



15 June 2020

Michael Kaine  
National Secretary  
Transport Workers' Union of Australia

Sent via email: [michael.kaine@twu.com.au](mailto:michael.kaine@twu.com.au)  
[cameron.hume@rsm.com.au](mailto:cameron.hume@rsm.com.au)

Dear Michael Kaine,

**Transport Workers' Union of Australia  
Financial Report for the year ended 31 December 2019– (FR2019/314)**

I acknowledge receipt of the financial report of the Transport Workers' Union of Australia. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 29 May 2020.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. 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.

**General purpose financial report**

**Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed**

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agree to provide financial support to another reporting unit to ensure they continue as a going concern" is disclosed in both Note 1(n) and the officer's declaration statement;
- "Acquiring an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission" is disclosed in Note 1(o), Note 1(p) and the officer's declaration statement;
- "Have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch" and "transfer to or withdraw from a fund (other than the

general fund), Account, asset or controlled entity” are disclosed in both Note 7 and the officer’s declaration statement; and

- “Having another entity administer the financial affairs of the reporting unit” is disclosed in both Note 1(s) and the officer’s declaration statement; and

Please note that nil activities only need to be disclosed once.

#### References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that Note 3 *Information to be provided to members or the Commissioner of Registered Organisation Commission* refers to the Fair Work Commission and the General Manager instead of the Registered Organisations Commission and the Commissioner.

I also note that the declaration (e)(vi) in the committee of management statement refers to the Registered Organisation Commission instead of the Fair Work Commission.

Please ensure for future years that items within the committee of management statement and the abovementioned Note 3 are amended accordingly.

#### Inconsistency in disclosure of financial information

The statement of changes in equity discloses a balance of accumulated fund of \$4,780,400 for the 2019 financial year (2018: \$4,851,761). Note 7 *Disclosures in respect of statement of changes in equity* includes a nil disclosure in relation to a balance in the general fund. It would appear that accumulated fund is the reporting unit’s general fund.

### **Auditor’s report**

#### Registered auditor’s details

Item 29(b) of the RGs state that the auditor’s statement must specify the registered auditor’s name and registration number. The auditor’s statement provided states the name of the registered auditor and ASIC registration number but not the ROC’s registration number.

Please ensure that in future years the auditor’s statement includes both the name and ROC’s registration number of the registered auditor.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



**Kylie Ngo**  
**Registered Organisations Commission**

# Transport Workers' Union of Australia

## National Office

a. 388-390 Sussex St, Sydney NSW 2000  
t. 02 8114 6500

ABN 18 559 030 246



[www.twu.com.au](http://www.twu.com.au)

National Secretary  
**Michael Kaine**

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

29<sup>th</sup> May 2020

By email - [regorgs@roc.gov.au](mailto: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 s268 of the *Fair Work (Registered Organisations) Act 2009*.

Should you require any further information feel free to contact the undersigned either via email as below or telephone (02) 8114 6500.

[nick.mcintosh@twu.com.au](mailto:nick.mcintosh@twu.com.au)

Yours sincerely

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

Nick McIntosh  
**NATIONAL ASSISTANT SECRETARY**

## National Office

a. 388-390 Sussex St, Sydney NSW 2000  
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[www.twu.com.au](http://www.twu.com.au)

National Secretary  
**Michael Kaine**

Section 268 *Fair Work (Registered Organisations) Act 2009* (RO Act).

### CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

I, Michael Kaine, 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 2019; 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 31<sup>st</sup> March 2020 (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 12<sup>th</sup> May 2020 (at which meeting the National Council endorsed the signed full report); and
  - to the National Committee of Management of the reporting unit on 15<sup>th</sup> May 2020 (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 4<sup>th</sup> May 2020 in accordance with section 265 of the *RO Act*.

A handwritten signature in black ink, appearing to read 'Michael Kaine', is written over a horizontal line.

Michael Kaine  
**NATIONAL SECRETARY**

**15<sup>th</sup> May 2020**

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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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## ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia National Council (National Office) presents its report for the 2019 financial year.

### STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION:

#### REVENUE

Revenue earned from Sustentation Fees for the year was \$4,540,439 which when compared to the prior year has increased by \$70,676 (2018: \$4,469,763).

The total income generated by the branch was \$5,073,405 an increase of \$141,459 when compared to the prior year (2018: \$4,931,946).

#### EXPENDITURE

- (i) Employee Related Payments (ERP) for the year was \$2,541,927 which includes salary on costs, superannuation payments, FBT. (2018: \$2,564,472)
- (ii) Operating Expenditure for the year was \$2,602,839 (2018: \$2,321,197). An increase in expenditure of \$281,642.
- (iii) Cumulative Operating Expenditure which includes Employee Related payments for the year was \$5,144,766 (2018: \$4,885,669).

#### NET POSITION

2019 saw a loss of \$71,360 and a continuation of the legal action instigated by Aldi in an attempt to silence workers. The protracted action in the Federal Court has cost the Union and its members a surplus for 2019 – funds that would have been much better spent fighting for and defending the rights of all Australian transport workers. This year saw increased campaigning activity in the lead up to the next major step in our 'Vision 2035', our 2020 campaign in both road transport and aviation which seeks to ensure that the top of the supply chain is held to account. This will ultimately provide better conditions and job security for transport workers across Australia. Throughout the year, the Union maintained its ongoing commitment to monitor and control all expenditure to ensure the most beneficial outcomes for members. This ongoing commitment to provide the most effective utilisation of members money is achieved through continuous improvement within the Unions internal control systems, from governance through to financial systems.

#### 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 \$343,733 and reflects consistency in the cash flow experienced during the year (2018: \$453,290). The Branch continues to perform to expectations.



**Michael Kaine**  
NATIONAL SECRETARY  
31st March 2020

**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Transport Workers Union of Australia presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

<b>Categories of expenditures</b>	<b>2019</b> <b>\$</b>	<b>2018</b> <b>\$</b>
Remuneration and other employment-related costs and expenses - employees	2,541,927	2,564,472
Advertising	1,470	1,487
Operating costs	2,350,712	2,092,718
Donations to political parties	12,659	18,387
Legal costs	237,998	141,440

Signature of designated officer: 

Name of designated officer:

MICHAEL KAINE

Title of designated officer:

NATIONAL SECRETARY

Dated:

31.3.2020



**OPERATING REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019

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 \$71,361
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 Michael Kaine and Mr Nicholas McIntosh
6. The number of members of the Transport Workers Union of Australia at 31 December 2019 was 66,344
7. The number of persons who were employees of National Council on 31 December 2019 was 17 (2018: 20), 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
Michael Kaine	1st January - 31st December 2019
Nicholas McIntosh	1st January - 31st December 2019
John Berger	1st January - 31st December 2019
Tim Dawson	1st January - 31st December 2019
Richard Olsen	1st January - 31st December 2019
Ian Smith	1st January - 31st December 2019
Peter Biagini	1st January - 31st December 2019

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



Michael Kaine  
NATIONAL SECRETARY  
31<sup>st</sup> March 2020



John Berger  
PRESIDENT  
31<sup>st</sup> March 2020

**NATIONAL COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

On 31st March 2020 the National Committee of Management of Transport Workers Union of Australia, National Council passes the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2019.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**);
- (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 ending 31 December 2019;
- (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 ending 31 December 2019 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) where information has been sought in any request by a member of the reporting unit or Commissioner of Registered Organisations Commission under section 272 of the RO Act, that information has been provided to the member of Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance;

This declaration is made in accordance with a resolution of the committee of management.

For the National Committee of Management



**Michael Kaine**  
NATIONAL SECRETARY

31<sup>st</sup> March 2020

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>INCOME</b>			
Capitation/Sustentation Fees	4	4,540,439	4,469,763
Rental Income		9,336	-
Branch Reimbursement		46,239	47,839
ACTU Contributions		105,938	108,422
Distributions from Financial Assets		53,807	69,172
National Training Fund		26,485	27,106
Interest Received		93,962	92,324
Investment Rebate		2,438	2,417
Sundry Income		94,170	29,903
Event Sponsorship		40,591	25,000
TWU Superannuation Director Fee		60,000	60,000
<b>TOTAL INCOME</b>		<u>5,073,405</u>	<u>4,931,946</u>
<b>EXPENDITURE</b>			
Loss on Sale of Property, Plant and Equipment		<u>8,729</u>	<u>-</u>
<b>DEPRECIATION EXPENSES</b>			
Intangible Asset Amortisation		3,643	-
Right-of-use Asset Depreciation		400,435	-
Property, Plant and Equipment Depreciation		47,645	67,165
		<u>451,723</u>	<u>67,165</u>
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Accrued Annual Leave	5(d,e)	(60,092)	36,439
Accrued LSL	5(d,e)	(8,842)	37,588
Fringe Benefits Tax	5(d,e)	23,692	19,478
Salaries	5(d,e)	2,310,277	2,180,144
Superannuation	5(d,e)	276,892	290,823
		<u>2,541,927</u>	<u>2,564,472</u>
<b>OTHER EXPENSES</b>			
Advertising		1,470	3,777
Affiliation Fees	5(a)	369,928	359,339
Accommodation		68,533	66,548
ACTU Growth & Campaign Levy		137,808	137,970
Auditors' Remuneration		27,750	27,094
Bank Charges		2,005	4,116
Building Expenses		35,657	44,211
Campaign Expenses		119,816	176,436
Medical Expenses		399	399
Computer Maintenance		49,130	61,642
Donations		12,659	19,217
Gifts		979	1,795
Functions		10,630	2,746
National Council		149,567	134,221
National Committee of Management Expenses		74,565	38,311
General Expenses		7,487	702
Carried Forward		<u>1,068,383</u>	<u>1,078,524</u>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont'd)**

	Notes	2019 \$	2018 \$
<b>Brought Forward</b>		1,068,383	1,078,524
Insurance		12,473	11,883
Lease Rental Expenses - Operating leases		-	68,571
Legal and Professional Fees	5(f)	237,998	141,440
Meeting Expense		37,443	47,794
Merchandise		30,998	6,721
Moto Vehicle Expenses		38,463	37,826
Payroll Tax		136,670	116,545
Postage & Freight		723	2,043
Printing and Stationery		19,862	40,733
Publications & Subscriptions		54,934	24,652
Temporary Staff Costs		69,941	34,803
Reimbursement to Branches	18	-	-
Records Storage		1,086	703
Repairs and Maintenance		5,566	2,233
Rent		-	308,191
Staff Amenities		11,354	14,307
Telephone and Faxes		40,138	39,754
Training		5,899	4,282
Travelling Expenses		272,101	211,285
Workers Compensation		24,301	21,821
NT Expenses		39,921	39,921
Interest Expense on Right-of-use Asset		34,133	-
Entertainment		-	-
<b>TOTAL OTHER EXPENSES</b>		<u>2,142,387</u>	<u>2,254,032</u>
<b>TOTAL EXPENDITURE</b>		<u>5,144,766</u>	<u>4,885,669</u>
<b>(DEFICIT)/SURPLUS FOR THE YEAR</b>		<u>(71,361)</u>	<u>46,277</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain/(loss) on revaluation of equity instruments at fair value through other comprehensive income, net of tax		63,776	(154,488)
<b>OTHER COMPREHENSIVE GAIN/(LOSS) FOR THE YEAR</b>		<u>63,776</u>	<u>(154,488)</u>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR</b>		<u>(7,585)</u>	<u>(108,211)</u>

(The accompanying notes form part of this financial report)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	343,733	453,290
Receivables	10	560,978	872,509
Other Financial Assets	9	3,800,000	3,700,350
Financial Asset at Fair Value	11	<u>617,752</u>	<u>497,246</u>
<b>TOTAL CURRENT ASSETS</b>		<u>5,322,463</u>	<u>5,523,395</u>
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	12	18,377	22,020
Property, Plant and Equipment	13	137,326	56,001
Right-of-use Asset	14	<u>609,424</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>765,127</u>	<u>78,021</u>
<b>TOTAL ASSETS</b>		<u>6,087,590</u>	<u>5,601,416</u>
<b>CURRENT LIABILITIES</b>			
Payables	15	(311,714)	(390,547)
Provision for Accrued Annual Leave		(231,675)	(272,772)
Provision for Long Service Leave		(99,807)	(104,766)
Lease Liabilities	16	<u>(405,147)</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>(1,048,343)</u>	<u>(768,085)</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Long Service Leave		(91,502)	(95,384)
Lease Liabilities	16	<u>(217,383)</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>(308,885)</u>	<u>(95,384)</u>
<b>TOTAL LIABILITIES</b>		<u>(1,357,228)</u>	<u>(863,469)</u>
<b>NET ASSETS</b>		<u>4,730,362</u>	<u>4,737,947</u>
Accumulated Funds		4,780,400	4,851,761
Available for Sale Reserve		<u>(50,038)</u>	<u>(113,814)</u>
<b>TOTAL EQUITY</b>		<u>4,730,362</u>	<u>4,737,947</u>

(The accompanying notes form part of this financial report)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Accumulated Funds \$	Reserves \$	Total Equity \$
<b>Balance as at 1 January 2018</b>	4,805,484	40,674	4,846,158
Surplus for the year	46,277	-	46,277
<i>Other comprehensive income</i>			
Other comprehensive income for the year, net of tax	-	(154,488)	(154,488)
Total comprehensive loss for the year	46,277	(154,488)	(108,211)
<b>Balance as at 31 December 2018</b>	4,851,761	(113,814)	4,737,947
Deficit for the year	(71,361)	-	(71,361)
<i>Other comprehensive income</i>			
Other comprehensive loss for the year, net of tax	-	63,776	63,776
Total comprehensive loss for the year	(71,361)	63,776	(7,585)
<b>Balance as at 31 December 2019</b>	4,780,400	(50,038)	4,730,362

(The accompanying notes form part of this financial report)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>			
Sustentation Fees		4,656,705	4,375,480
ACTU Contributions		114,867	99,493
Interest and Distribution Received		150,206	6,649
Training Fund		26,485	27,106
Legal Fee Reimbursement		46,239	1,733
Rental Income		9,336	
Other Branch Income		60,000	278,861
Other Income		134,761	142,493
Litigation Reimbursement to Branches		-	-
ACTU		(288,017)	(279,076)
International Transport Workers Federation		(81,911)	(80,263)
Payment to Suppliers and Employees		<u>(4,287,796)</u>	<u>(4,389,413)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	17(b)	540,875	183,063
<b>INVESTING ACTIVITIES</b>			
Payment for Available-for-Sale Investment		-	-
Payment for Property, Plant & Equipment		(128,970)	(35,986)
Proceeds from Sale of Property, Plant & Equipment		-	-
Payment for Term Deposits invested		(100,000)	-
Proceeds from Term Deposit redeemed		-	-
<b>NET CASH USED IN BY INVESTING ACTIVITIES</b>		<u>(228,970)</u>	<u>(35,986)</u>
<b>FINANCING ACTIVITIES</b>			
Payment for Lease Liabilities		<u>(421,462)</u>	-
<b>NET CASH USED IN BY INVESTING ACTIVITIES</b>		(421,462)	-
<b>NET (DECREASE)/INCREASE IN CASH HELD</b>		(109,557)	147,077
Cash at Beginning of Year		453,290	306,213
<b>CASH AT END OF THE YEAR</b>	17(a)	<u>343,733</u>	<u>453,290</u>

(The accompanying notes form part of this financial report)

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Board (AASB), 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 31st March 2020.

**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 and 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 financial assets that have been measured at fair value. Cost is based on the fair value 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) Comparative Amounts**

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

**(b) 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.

**(c) 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 ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(d) 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 asset 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.

**(e) 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.

**(f) 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(g) Investments**

*(i) Classification*

The National Council classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the National Council's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the National Council has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The National Council reclassifies debt investments when and only when its business model for managing those assets changes.

*(ii) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the National Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the National Council has transferred substantially all the risks and rewards of ownership.

*(iii) Measurement*

At initial recognition, the National Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*(iv) Impairment*

The National Council assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the National Council applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(h) 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.

**(i) Cash and Cash Equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

**(j) Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Transport Workers Union of Australia intangible assets are:

Website	1-3 years
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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**(k) Fair Value Measurement**

The National Council measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the National Council. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(k) Fair Value Measurement (continued)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The National Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the National Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**(l) Leases**

The National Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The National Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The National Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i) Right-of-use assets**

The National Council recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(I) Leases (continued)**

Buildings: 3 years  
IT equipment: 5 years

If ownership of the leased asset transfers to the National Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment.

ii) Lease liabilities

At the commencement date of the lease, the National Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the National Council and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the National Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The National Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(m) 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 payment 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.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2019**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(r) Accounting Standards**

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

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

The following Accounting Standards and Interpretations are most relevant to the entity:

*AASB 16 Leases*

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The National Council adopted AASB 16 on the required effective date 1 January 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

*Impact of adoption*

The Union has elected to recognise a lease liability and a right-of-use asset of equal value on the initial application for leases, as permitted on adoption of the standard. Therefore there is no impact on opening retained earnings.

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

NOTES TO AND FORMING PART OF THE FINANCIAL  
FOR THE YEAR ENDING 31 DECEMBER 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(r) Accounting Standards (continued)

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:

<p>Conceptual Framework AASB 2019-1 <i>Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards – Reference to the Conceptual Framework</i></p>	<p>1 January 2020</p>	<p>The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows</p> <ul style="list-style-type: none"> <li>▶ Chapter 1 – The objective of financial reporting</li> <li>▶ Chapter 2 – Qualitative characteristics of useful financial information</li> <li>▶ Chapter 3 – Financial statements and the reporting entity</li> <li>▶ Chapter 4 – The elements of financial statements</li> <li>▶ Chapter 5 – Recognition and derecognition</li> <li>▶ Chapter 6 – Measurement</li> <li>▶ Chapter 7 – Presentation and disclosure</li> <li>▶ Chapter 8 – Concepts of capital and capital maintenance</li> </ul> <p>AASB 2019-1 has also been issued, which sets out the amendments to other pronouncements for references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework.</p>	<p><i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements</i></p>
<p>AASB 1059 <i>Service Concession Arrangements: Grantors</i></p>	<p>1 January 2020</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"> <li>▶ 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,</li> <li>▶ 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;</li> <li>▶ 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 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified AASB 1059,</li> <li>▶ 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</li> <li>▶ 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.</li> </ul>	<p><i>When this Standard is first adopted for the year ending 31 December 2020 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  
FOR THE YEAR ENDING 31 DECEMBER 2019

1. STATEMENT OF ACCOUNTING POLICIES (continued)

AASB 2018-6 <i>Amendments to Australian Accounting Standards – Definition of a Business</i>	1 January 2020	The Standard amends the definition of a business in AASB 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test	<i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements</i>
AASB 2018-7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	1 January 2020	This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies. Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users	<i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements</i>
AASB 2019-2 <i>Amendments to Australian Accounting Standards – Implementation of AASB 1059</i>	1 January 2020	This Standard amends AASB 16 and AASB 1059 mainly to provide practical expedient to grantors of service concession arrangements so that AASB 16 need not be applied to assets that would be recognised as service concession assets under AASB 1059 and to clarify measurement requirements of the liability of grantors that use the modified retrospective approach upon initial adoption of AASB 1059.	<i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements</i>
AASB 2019-3 <i>Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform</i>	1 January 2020	These amendments were issued in response to the effects of Interbank Offered Rates reform on financial reporting and provide mandatory temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate.	<i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.</i>
AASB 2019-5 <i>Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia</i>	1 January 2020	This Standard amends AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 on the potential effect of an IFRS Standard that has not yet been issued by the AASB so that such entity complying with Australian Accounting Standards can assert compliance with IFRS Standards.	<i>When these amendments are first adopted for the year ending 31 December 2020, there will be no material impact on the financial statements.</i>

(s) Administration by a third party

The National Council was not administered by a third party.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. ACCOUNTING ESTIMATES AND JUDGEMENT**

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 judgements 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.

**(c) Determining the lease term of contracts with renewal and termination options**

The National Council determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The National Council has several lease contracts that include extension and termination options. The National Council applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the National Council reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER OF REGISTERED ORGANISATIONS 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 reads 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  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. INCOME**

Capitation/ Sustentation Fees

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
NSW & ACT	1,417,249	1,387,365
VIC & TAS	1,287,438	1,228,241
QLD	829,453	819,658
WA	699,924	717,000
SA	306,375	317,499
<b>Total Capitation/ Sustentation fees</b>	<b><u>4,540,439</u></b>	<b><u>4,469,763</u></b>

**Other Income**

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

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

**5. EXPENSES**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Affiliation Fee</b>		
ACTU	288,017	279,076
International Transport Workers Federation (ITF)	81,911	80,263
	<b><u>369,928</u></b>	<b><u>359,339</u></b>

- (b) Compulsory Levies

ACTU Growth & Campaign Levy	<u>137,808</u>	<u>137,970</u>
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The levy is imposed by ACTU as a fee for affiliation with the peak union body.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. EXPENSES (continued)**

(c) Donations

**2019**

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

<b>Details to whom payment made</b>	<b>Purpose</b>	<b>\$</b>
Australian Labor Party	Fundraising Dinner	198
Australian Labor Party	Fundraising Lunch	1,000
Australian Labor Party	Fundraising Dinner	900
Australian Labor Party	Fundraiser	180
Australian Labor Party	Fundraiser	50
Australian Labor Party	Fundraising Dinner	1,000
Australian Labor Party	Fundraising Dinner	750
Cabrini Foundation	Donation	100
NSW Labor	Fundraising Dinner	750
NSW Labor	Fundraiser	600
NSW Labor	Fundraiser	140
NSW Labor	Fundraising Dinner	1,000
NSW Labor	Fundraising Dinner	109
<b>TOTAL</b>		<b>6,777</b>

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

<b>Details to whom payment made</b>	<b>Purpose</b>	<b>\$</b>
Australian Labor Party	Fundraising Lunch	3,182
Australian Labor Party	Fundraising Dinner	1,500
Australian Labor Party	Staff Assigned to Political Campaign	9,321
Beyond Five - The face of Head & Neck Cancer	Donation	1,200
<b>TOTAL</b>		<b>15,203</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. EXPENSES (continued)**

(c) Donations (continued)

**2018**

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

Details to whom payment made	Purpose	\$
Australian Labor Party	Fundraising Lunch	1,000
Australian Labor Party	Reid Fundraiser	1,000
Victorian Labor Party	Tarneit Fundraising Luncheon	1,000
NSW Labor	Maroubra Fundraising Dinner	990
NSW Labor	Campbelltown Fundraising Luncheon	990
Australian Labor Party	Watson Fundraising Dinner	680
Australian Labor Party	Margaret Whitlam Dinner x 4 tickets	600
First Nations People 30th Anniversary	Long March for Justice - donation	500
NSW Labor	Oatley Fundraiser	500
NSW Country Labor	Irish Friends of Labor - Brigid Awards	300
Feed Melbourne Appeal	Donation	200
NSW Labor	Donation	160
Rainbow Labor	Donation	150
NSW Labor	Donation	140
SDA - Shop Distribute Allied	Pink Ribbon Charity Breakfast	130
NSW Country Labor	Dinner	55
NSW Country Labor	BBQ	10
<b>TOTAL</b>		<b>8,405</b>

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

Details to whom payment made	Purpose	\$
Australian Labor Party	Banks Fundraising Luncheon	3,000
Wayne Swan	ALP Presidency travel contribution	2,212
NSW Labor	Fundraising Dinner	1,700
Tasmania Labor Party	Franklin Donation	1,500
Victorian Labor Party	Sydenham Fundraising Luncheon	1,200
Australian Labor Party	Fundraising Dinner	1,200
<b>TOTAL</b>		<b>10,812</b>

(d) Employee expenses related to holders of office

	2019	2018
	\$	\$
Wages and Salaries	301,824	307,476
Superannuation	42,456	55,085
Leave and other entitlements	35,677	41,239
Separation and redundancies	-	-
Other employee expenses	13,757	6,623
	<u>393,714</u>	<u>410,423</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**5. EXPENSES (continued)**

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Wages and Salaries	2,008,453	1,836,645
Superannuation	234,436	235,739
Leave and other entitlements	(104,611)	49,652
Separation and redundancies	-	-
Other employee expenses	9,935	12,856
	<u>2,148,213</u>	<u>2,134,892</u>

(f) Legal costs

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Legal costs - other	133,253	105,387
Legal costs - Litigation	104,745	36,053
	<u>237,998</u>	<u>141,440</u>

(g) Other expenses

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

- a. Payments to employers for payroll deduction activity
- b. Capitation fee payments and other expenses to other reporting units
- c. Fees or allowances paid to persons in respect of their attendance 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. No amount 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 15 respectively. A breakdown of amounts due from Branches is disclosed in Note 18.

(b) Legal costs payable

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Legal costs - other	-	1,045
Legal costs - Litigation	-	-
	<u>-</u>	<u>1,045</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION (continued)**

(c) Employee provisions related to holders of office

	2019	2018
	\$	\$
Annual leave	54,878	46,259
Long service leave	99,807	89,818
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>154,685</u>	<u>136,077</u>

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

	2019	2018
	\$	\$
<b>Employees provisions</b>		
Annual leave	176,797	226,513
Long service leave	91,502	110,332
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>268,299</u>	<u>336,845</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 are consideration for the employers making payroll deductions of membership subscription

**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 2019**

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

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

Amounts received and paid in respect of the State Branches have been incorporated as part of the Statement of Cash Flows and detailed below. A breakdown of amounts received can be found at Note 16.

		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Cash inflows from State Branches	18	4,844,295	4,782,680
Cash outflows to State Branches	18	-	-

<b>9. CASH AND CASH EQUIVALENTS</b>		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Cash at Bank		342,733	452,290
Cash in Hand		1,000	1,000
		<u>343,733</u>	<u>453,290</u>

**OTHER FINANCIAL ASSETS**

Term Deposits		3,800,000	3,700,000
Refundable Security Deposit		-	350
		<u>3,800,000</u>	<u>3,700,350</u>

<b>10. RECEIVABLES</b>		<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Accrued Interest & Distributions		3,166	47,669
<b>Debtors - Branches</b>			
TWU of Australia NSW Branch ACT		11,496	9,476
TWU of Australia QLD Branch		78,904	230,287
TWU of Australia SA Branch		28,066	29,337
TWU of Australia VIC/TAS Branch		179,699	167,154
TWU of Australia WA Branch		130,498	133,999
TWU of Australia NSW		88,022	84,150
Sundry Debtors		-	108,362
TWU Super Fund		-	269
Prepayments		41,127	61,806
Provision for doubtful debtors		-	-
		<u>560,978</u>	<u>872,509</u>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Coles Share Holding – Fair Value	182	144
Wesfarmers Share Holding – Fair Value	515	395
Nikko Investment – Fair Value	616,473	496,707
Sydney Airport Share Holding - Fair Value	582	-
<b>TOTAL</b>	<u>617,752</u>	<u>497,246</u>

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 2019 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

<b>Movement Schedule</b>	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<u>Coles Share Holding</u>		
Opening January	144	-
Additions	38	144
Closing December	<u>182</u>	<u>144</u>
<u>Wesfarmers Share Holding</u>		
Opening January	395	533
Revaluations	120	(138)
Closing December	<u>515</u>	<u>395</u>
<u>Nikko Investment - Share Fund</u>		
Opening January	496,707	579,625
Additions	119,766	-
Revaluations	-	(82,918)
Closing December	<u>616,473</u>	<u>496,707</u>
<u>Sydney Airport Share Holding</u>		
Opening January	-	-
Additions	582	-
Closing December	<u>582</u>	<u>-</u>

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 2019**

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (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 2019 and 2018:

<b>At 31 December 2019</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Coles Share Holding – Fair Value	182	-	-	182
Westfarmers Share Holding – Fair Value	515	-	-	515
Nikko Investment – Fair Value	616,473	-	-	616,473
Sydney Airport Share Holding - Fair Value	582	-	-	582
<b>Total Financial Assets</b>	<b>617,752</b>	<b>-</b>	<b>-</b>	<b>617,752</b>

<b>At 31 December 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Coles Share Holding – Fair Value	144	-	-	144
Wesfarmers Share Holding – Fair Value	395	-	-	395
Nikko Investment – Fair Value	496,707	-	-	496,707
<b>Total Financial Assets</b>	<b>497,246</b>	<b>-</b>	<b>-</b>	<b>497,246</b>

There were no transfers between levels for recurring fair value measurements during the year. The unions policy is to recognise 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.

**12. INTANGIBLE ASSETS**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Website	22,020	22,020
Accumulated amortisation	(3,643)	-
	<b>18,377</b>	<b>22,020</b>

	<b>Website</b>
	<b>\$</b>
1 January 2019	22,020
Amortisation	(3,643)
31 December 2019	<b>18,377</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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	2019	2018
	\$	\$
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>		
Office Furniture and Equipment – At Cost	290,822	273,220
Less: Accumulated Depreciation	(276,824)	(273,220)
	<u>13,998</u>	<u>-</u>
Computer Equipment – At Cost	552,749	531,644
Less: Accumulated Depreciation	(522,399)	(502,996)
	<u>30,350</u>	<u>28,648</u>
Motor Vehicles – At Cost	113,586	96,400
Less: Accumulated Depreciation	(24,823)	(69,047)
	<u>88,763</u>	<u>27,353</u>
Leasehold Improvements – At Cost	6,305	-
Less: Accumulated Depreciation	(2,090)	-
	<u>4,215</u>	<u>-</u>
<b>Total Property, Plant and Equipment</b>	<u>137,326</u>	<u>56,001</u>

	Office Furniture and Equipment	Computer Equipment	Motor Vehicles	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
1 January 2019	-	28,648	27,353	-	56,001
Additions	17,603	21,105	92,686	6,305	137,699
Disposals	-	-	(8,729)	-	(8,729)
Depreciation	(3,605)	(19,403)	(22,547)	(2,090)	(47,645)
31 December 2019	<u>13,998</u>	<u>30,350</u>	<u>88,763</u>	<u>4,215</u>	<u>137,326</u>

**14. RIGHT-OF-USE ASSET**

	2019	2018
	\$	\$
Office Buildings - right-of-use-lease	843,739	-
Accumulated Depreciation - Office Buildings	(326,604)	-
	<u>517,135</u>	<u>-</u>
IT Equipment - right-of-use-lease	166,120	-
Accumulated Depreciation -IT Equipment	(73,831)	-
	<u>92,289</u>	<u>-</u>
<b>Total Right-of-use Asset</b>	<u>609,424</u>	<u>-</u>

AASB 16 was adopted using the modified retrospective approach and as such comparative amounts have not been restated.

The Union leases buildings and IT equipment under a non-cancelable lease with 3-5 years, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. PAYABLES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Deferred Revenues	55,500	30,000
Creditors – Other	256,214	360,547
<b>Creditors – Branches</b>	-	-
TWU of NSW Branch	-	-
TWU SA/NT Branch	-	-
TWU QLD Branch	-	-
TWU VIC/TAS Branch	-	-
TWU WA Branch	-	-
	<u>311,714</u>	<u>390,547</u>

**16. LEASE LIABILITIES**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Current Lease Liabilities	405,147	-
Non-current Lease Liabilities	217,383	-
	<u>622,530</u>	<u>-</u>

**17. CASH FLOW INFORMATION**

(a) Cash includes:	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>

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	342,733	452,290
Cash in Hand	1,000	1,000
Deposits at call	-	-
	<u>343,733</u>	<u>453,290</u>

(b) Reconciliation of cash flow from operations with operating result		
<b>Operating (Deficit) / Surplus</b>	(71,361)	46,277
<b>Non Cash Flows in Operating Result</b>		
Amortisation	3,643	-
Depreciation of Property, Plant and Equipment	47,645	67,165
Depreciation of Right-of-use Asset	400,435	-
Lease Interests	(22,122)	-
Reinvested Distributions	-	(71,575)
Changes in Assets and Liabilities		
Decrease in Payables	(78,958)	(15,717)
Decrease in Receivables	311,531	40,654
Increase in Employees Entitlements	(49,938)	116,259
<b>CASH FLOWS FROM OPERATIONS</b>	<u>540,875</u>	<u>183,063</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA  
NATIONAL COUNCIL

NOTES TO THE FINANCIAL STATEMENTS  
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18. AMOUNTS DUE FROM BRANCHES

	NSW & ACT	VIC/TAS	SA & NT	QLD	WA	TOTAL
<b>AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2019 (EXC GST)</b>						
Sustentation Fees	85,115	151,958	26,670	200,424	121,817	585,984
A.C.T.U. Contributions	-	-	-	8,929	-	8,929
Litigation reimbursement	-	-	-	-	-	-
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>85,115</u>	<u>151,958</u>	<u>26,670</u>	<u>209,353</u>	<u>121,817</u>	<u>594,913</u>
<b>AMOUNTS CHARGED TO BRANCHES (EXC GST)</b>						
Sustentation Fees	1,417,249	1,287,438	306,375	829,453	699,924	4,540,437
A.C.T.U. Contributions	40,038	26,268	6,820	17,502	15,310	105,938
Litigation reimbursement	-	-	-	-	-	-
Training Levy	10,010	6,567	1,705	4,376	3,828	26,485
National Organising Fund	-	-	-	-	-	-
Other	12,987	6,810	8,509	6,163	11,770	46,238
	<u>1,480,284</u>	<u>1,327,082</u>	<u>323,408</u>	<u>857,493</u>	<u>730,831</u>	<u>4,719,098</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**18. AMOUNTS DUE FROM BRANCHES (CONTINUED)**

**AMOUNTS RECEIVED FROM BRANCHES (EXC GST)**

	<b>NSW &amp; ACT</b>	<b>VIC/TAS</b>	<b>SA &amp; NT</b>	<b>QLD</b>	<b>WA</b>	<b>TOTAL</b>
Sustentation Fees	1,411,892	1,276,033	307,529	958,145	703,106	4,656,705
A.C.T.U. Contributions	40,038	26,268	6,820	26,431	15,310	114,867
Litigation reimbursement	-	-	-	-	-	-
Training Levy	10,010	6,567	1,705	4,376	3,828	26,485
National Organising Fund	-	-	-	-	-	-
Other	12,987	6,810	8,509	6,163	11,770	46,238
	<u>1,474,927</u>	<u>1,315,677</u>	<u>324,563</u>	<u>995,114</u>	<u>734,013</u>	<u>4,844,295</u>

**AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2019 (EXC GST)**

Sustentation Fees	90,471	163,363	25,515	71,731	118,634	469,714
A.C.T.U. Contributions	-	-	-	-	-	-
Litigation reimbursement	-	-	-	-	-	-
Training Levy	-	-	-	-	-	-
National Organising Fund	-	-	-	-	-	-
Other	-	-	-	-	-	-
	<u>90,471</u>	<u>163,363</u>	<u>25,515</u>	<u>71,731</u>	<u>118,634</u>	<u>469,714</u>

**AMOUNTS PAID TO BRANCHES (EXC GST)**

Litigation reimbursement	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**19. 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 \$42,457 (2018: \$55,085).
- (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 10 and Note 15 of the accounts respectively.
- (vii) Other than the receivables and payables noted at 19 (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 2019**

**19. RELATED PARTY DISCLOSURES (Continued)**

**(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:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Wages and Salaries	301,824	307,476
Annual Leave	35,677	41,239
Other employee expenses	-	-
<b>Post-employment benefits</b>		
Superannuation	42,457	55,085
<b>Other long-term employee benefits</b>		
Long service leave	-	-
<b>Total</b>	<u>379,958</u>	<u>403,800</u>

**20. 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.

**21. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS**

**Operating Lease Commitments**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
No longer than 1 year	-	71,457
Longer than 1 year but not longer than 5 years	-	94,013
	<u>-</u>	<u>165,470</u>

The Union has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117.

**Contingent Assets or Liabilities**

There were no contingent assets or liabilities for the National Council as at 31 December 2019 or 31 December 2018.

**22. 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 2019**

**22. FINANCIAL RISK MANAGEMENT (continued)**

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

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:

	2019	2018
	\$	\$
Cash and cash equivalents	343,733	453,290

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

Debtors - Branches	516,685	654,403
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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 2019 it had \$343,733 (2018: \$453,290) of cash and cash equivalents and \$3,800,000 (2018: \$3,700,000) of other financial assets (term deposits) to meet these obligations as they fall due. Financial liabilities at 31 December 2019 totalled \$311,714 (2018: \$390,547). 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  
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22. FINANCIAL RISK MANAGEMENT (continued)

(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 2019	Fixed Interest Rate	Floating interest rate	Non-interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	342,733	1,000	343,733
Held- to maturity investments	3,800,000	-	-	3,800,000
Financial assets at fair value	616,473	-	-	616,473
Receivables	-	-	516,685	516,685
Total financial assets	4,416,473	342,733	517,685	5,276,891
Weighted average Interest rate	3.1%	0.05%	-	-
<b>Financial Liabilities</b>				
Payables	-	-	(311,714)	(311,714)
<b>Net Financial Assets</b>	4,416,473	342,733	205,971	4,965,177

31 December 2018	Fixed Interest Rate	Floating interest rate	Non-interest Bearing	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	-	452,290	1,000	453,290
Held- to maturity investments	3,700,000	-	-	3,700,000
Financial assets at fair value	496,707	-	-	496,707
Receivables	-	-	7,630,034	7,630,034
Total financial assets	4,196,707	452,290	7,631,034	12,280,031
Weighted average Interest rate	3.10%	0.05%	-	-
<b>Financial Liabilities</b>				
Payables	-	-	(390,547)	(390,547)
<b>Net Financial Assets</b>	4,196,707	452,290	7,240,487	11,889,484

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

22. FINANCIAL RISK MANAGEMENT (continued)

(e) Interest rate risk (continued)

	Carry Amount	+0.5% (50 basis points) Profit	+0.5% (50 basis points) Loss
2019	\$	\$	\$
Cash Assets	343,733	1,719	(1,719)
<b>2018</b>			
Cash Assets	453,290	2,266	(2,266)

(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.

23. PROFESSIONAL FEES

	2019	2018
	\$	\$
Audit Fees	28,250	27,750
Audit Other Fees	-	-
	<u>28,250</u>	<u>27,750</u>

24. EVENTS AFTER THE REPORTING PERIOD

With the increase in the spread of the coronavirus around the country and the adverse effects it will have on our membership and the economy generally, it is envisaged that there will be a financial impact on not only our members but also the receipts of the Union at large in 2020. Whilst this will affect the income of the National Office and each of the State Branches, it is impossible to quantify the impact and we will endeavour to contain expenses as much as possible in light of this. Together we are strong and will continue to work in the best interests of our members.

Other than the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

25. UNION DETAILS

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

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

RSM Australia Pty Ltd

Level 13, 60 Castlereagh Street Sydney NSW 2000  
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

## INDEPENDENT AUDITOR'S REPORT To the Members of Transport Workers' Union of Australia National Council

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Transport Workers' Union of Australia National Council, ('the Reporting Unit'), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the National Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia National Council as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with:

- (a) the Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit 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 Reporting Unit in accordance with the ethical requirements of the Accounting Professional 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 Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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.

### **Responsibilities of the Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 Reporting Unit'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit 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 Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the 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 I identify during my audit.

I declare that I am an auditor registered under the RO Act.

**Auditor's Responsibilities for the Audit of the Financial Report**

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 2019. As such no opinion is provided in relation to recovery of wages activities.

A handwritten signature in blue ink, appearing to read 'RSM'.

**RSM AUSTRALIA PTY LTD**

A handwritten signature in blue ink, appearing to read 'C J Hume'.

**C J Hume**  
Director  
Registered Auditor Number 295720

Sydney, NSW

Dated: 31 March 2020

**OFFICER DECLARATION STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

I, Michael Kaine, being the National Secretary of the Transport Workers Union of Australia, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- receive revenue from undertaking recovery of wages activity
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



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Dated:

31.3.2020

