20(b) - payables in respect of legal costs and other expenses related to litigation or other legal matters by:

(i) - litigation; and

(ii) - other legal matters

24 - cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPFR