



7 August 2018

Mr Anthony Sheldon
National Secretary
Transport Workers' Union of Australia
Level 2, 388-390 Sussex Street
Sydney NSW 2000
By email: twu@twu.com.au

CC: madeleine.mattera@au.gt.com

Dear Mr Sheldon,

**Transport Workers' Union of Australia
Financial Report for the year ended 31 December 2017 - [FR2017/342]**

I acknowledge receipt of the financial report of the Transport Workers' Union of Australia (TWU). The documents were lodged with the Registered Organisations Commission (the ROC) on 7 June 2018.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2018 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Committee of Management Statement & Notes to the financial report

Reference to s.272 & 273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to the Commissioner of the ROC instead of the General Manager, Fair Work Commission. Section 273 continues to refer to the Fair Work Commission.

The TWU Committee of Management statement, at reference (b) and (e)(v), and Note 3 of the Notes to the Financial Statements, refer to the 'General Manager, Fair Work Commission'. In future, please ensure these references are to the 'Commissioner'.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Vale", is enclosed in a thin black rectangular border.

David Vale
Registered Organisations Commission

National Office

a 388-390 Sussex St, Sydney NSW 2000
t 02 8114 6500
f 02 9267 3222



www.twu.com.au

National Secretary
Tony Sheldon

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

7 June 2018

By email – regorgs@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,

A handwritten signature in black ink that reads 'Wendy Carr'.

Wendy Carr
Director of Legal & Operations

National Office

a 388-390 Sussex St, Sydney NSW 2000
t 02 8114 6500
f 02 9267 3222

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National Secretary
Tony Sheldon

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 2017; 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 4 April 2018 (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 21 May 2018 (at which meeting the National Council endorsed the signed full report); and
 - to the National Committee of Management of the reporting unit on 21 May 2018 (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 16 May 2018 in accordance with section 265 of the RO Act.

Anthony Sheldon



National Secretary
7 June 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA
NATIONAL COUNCIL

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia National Council (National Office) presents its reports for the 2017 financial year.

Statement of Comprehensive Income and Statement of Financial Position:

REVENUE

Revenue earned from Sustentation Fees year was \$4,472,353 which when compared to the prior year has decreased by \$41,170 (2016: \$4,513,523).

The total income generated by the branch was \$4,931,296 a decrease of (\$220,568) when compared to the prior year (2016: \$5,151,864).

EXPENDITURE

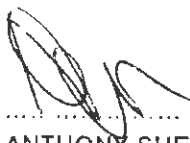
- (i) Employee Related Payments (ERP) for the year was \$2,541,216 which includes salary on-costs, Superannuation payments, FBT, and annual 1.5% salary increase. (2016: \$2,735,453)
- (ii) Operating Expenditure for the year was \$2,405,845 (2016: \$2,861,331). The decrease in expenditure by (\$455,486) can be attributed to ongoing cost reduction.
- (iii) Cumulative Operating Expenditure which includes Employee Related payments for the year was \$4,947,061 (2016: \$5,596,784).

NET POSITION

The deficit for the year 2017 was \$15,765. This modest deficit was achieved during a year of intense campaigning. 2017 involved bargaining across a range of industries including the major bargaining round in road transport. In aviation activity was high in bargaining and also in relation to the Safe and Secure Skies campaign with the ongoing fight to highlight attempts to undermine safe and fair terms and conditions in the sector by companies like Aerocare. The campaign for Safe Rates continued its focus on the safety of all within transport supply chains including by highlighting malpractices and companies that were unwilling to engage in dialogue to make work safer. In addition, the national membership training program aligned with the TWU's "Vision 2035" was rolled out to its fullest extent in 2017 with great success. Given the intensity of activity a proactive approach to controlling expenses and a commitment to continuous improvement of governance and financial systems each contributed to the close to balanced result.

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 \$306,213 and reflects consistency in the cash flow experienced during the year (2016: \$379,398). The Branch continues to perform to expectations.



ANTHONY SHELDON
NATIONAL SECRETARY
04 APRIL 2018

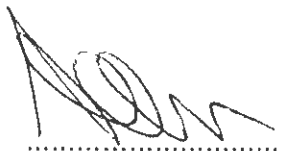
OPERATING REPORT

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 2017.

1. The principal activity of National Council during the financial year was that of the 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 \$15,765.
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 2017 was 68,904.
7. The number of persons who were employees of National Council on 31 December 2017 was 19 (2016: 22), where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
8. The names of each person who were members of the National Committee of Management at any time during the financial year are as follows:

Name	Period Position Held
Anthony Sheldon	1 January 2017 to 31 December 2017
Michael Kaine	1 January 2017 to 31 December 2017
Tim Dawson	1 January 2017 to 31 December 2017
Richard Olsen	1 January 2017 to 31 December 2017
John Berger	1 January 2017 to 31 December 2017
Ray Wyatt	1 January 2017 to 7 February 2017
Ian Smith	14 February 2017 to 31 December 2017
Peter Biagini	1 January 2017 to 31 December 2017

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



Anthony Sheldon
04 APRIL 2018



Peter Biagini
04 APRIL 2018

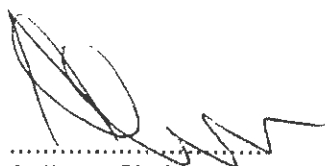
NATIONAL COMMITTEE OF MANAGEMENT'S STATEMENT

On 04 April 2018 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 2017.

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 2017;
- (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 2017 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) 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) 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
 - (vi) 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) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

For the National Committee of Management



Anthony Sheldon
04 APRIL 2018

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017	2016
INCOME			
Capitation/ Sustentation Fees	4	4,472,353	4,513,523
ACTU Contributions		113,160	117,594
Distribution from Available-for-sale Financial Assets		27,366	13,690
National Training Fund		28,290	29,399
Legal Fees Reimbursement from Branches		37,895	122,540
Interest Received		114,079	122,773
Investment Rebate		2,226	-
Sundry Income		57,650	153,121
Sponsorship TWU Super		18,277	18,277
TWU Superannuation Director Fee		60,000	60,000
Gain on Disposal of Assets		-	947
TOTAL INCOME		<u>4,931,296</u>	<u>5,151,864</u>
EXPENDITURE			
Depreciation expenses			
Low-value asset pool depreciation		596	-
Property, plant and equipment depreciation		47,005	61,734
		<u>47,601</u>	<u>61,734</u>
Employee benefits expense			
Accrued Annual Leave	5(d,e)	(1,320)	42,653
Accrued LSL	5(d,e)	30,585	49,019
Fringe Benefits Tax	5(d,e)	20,803	-
Salaries	5(d,e)	2,221,189	2,361,193
Superannuation	5(d,e)	269,959	282,587
		<u>2,541,216</u>	<u>2,735,453</u>
Other expenses			
Advertising		3,264	149,593
Affiliation Fees	5(a)	357,716	497,184
Accommodation		95,533	116,895
ACTU Growth & Campaign Levy		128,563	74,150
Auditors' Remuneration		30,135	27,115
Bank Charges		4,108	8,925
Building Expenses		40,024	36,681
Campaign Expenses		121,154	197,094
Medical Expenses		534	-
Computer Maintenance		58,237	59,356
Donations		12,160	42,530
Gifts		9,774	1,582
Functions		300	7,274
National Council		129,057	95,126
National Committee of Mgmt. Expenses		65,691	79,118
General Expenses		5,415	3,797
Carried forward		<u>1,061,665</u>	<u>1,396,419</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

	Note	2017 \$	2016 \$
Brought Forward		1,061,665	1,396,419
Insurance		12,365	13,693
Lease Rental Expenses – Operating leases		66,072	49,254
Legal & Professional Fees	5(f)	184,177	263,498
Loss on Disposal of Financial Assets		-	61,759
Loss on Disposal of Assets		-	-
Meeting Expenses		53,717	44,347
Merchandise		3,940	-
Motor Vehicle Expenses		28,678	23,767
Organising Assistance		-	-
Payroll Tax		130,404	111,417
Postage & Freight		6,508	3,049
Printing and Stationery		57,968	36,678
Publications & Subscriptions		33,142	29,504
Recruitment costs		-	12,995
Temporary staff costs		7,699	26,186
Reimbursement to Branches	15	41,665	-
Records Storage		776	849
Repairs and Maintenance		1,944	809
Rent		301,715	297,124
Seminar and Course Fees		-	-
Staff Amenities		13,164	11,470
Telephone and Faxes		52,454	66,907
Training & Research Projects		2,324	16,873
Travelling Expenses		233,904	271,259
TUF FWEIP ITF Project Expense		-	-
Workers Compensation		23,628	21,325
NT Expenses		39,921	39,921
Entertainment		414	495
TOTAL OTHER		<u>2,358,244</u>	<u>2,799,597</u>
TOTAL EXPENDITURE		<u>4,947,061</u>	<u>5,596,784</u>
DEFICIT FOR THE YEAR		<u>(15,765)</u>	<u>(444,920)</u>
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Increase/(Decrease) in Value of Available - for - Sale Financial Assets		52,410	(140,454)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>52,410</u>	<u>(140,454)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>36,645</u>	<u>(585,374)</u>

(The accompanying notes form part of this financial report)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	306,213	379,398
Receivables	10	613,162	612,151
Other Financial Assets	9	4,000,350	4,000,350
Available-for-sale Financial Assets	11	<u>580,158</u>	<u>498,157</u>
TOTAL CURRENT ASSETS		<u>5,499,882</u>	<u>5,490,055</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	<u>109,202</u>	<u>138,523</u>
TOTAL NON-CURRENT ASSETS		<u>109,202</u>	<u>138,523</u>
TOTAL ASSETS		<u>5,609,085</u>	<u>5,628,578</u>
CURRENT LIABILITIES			
Payables	13	406,264	491,667
Provision for Accrued Annual Leave		231,856	233,177
Provision for Long Service Leave		<u>124,807</u>	<u>94,222</u>
TOTAL CURRENT LIABILITIES		<u>762,928</u>	<u>819,066</u>
NET ASSETS		<u>4,846,157</u>	<u>4,809,512</u>
Accumulated Funds		4,805,483	4,821,248
Available for Sale Reserve		<u>40,674</u>	<u>(11,736)</u>
TOTAL EQUITY		<u>4,846,157</u>	<u>4,809,512</u>

(The accompanying notes form part of this financial report)

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS AND RESERVES
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Accumulated Funds	Available-for-sale Investment Reserve	Total Equity
	\$	\$	\$
Balance at 1 January 2016	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
Deficit for the year	(15,765)	-	(15,765)
<i>Other Comprehensive Income</i>			
Increase/(Decrease) in Value of Available-for-Sale Financial Assets	-	52,410	52,410
Total Comprehensive Loss for the year	(15,765)	52,410	36,645
Balance at 31 December 2017	4,805,483	40,674	4,846,157

(The accompanying notes form part of this financial report)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sustentation Fees		4,432,426	4,677,510
ACTU Contributions		113,160	137,877
Interest and Distributions Received		1,836	328,489
Training Fund		28,290	29,400
Legal fee reimbursement		43,392	127,213
Other Branch Income		66,130	-
Other Income		212,340	105,807
Litigation Reimbursement to Branches		(41,677)	-
ACTU		(277,194)	(725,774)
International Transport Workers Federation		(70,521)	(64,529)
Australian Trucking association		(10,000)	(10,000)
Payments to Suppliers and Employees		(4,553,682)	(4,657,506)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	14(b)	(55,500)	(51,512)
Payment for Available-for-sale Investment		-	(509,335)
Payment for Property, Plant and Equipment		(17,685)	(59,168)
Proceeds from Sale of Property, Plant & Equipment		-	2,090
Payment for Term Deposits invested		-	-
Proceeds from Term Deposit redeemed		-	863,241
NET CASH PROVIDED/(USED IN) BY INVESTING ACTIVITIES		(17,685)	296,828
NET INCREASE/(DECREASE) IN CASH HELD		(73,185)	245,316
Cash at Beginning of Year		379,398	134,082
CASH AT END OF YEAR	14(a)	306,213	379,398

(The accompanying notes form part of this financial report)

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 (2016. 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 2017**

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 3 April 2018.

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 2017**

(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 2017**

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 2017

(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 makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.</p>	<p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.</i></p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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<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</p> <p>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 <i>Revenue from Contracts with Customers</i></p>	<p>1 January 2018</p>	<p>AASB 15</p> <ul style="list-style-type: none"> • replaces AASB 118 <i>Revenue</i>, AASB 111 <i>Construction Contracts</i> 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><i>The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2018.</i></p>
<p>AASB 16 <i>Leases</i></p>	<p>1 January 2019</p>	<p>AASB 16:</p> <ul style="list-style-type: none"> • replaces AASB 117 <i>Leases</i> 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 <i>Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i></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. 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 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.</p>	<p><i>No impact as there are no joint ventures in the entity</i></p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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<p>AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15</p>	<p>1 January 2018</p>	<p>The amendments clarify the application of AASB 15 in three specific areas to reduce the extent of diversity in practice that might otherwise result from differing views on how to implement the requirements of the new standard. They will help companies:</p> <ol style="list-style-type: none"> 1. Identify performance obligations (by clarifying how to apply the concept of 'distinct'); 2. Determine whether a company is a principal or an agent in a transaction (by clarifying how to apply the control principle); 3. Determine whether a licence transfers to a customer at a point in time or over time (by clarifying when a company's activities significantly affect the intellectual property to which the customer has rights). <p>The amendments also create two additional practical expedients available for use when implementing AASB 15.</p> <ol style="list-style-type: none"> 1. For contracts that have been modified before the beginning of the earliest period presented, the amendments allow companies to use hindsight when identifying the performance obligations, determining the transaction price, and allocating the transaction price to the satisfied and unsatisfied performance obligations. 2. Companies applying the full retrospective method are permitted to ignore contracts already complete at the beginning of the earliest period presented. 	<p><i>Refer to the section on AASB 15 above</i></p>
<p>AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</p>	<p>1 January 2018</p>	<p>This Standard amends AASB 2 <i>Share-based Payment</i> to address:</p> <ol style="list-style-type: none"> 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. 	<p><i>There is no impact for the entity as there are no share based payment transactions</i></p>
<p>AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts</p>	<p>1 January 2018</p>	<p>This Standard amends AASB 4 <i>Insurance Contracts</i> to permit issuers of insurance contracts to:</p> <ol style="list-style-type: none"> 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 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>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>	<p><i>There is no impact for the entity as there are no insurance contracts</i></p>

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<p>AASB 1058 <i>Income of Not-for-Profit Entities</i></p>	<p>1 January 2019</p>	<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>	<p><i>The entity is yet to undertake a detailed assessment of the impact of AASB 1058</i></p>
<p>AASB 1059 Service Concession Arrangements: Grantors</p>	<p>1 January 2019</p>	<p>AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:</p> <ul style="list-style-type: none"> • recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset; • reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset; • initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in AASB 13 <i>Fair Value Measurement</i>. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 <i>Property, Plant and Equipment</i> or AASB 138 <i>Intangible Assets</i>, as appropriate, except as specified AASB 1059; • recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and • disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements 	<p><i>When this Standard is first adopted for the year ending 31 December 2019, there will be no impact on the transactions and balances recognised in the financial statements as the entity is not a grantor in a service concession arrangement</i></p>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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AASB 2016-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities</i>	1 January 2019	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 those Standards.	<i>The entity is yet to undertake a detailed assessment of the impact of this amendment</i>
AASB 2017-1 <i>Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments</i>	1 January 2019	AASB 2017-1 amends: • AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> to delete some short-term exemptions for first-time adopters that were available only for reporting periods that have passed and to add exemptions arising from AASB Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i> ; • AASB 128 <i>Investments in Associates and Joint Ventures</i> to clarify that: - a venture capital organisation, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture; and - an entity that is not an investment entity may elect to retain the fair value measurement applied by its associates and joint ventures that are investment entities when applying the equity method. This choice is available separately for each investment entity associate or joint venture; and • AASB 140 <i>Investment Property</i> to reflect the principle that an entity transfers a property to, or from, investment property when, and only when, there is a change in use of the property supported by evidence that a change in use has occurred.	<i>When these amendments are first adopted for the year ending 31 December 2019, there will be no material impact on the financial statements</i>
AASB 2017-3 <i>Amendments to Australian Accounting Standards – Clarifications to AASB 4</i>	1 January 2018	This Standard amends AASB 4 <i>Insurance Contracts</i> to confirm that in Australia compliance with AASB 1023 <i>General Insurance Contracts</i> and AASB 1038 <i>Life Insurance Contracts</i> ensures simultaneous compliance with AASB 4. AASB 1023 and AASB 1038 address all aspects of recognition, measurement and disclosure of general and life insurance contracts. These Standards address a wider range of accounting requirements than AASB 4. This Standard also amends AASB 4 to ensure that the relief available to issuers of insurance contracts set out in AASB 2016-6 <i>Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts</i> can be applied by an entity applying either AASB 1023 or AASB 1038 if the entity otherwise meets the qualifying criteria.	<i>There is no impact for the entity as there are no insurance contracts</i>
AASB 2017-4 <i>Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments</i>	1 January 2019	AASB 2017-4 amends AASB 1 <i>First-time Adoption of Australian Accounting Standards</i> to add paragraphs arising from AASB Interpretation 23 <i>Uncertainty over Income Tax Treatments</i> .	<i>There is no impact for the entity as the Union is exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997</i>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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<p>AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections</p>	<p>1 January 2018</p>	<p>AASB 2017-5 defers the mandatory effective date of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2022 instead of 1 January 2018. The amendments in AASB 2014-10 originally applied to annual reporting periods beginning on or after 1 January 2016, but were later deferred by the IASB indefinitely. Due to legal implications, the AASB was unable to defer the amendments indefinitely, and instead deferred the amendments to apply to annual reporting periods beginning on or after 1 January 2018 through AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128. As the IASB's amendments continue to be deferred indefinitely, this Standard further defers the amendments to annual reporting periods beginning on or after 1 January 2022. This Standard also makes various editorial corrections to Australian Accounting Standards</p>	<p><i>When these amendments are first adopted for the year ending 31 December 2018, there will be no material impact on the financial statements</i></p>
<p>AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation</p>	<p>1 January 2019</p>	<p>AASB 2017-6 amends AASB 9 <i>Financial Instruments</i> (2014) to permit entities to measure at amortised cost or fair value through other comprehensive income particular financial assets that would otherwise have contractual cash flows that are solely payments of principal and interest but do not meet that condition only as a result of a prepayment feature. This is subject to meeting other conditions, such as the nature of the business model relevant to the financial asset. Otherwise, the financial assets would be measured at fair value through profit or loss</p>	<p><i>When these amendments are first adopted for the year ending 31 December 2019, there will be no material impact on the financial statements</i></p>
<p>AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures</p>	<p>1 January 2019</p>	<p>AASB 2017-7 amends AASB 128 Investments in Associates and Joint Ventures to clarify that an entity is required to account for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture but to which the equity method is not applied, using AASB 9 Financial Instruments before applying the loss allocation and impairment requirements in AASB 128</p>	<p><i>When these amendments are first adopted for the year ending 31 December 2019, there will be no material impact on the financial statements.</i></p>
<p>Interpretation 22 Foreign Currency Transactions and Advance Consideration</p>	<p>1 January 2018</p>	<p>Interpretation 22 looks at what exchange rate to use for translation when payments are made or received in advance of the related asset, expense or income. Although AASB 121 The Effects of Changes in Foreign Exchange Rates sets out requirements about which exchange rate to use when recording a foreign currency transaction on initial recognition in an entity's functional currency, the IFRS Interpretations Committee had observed diversity in practice in circumstances in which an entity recognises a non-monetary liability arising from advance consideration. The diversity resulted from the fact that some entities were recognising revenue using the spot exchange rate at the date of the receipt of the advance consideration while others were using the spot exchange rate at the date that revenue was recognised. Interpretation 22 addresses this issue by clarifying that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.</p>	<p><i>When this interpretation is adopted for the year ending 31 December 2018, there will be no material impact on the financial statements</i></p>

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Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019	Interpretation 23 clarifies how the recognition and measurement requirements of AASB 112 Income Taxes are applied where there is uncertainty over income tax treatments	<i>There is no impact for the entity as the Union is exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997</i>
Annual Improvements to IFRS Standards 2015-2017 Cycle	1 January 2019	This standard makes a number of relatively minor amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	<i>When this interpretation is adopted for the year ending 31 December 2019, there will be no material impact on the financial statements</i>

(n) Administration by a third party

The National Council was not administered by a third party.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Union's accounting principles

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

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK 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).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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4. INCOME

Capitation/Sustentation fees

	2017	2016
	\$	\$
NSW & ACT	1,371,290	1,358,493
VIC & TAS	1,225,498	1,222,749
QLD	815,863	812,892
WA	732,770	793,458
SA	326,932	325,931
Total Capitation/Sustentation fees	<u>4,472,353</u>	<u>4,513,523</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

	2017	2016
	\$	\$
Affiliation Fees		
ACTU	277,195	422,655
International Transport Workers Federation (ITF)	70,521	64,529
Australian Trucking Association	10,000	10,000
	<u>357,716</u>	<u>497,184</u>

- (b) Compulsory levies

ACTU Growth & Campaign Levy	128,563	74,150
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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
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(c) Donations

2017

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

Details to whom payment made	Purpose	\$
NSW Country Labor	Donation	50
Human Rights Watch	Human Rights Watch reception	75
NSW ALP State Campaign	Fundraising lunch	500
Human Rights Watch	Donation	750
Irish Friends of Labour	Gala dinner - Brigids Awards	975
Margaret Whitlam Annual Dinner	Federal campaign	1,000
Tasmania Labor Party	David O'Byrne fundraising lunch	1,000
TOTAL		4,350

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

Details to whom payment made	Purpose	\$
Jim Chalmers	Contribution - New economy meetings USA	3,310
WA Labor Party	Forrestfield State Election Campaign	4,500
TOTAL		7,810

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
Grandlyer Campaign-ALP	Fundraising dinner	1,100
TOTAL		37,700

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

	2017	2016
	\$	\$
Wages and Salaries	345,826	346,661
Superannuation	51,725	56,177
Leave and other entitlements	12,582	44,351
Separation and redundancies	-	-
Other employee expenses	5,982	-
	<u>416,115</u>	<u>447,189</u>

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

	2017	2016
	\$	\$
Wages and Salaries	1,875,363	2,014,532
Superannuation	218,234	226,410
Leave and other entitlements	16,683	47,322
Separation and redundancies	-	-
Other employee expenses	14,821	-
	<u>2,125,101</u>	<u>2,288,264</u>

(f) Legal costs

	2017	2016
	\$	\$
Legal costs - other	58,723	128,313
Legal costs - Litigation	125,454	135,185
	<u>184,177</u>	<u>263,498</u>

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

- 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 13 respectively. A breakdown of amounts due from Branches is disclosed in Note 15.

(b) Legal costs payable

	2017	2016
	\$	\$
Legal costs payable - other	-	-
Legal costs payable - Litigation	5,724	2,448
	<u>5,724</u>	<u>2,448</u>

(c) Employee provisions related to holders of office

	2017	2016
	\$	\$
Officers provisions		
Annual leave	48,540	43,354
Long service leave	84,848	77,488
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>133,388</u>	<u>120,842</u>

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

	2017	2016
	\$	\$
Employees provisions		
Annual leave	183,316	189,823
Long service leave	39,959	16,733
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>223,275</u>	<u>206,556</u>

(e) 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:

- (i) 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
FOR THE YEAR ENDED 31 DECEMBER 2017

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 15.

		2017	2016
		\$	\$
Cash inflows from State Branches	15	4,653,060	5,077,807
Cash outflows to State Branches	15	41,665	-

		2017	2016
		\$	\$
9. CASH AND CASH EQUIVALENTS			
Cash at Bank		305,213	378,398
Cash in Hand		1,000	1,000
		<u>306,213</u>	<u>379,398</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		14,811	16,647
Debtors – Branches			
TWU of Australia NSW Branch ACT		10,772	13,080
TWU of Australia QLD Branch		143,545	81,239
TWU of Australia SA Branch		30,488	33,053
TWU of Australia VIC/TAS Branch		178,201	177,085
TWU of Australia WA Branch		89,409	108,721
TWU of Australia NSW		90,289	123,687
Sundry Debtors		-	-
TWU Super Fund		138	-
Prepayments		55,509	58,639
Provision for doubtful debts		-	-
		<u>613,162</u>	<u>612,151</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. AVAILABLE-FOR-SALE FINANCIAL ASSET	2017	2016
Integrity Australian Share Fund – Fair Value	-	-
Wesfarmers Share Holding – Fair Value	533	558
Nikko Investment-Fair Value	579,625	497,599
TOTAL	580,158	498,157

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 2017 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

Movement Schedule	2017	2016
<u>Integrity Australian Share Fund</u>		
Opening January	-	1,053,718
Additions	-	-
Disposals	-	(1,053,718)
Revaluations	-	-
Closing December	-	-
<u>Wesfarmers Share Holding</u>	558	558
Opening January	-	-
Additions	-	-
Disposals	-	-
Revaluations	(25)	-
Closing December	533	558
<u>Nikko Investment- Share Fund</u>		
Opening January	497,599	-
Additions	29,592	509,335
Disposals	-	-
Revaluations	52,434	(11,736)
Closing December	579,625	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
FOR THE YEAR ENDED 31 DECEMBER 2017

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 2017 and 2016:

At 31 December 2017	Level 1	Level 2	Level 3	Total
Financial Assets				
Integrity Australian Share Fund – Fair Value	-	-	-	-
Wesfarmers Share Holding – Fair Value	533	-	-	533
Nikko Investment-Fair Value	579,625	-	-	579,625
Total Financial Assets	580,158	-	-	580,158
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

There were no transfers between levels for recurring fair value measurements during the year. The Union's 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
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 \$	2016 \$
12. PROPERTY, PLANT AND EQUIPMENT		
Office Furniture and Equipment – At Cost	273,220	273,220
Less: Accumulated Depreciation	<u>(243,518)</u>	<u>(229,302)</u>
	29,702	43,918
Library – At cost	-	-
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
	-	-
Computer Equipment – At cost	517,681	499,997
Less: Accumulated Depreciation	<u>(484,761)</u>	<u>(471,199)</u>
	32,920	28,797
Motor Vehicles – At cost	96,400	96,400
Less: Accumulated Depreciation	<u>(49,820)</u>	<u>(30,593)</u>
	46,580	65,807
Leasehold Improvements – At cost	13,182	13,182
Less: Accumulated Depreciation	<u>(13,182)</u>	<u>(13,182)</u>
	-	-
Total Property, Plant and Equipment	<u>109,202</u>	<u>138,523</u>

	Office Furniture and Equipment \$	Library \$	Computer Equipment \$	Motor Vehicles \$	Leasehold Improvements \$	Total \$
1 Jan 2017	43,918	-	28,797	65,807	-	138,523
Additions	-	-	17,685	-	-	17,685
Disposals	-	-	-	-	-	-
Depreciation	<u>(14,216)</u>	-	<u>(13,562)</u>	<u>(19,227)</u>	-	<u>(47,005)</u>
31 Dec 2017	29,702	-	32,920	46,580	-	109,202

13. PAYABLES

Deferred Revenues	30,000	30,000
Creditors – Other	376,264	459,819
Creditors – Union NSW Fees	-	347
Creditors – Branches		
TWU of NSW	-	-
TWU SA/NT Branch	-	1,502
TWU Qld Branch	-	-
TWU VIC/TAS Branch	-	-
TWU WA Branch	<u>-</u>	<u>-</u>
	406,264	491,667

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
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	305,213	378,398
Cash on Hand	1,000	1,000
Deposits at call	-	-
	306,213	379,398
(b) Reconciliation of cash flow from operations with operating result		
Operating Deficit	(15,765)	(444,920)
Non Cash Flows in Operating Result		
Depreciation	47,005	61,734
Gain on Disposal of Assets	-	(947)
Loss on Disposal of Investment	-	61,759
Reinvested Distributions	(29,592)	-
Changes in assets and liabilities		
(Decrease)/Increase in Payables	(1,010)	421,274
Decrease/(Increase) in Receivables	(85,403)	(242,083)
Increase in Employees Entitlements	29,265	91,673
CASH FLOWS FROM OPERATIONS	(55,500)	(51,512)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. AMOUNTS DUE FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2017 (EXC GST)						
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>
AMOUNTS CHARGED TO BRANCHES (EXC GST)						
Sustentation Fees	1,371,283	1,225,498	287,011	815,863	732,771	4,432,425
A.C.T.U. Contributions	41,720	27,700	7,352	18,414	17,974	113,160
Litigation reimbursement	2,247	24,779	2,247	8,747	5,372	43,392
Training Levy	10,430	6,925	1,838	4,604	4,494	28,290
National Organising Fund	-	-	-	-	-	-
Other	9,244	6,216	9,287	8,410	7,944	41,101
	<u>1,434,924</u>	<u>1,291,118</u>	<u>307,734</u>	<u>856,037</u>	<u>768,554</u>	<u>4,658,368</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. AMOUNTS DUE FROM BRANCHES (CONTINUED)

AMOUNTS RECEIVED FROM BRANCHES (EXC GST)

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
Sustentation Fees	1,401,637	1,215,561	288,971	751,105	744,815	4,402,089
A.C.T.U. Contributions	41,720	27,700	7,352	18,414	17,974	113,160
Litigation reimbursement	2,247	24,779	2,247	8,747	5,372	43,392
Training Levy	10,430	6,925	1,838	4,604	4,494	28,290
National Organising Fund	-	-	-	-	-	-
Other	11,351	15,138	9,658	16,527	13,456	66,130
	<u>1,467,385</u>	<u>1,290,103</u>	<u>310,066</u>	<u>799,396</u>	<u>786,110</u>	<u>4,653,060</u>

AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2017 (EXC GST)

Sustentation Fees	91,874	162,001	27,717	130,224	81,280	493,097
A.C.T.U. Contributions	-	-	-	-	-	-
Litigation reimbursement	-	-	-	-	-	-
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	-	-	-	271	-	271
	<u>91,874</u>	<u>162,001</u>	<u>27,717</u>	<u>130,495</u>	<u>81,280</u>	<u>493,367</u>

AMOUNTS PAID TO BRANCHES (EXC GST)

Litigation reimbursement	8,333	8,333	8,333	8,333	8,333	41,665
	<u>8,333</u>	<u>8,333</u>	<u>8,333</u>	<u>8,333</u>	<u>8,333</u>	<u>41,665</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 \$51,725 (2016: \$56,177).
- (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) 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.
- (v) 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).
- (vi) Amounts receivable from and payable to the Transport Workers' of Australia State Branches at balance date are disclosed at Note 13 and Note 10 of the accounts respectively.
- (vii) Other than the receivables and payables noted at 16 (a)(v), there are no outstanding balances from related parties at the end of the financial year, including loans.
- (viii) There are no doubtful debt provisions raised against any related party balances at the end of the financial year.
- (ix) There have been no payments made during the reporting period to a former related party.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

(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:

	2017	2016
	\$	\$
Short-term employee benefits		
Wages and Salaries	345,826	346,661
Annual leave	5,187	44,351
Other employee expenses	-	-
Post-employment benefits		
Superannuation	51,725	56,177
Other long-term employee benefits		
Long service leave	7,396	-
Total	<u>410,134</u>	<u>447,189</u>

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:

	2017	2016
	\$	\$
No longer than 1 year	233,381	354,593
Longer than 1 year but not longer than 5 years	143,288	376,669
	<u>376,669</u>	<u>731,262</u>

Nature of lease

Remaining Lease Term as at 31 December 2017

Tenancy lease	8 months
Photocopy lease	39 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

(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:

	2017	2016
	\$	\$
Cash and cash equivalents	306,213	379,398

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

Debtors - Branches	542,704	536,865
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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 2017 it had \$306,213 (2016: \$379,398) of Cash and Cash Equivalents and \$4,000,000 (2016: \$4,000,000) of Other Financial Assets (Term Deposits) to meet these obligations as they fall due. Financial liabilities at 31 December 2017 totalled \$406,264 (2016: \$491,667). 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 2017

(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 2017	Fixed Interest rate	Floating interest rate	Non-interest Bearing	Total
Financial Assets	\$	\$	\$	\$
Cash and cash equivalents	-	305,213	1,000	306,213
Held- to maturity investments	4,000,000	-	-	4,000,000
Available for sale financial asset	580,158	-	-	580,158
Receivables	-	-	542,842	542,842
Total financial assets	4,580,158	305,213	543,842	5,429,213
Weighted average Interest rate	3.10%	0.05%	-	-
Financial Liabilities				
Payables	-	-	(406,264)	(406,264)
Net Financial Assets	4,580,158	305,213	137,578	5,022,949

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	378,398	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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Sensitivity Analysis

2017	Carrying Amount	+0.5% (50 basis points) Profit	-0.5% (50 basis points) Loss
	\$	\$	\$
Cash Assets	306,213	1,531	(1,531)
2016			
Cash Assets	379,398	1,897	(1,897)

(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 fluctuations

20. PROFESSIONAL FEES

	2017	2016
	\$	\$
Audit Fees	30,135	27,115
Audit Other Fees	-	-
	<u>30,135</u>	<u>27,115</u>

21. EVENTS AFTER THE REPORTING PERIOD

On the 2nd of February 2018, civil penalties amounting to \$271,362.36 were imposed on the TWU by the Registered Organisations Commissioner. This matter is now the subject of an appeal by the Transport Workers' Union of Australia; as at the date of signing of the 2017 Financial Report, no outcome has been received. No amount has been recognised in the 2017 financial report in respect of this matter

22. UNION DETAILS

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

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

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

Opinion

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 2017, 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 National Committee of Management.

In our opinion, the accompanying financial report of Transport Workers' Union of Australia - National Council presents fairly, in all material respects, the Trade Union's financial position as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with:

- i. the Australian Accounting Standards and the relevant legislation;
- ii. any other requirement imposed by these reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*.
- iii. As part of the audit of the financial statements, we have concluded that managements used of the going concern basis of accounting in the preparation of the financial statements of the Trade Union is appropriate

We declare that the National Committee of Management's use of the going concern basis in the preparation of the financial statements of the Trade Union is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trade Union in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional

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and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Report and Auditor's Report

The Committee of Management are responsible for the other information. The other information comprises the information included in the Operating Report accompanying the financial report for the year ended 31 December 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

In preparing the financial report, the Committee of Management is responsible for assessing the Trade Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Trade Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trade Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trade Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trade Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trade Union audit. We remain solely responsible for our audit opinion.

We communicate with the National Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that Madeleine Mattera is an approved auditor, a member of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Report on the recovery of wages activity

The National Committee of Management Statement reflects that the Branch has not undertaken any recovery of wages activity during the reporting period ended 31 December 2017. As such no opinion is provided in relation to recovery of wages activities.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Madeleine Mattera

Madeleine Mattera
Partner - Audit & Assurance
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/107

Sydney, 4 April 2018