



7 August 2013

Mr Peter Elliot
State Secretary
Transport Workers' Union of Australia
Queensland Branch
11 Alexandra Place
Murarrie QLD 4172

Cc: Sivakumar Krishnan
By email: Sivakumar.Krishnan@twuqld.asn.au.

Dear Mr Biagini,

**Re: Financial report of the Queensland Branch of the Transport Workers' Union of Australia for the year ended 31 December 2012 –FR2012/559
Fair Work (Registered Organisations) Act 2009 (RO Act)**

I acknowledge receipt of the financial report of the Queensland Branch of the Transport Workers' Union of Australia for the year ended 31 December 2011. The documents were lodged with the Fair Work Commission on 30 April 2013.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Statement of changes in equity - funds/assets related to levies

Reporting Guideline 14(e) requires reporting units to disclose the name and balance of each fund or account operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members.

I note that Note 12 to the financial statements contains a number of funds which operate in respect of voluntary contributions collected from members. It is our opinion that Reporting Guideline 14(e) requires that these funds be disclosed in the Statement of changes in equity – as funds distinct from the general fund – as opposed to liabilities in the notes to the Statement of financial position.. Please ensure these and similar funds are included in the Statement of changes in equity in future years.

Superannuation

The profit and loss statements properly disaggregates salaries and wages into those for office-bearers and other employees. However, superannuation is not similarly disaggregated. Please ensure this is rectified in future financial returns.

If you have any further queries, I am available on 03 98661 7604 or via email at sarah.wilkin@fwc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Wilkin', written in a cursive style.

Sarah Wilkin
Regulatory Compliance Branch

Transport Workers' Union of Australia Queensland Branch



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

CERTIFICATE OF DESIGNATED OFFICER

2012 Financial Report (The Full Report)

I, Peter Biagini, being the Secretary of the Transport Workers Union of Australia, Queensland Branch, hereby certify:

- that the documents lodged herewith are copies of the full report referred to in s.268 of the RO Act for the Transport Workers Union of Australia, Queensland Branch for the period ended 31st December 2012 and
- that the Full Report was provided to the members of the reporting unit by posting on the Union's website on 30th April 2013 in accordance with s.265 of the RO Act; and
- that the Full Report was presented to a meeting of the Branch Committee of Management of the Reporting Unit on 30th April 2013 in accordance with section 266 of the RO Act.

A handwritten signature in black ink, consisting of a stylized 'PB' followed by a long horizontal line that tapers to a point.

Peter Biagini
Branch Secretary
Transport Workers Union of Australia
Queensland Branch

Dated: 30 April 2013

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

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INDEPENDENT AUDITOR'S REPORT

To members of Transport Workers Union Australia (QLD Branch)

Report on the Financial Report

We have audited the accompanying financial report of Transport Workers Union Australia (QLD Branch), which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management committee declaration.

Committee's Responsibility for the Financial Report

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee of Management, as well as evaluating the overall presentation of the financial report.

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



Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Transport Workers Union Australia (QLD Branch) as at 31 December 2012, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.

In our opinion:

- 1) All information and explanation that, under Section 257 of the Fair Work (Register Organisations) Act 2009, officers or employees of the Association were required to provide, were provided;
- 2) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and requirement imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Where necessary, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BDO Audit Pty Ltd

P A GALLAGHER

Director

Brisbane, 30 April 2013



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**DECLARATION OF INDEPENDENCE BY PAUL GALLAGHER TO THE COMMITTEE MEMBERS OF
TRANSPORT WORKERS UNION AUSTRALIA (QLD BRANCH)**

As lead auditor of Transport Workers Union Australia (QLD Branch) for the year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Transport Workers Union Australia (QLD Branch) and the entities it controlled during the period.

PA Gallagher

Director

BDO Audit Pty Ltd

Brisbane 30 April 2013

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009, the Committee of Management of the Transport Workers Union of Australia (QLD Branch) presents the following Operating Report in respect of the financial year ended 31 December 2012.

Membership

Total membership of the Branch as at 31 December 2012 was 11,300, of which 9,118 were financial members. (8,335 financial members in 2011).

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

Principal Activities

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

The Branch produced a range of publications for its members.

Significant Changes in Principal Activities

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

In comparison to the preceding year the investment portfolio has performed well.

Number of Employees

At 31 December 2012, there were 32 persons employed by the Branch.

Rights of Members to Resign

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with the rule 22A of the Branch.

Trustees or Directors of Public Sector Superannuation Scheme

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

Mr Peter Biagini appointed 10/01/2011

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

Affiliations & Directorships

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

OPERATING REPORT (CONTINUED)

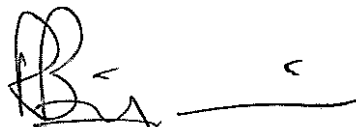
Members of Committee of Management

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

<i>Name</i>	<i>Position</i>	<i>Period in Office this year</i>
Peter Biagini	Secretary	1 January 2012 - 31 December 2012
Scott Connolly	Assistant Secretary	1 January 2012 - 31 December 2012
Brad Wyatt	President	1 January 2012 - 31 December 2012
Wayne Bailey	Vice-President	1 January 2012 - 30 October 2012
Grant Mitchell	Vice-President	31 October 2012 - 31 December 2012
Grant Mitchell	Delegate	1 January 2012 - 30 October 2012
Billy Berka	Trustee	1 January 2012 - 31 December 2012
Darren White	Trustee	1 January 2012 - 31 December 2012
Henry Adsett	Delegate	1 January 2012 - 31 December 2012
Jewell Norfolk	Delegate	1 January 2012 - 31 December 2012
Michael Cardile	Delegate	1 January 2012 - 31 December 2012
Gary Dickfos	Delegate	1 January 2012 - 31 December 2012
Brett Perry	Delegate	1 January 2012 - 31 December 2012
Francis Whitfield	Delegate	1 January 2012 - 31 December 2012
Ken Suesee	Delegate	1 January 2012 - 31 December 2012
Peter Ferguson	Delegate	1 January 2012 - 31 December 2012
Craig Williams	Delegate	1 January 2012 - 31 December 2012

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

Dated at Brisbane this 30th day of April 2013



Peter Biagini
Branch Secretary

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

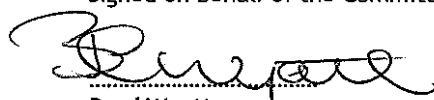
STATEMENT BY MEMBERS OF THE COMMITTEE

On the 30th day of April..... 2013 the Committee of Management of Transport Workers Union of Australia (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the financial year ended 31 December 2012.

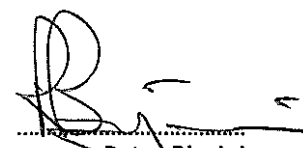
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe the reporting unit will be able to pay its debts as and when they become due and payable;
- e) During the financial year to which the GPFR relates and since the end of that year:
 - i) Meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - 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;
 - iii) The financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
 - iv) The information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia;
 - v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) In relation to recovery of wages activity:
 - i) The financial report on recovery of wages activity was not prepared because wages were paid directly to workers. No revenue is derived from this activity; and
 - ii) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were received from moneys recovered from employers on behalf of workers.

Signed on behalf of the Committee of Management:


Brad Wyatt
Branch President

Date 30/4/2013


Peter Biagini
Branch Secretary

Date 30/4/2013

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
INCOME			
Interest		79,440	205,932
Investment income		529,657	585,535
Rental income		40,382	27,430
TWU Australia reimbursement/sponsorship		111,734	131,807
Director Fees		30,000	-
Advertising		20,400	-
Realised Gain/(Loss) on investments		(232,703)	(226,124)
Unrealised Gain/(Loss) on Investments		766,827	(678,621)
Membership subscriptions		3,738,400	3,186,791
Profit/(Loss) on sale of fixed assets		(12,327)	5,879
Other income		<u>1,535</u>	<u>26,947</u>
TOTAL INCOME		5,073,345	3,265,576
LESS EXPENSES			
Accounting fees		46,209	77,085
Advertising		150,713	105,544
Affiliation fees	2	116,601	78,070
Bank charges		50,448	47,289
Cleaning		17,096	23,584
Computer expenses		96,758	70,554
Consultancy fees		-	450
Consumables		(84)	11,304
Delegates Conference		97,165	-
Delegates Training		16,831	14,408
Depreciation		301,565	243,431
Donations		48,320	30,474
Electricity		34,937	31,028
Entertainment expenses		487	610
Fees and permits		74,140	27,405
Freight and cartage		1,069	2,142
Fringe benefits		(10,276)	38,128
General expenses	3	110,105	55,559
Insurance		39,884	42,558
Interest paid		-	203
Legal costs		33,140	351,099
Loss on disposal/revaluation of non current assets		-	1,922
Motor vehicle expenses		150,085	101,599
Organising expenses		7,667	3,103
Payroll tax		115,267	80,508
Postage		46,786	33,475
Printing and stationery		<u>61,844</u>	<u>119,855</u>
Expenses carried forward		1,606,757	1,591,387

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
Expenses brought forward		1,606,757	1,591,387
Rates and taxes		9,046	6,404
Recruitment		32,256	-
Rent		33,004	13,467
Repairs and maintenance		70,936	18,935
Salaries and Wages	6	2,188,506	1,872,658
Security costs		11,757	13,310
Staff training and welfare		28,607	24,551
Subscriptions		6,567	5,475
Superannuation		251,557	228,586
Sustentation fees		474,890	362,846
Telephone		115,264	94,635
Travelling expenses		129,495	185,137
Uniforms		5,494	3,213
Income received in advance for 2010		-	22,655
Depreciation of Building for 2010		-	242,250
TOTAL EXPENSES		<u>4,964,136</u>	<u>4,685,509</u>
OPERATING PROFIT/(LOSS) FOR THE YEAR		<u>109,209</u>	<u>(1,419,933)</u>
Other Comprehensive Income:			
Revaluation of Land & Building		-	(1,005,539)
Gain/(loss) on sale assets held for resale		-	-
Total other comprehensive income for the year		<u>-</u>	<u>(1,005,539)</u>
Total comprehensive income attributable to the organisation		<u><u>109,209</u></u>	<u><u>(2,425,472)</u></u>

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	7	118,962	349,362
Trade and other receivables	8	17,881	14,798
Other investments	9	1,390,457	2,653,226
Other assets	10	<u>101,261</u>	<u>141,350</u>
TOTAL CURRENT ASSETS		<u>1,628,561</u>	<u>3,158,736</u>
NON-CURRENT ASSETS			
Other Investments	9	7,735,328	5,812,025
Property, plant and equipment	11	3,195,505	3,295,213
Other assets	10	<u>1,650</u>	<u>1,650</u>
TOTAL NON-CURRENT ASSETS		<u>10,932,483</u>	<u>9,108,888</u>
TOTAL ASSETS		<u>12,561,044</u>	<u>12,267,624</u>
CURRENT LIABILITIES			
Trade and other payables	12	589,510	479,429
Provisions	14	<u>163,348</u>	<u>92,204</u>
TOTAL CURRENT LIABILITIES		<u>752,858</u>	<u>571,633</u>
NON-CURRENT LIABILITIES			
Provisions	14	18,694	15,708
Other	13	<u>4,333</u>	<u>4,333</u>
TOTAL NON-CURRENT LIABILITIES		<u>23,027</u>	<u>20,041</u>
TOTAL LIABILITIES		<u>775,885</u>	<u>591,674</u>
NET ASSETS		<u>11,785,159</u>	<u>11,675,950</u>
MEMBERS' FUNDS			
Reserves	15	1,397,215	1,397,215
Accumulated Surplus	16	<u>10,387,944</u>	<u>10,278,735</u>
TOTAL MEMBERS' FUNDS		<u>11,785,159</u>	<u>11,675,950</u>

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2012

Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Total \$
Balance at 31 December 2010	<u>11,698,668</u>	<u>2,402,754</u>	<u>14,101,422</u>
Profit/(loss) attributable to the organisation	(1,155,028)	-	(1,155,028)
Transfers to and from reserves			
- Revaluation of Land & Building	-	(1,247,789)	(1,247,789)
Income received in advance for 2010	(22,655)	-	(22,655)
Depreciation of building prior to valuation for 2010	<u>(242,250)</u>	<u>242,250</u>	<u>-</u>
Sub-total	<u>(1,419,933)</u>	<u>(1,005,539)</u>	<u>(2,425,472)</u>
Balance at 31 December 2011	<u>10,278,735</u>	<u>1,397,215</u>	<u>11,675,950</u>
Profit/(loss) attributable to the organisation	109,209	-	109,209
Transfers to and from reserves	-	-	-
Transfers to and from retained earnings	-	-	-
Sub-total	<u>109,209</u>	<u>-</u>	<u>109,209</u>
Balance at 31 December 2012	<u>10,387,944</u>	<u>1,397,215</u>	<u>11,785,159</u>

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Notes	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members		3,898,987	3,438,602
Payments to suppliers and employees		(4,452,360)	(4,040,740)
Interest received		93,528	205,898
Investment income received		529,657	585,535
Rent received		<u>40,382</u>	<u>27,430</u>
Net cash provided by/(used in) operating activities	17	<u>110,194</u>	<u>(216,725)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(214,183)	(575,563)
Proceeds from Loan Repayment		2,149,552	-
Payment for investments		<u>(2,275,962)</u>	<u>(1,942,345)</u>
Net cash used in investing activities		<u>(340,593)</u>	<u>(2,517,908)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		(230,400)	(2,301,183)
Cash at beginning of financial year		<u>349,362</u>	<u>2,650,545</u>
Cash at end of financial year	7	<u>118,962</u>	<u>349,362</u>

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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

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

Basis of Preparation

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

Reporting Basis and Conventions

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

Accounting Policies

(a) Property, Plant and Equipment

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

Property

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

Plant and equipment

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

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

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

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

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

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

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

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

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

(b) Asset Revaluation Reserve

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

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

(c) Impairment of Assets

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

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

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Employee Benefits

Provisions are made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(e) Provisions

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

(f) Cash and Cash Equivalents

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

(g) Revenue

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

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

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

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

(h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

The income of the Branch is exempt from income tax.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(j) Comparative Figures

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial Instruments

Recognition and Initial Measurement

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

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

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

Classification and Subsequent Measurement

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

(v) Financial liabilities

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

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

Fair value

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

(k) Financial Instruments (continued)

Impairment

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

(l) Critical accounting estimates and judgments

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

Key estimates - impairment

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

NOTE 2: AFFILIATION FEES

	2012 \$	2011 \$
Affiliation Fees - ALP QLD	45,942	51,767
Affiliation Fees - Union Shopper	18,337	-
Affiliation Fees - QCU	<u>52,322</u>	<u>26,303</u>
	<u><u>116,601</u></u>	<u><u>78,070</u></u>

NOTE 3: GENERAL EXPENSES

Meetings and functions	37,098	22,350
Other employee expenses	-	6,610
Honorarium expenses	15,774	16,108
Other expenses	<u>57,233</u>	<u>10,491</u>
	<u><u>110,105</u></u>	<u><u>55,559</u></u>

NOTE 4: AUDITOR'S REMUNERATION

Remuneration of the auditor for:

Auditing or reviewing the financial report	20,000	20,000
Other accounting and taxation services provided by related practice of auditor	<u>26,900</u>	<u>28,835</u>
	<u><u>46,900</u></u>	<u><u>48,835</u></u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 5: REQUIREMENTS OF SUBSECTION 272(5)

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

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and

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

NOTE 6: EMPLOYEE BENEFITS (INCLUDING KEY MANAGEMENT PERSONNEL COMPENSATION)

	Short-term	Long Term	Post-employment
2012			
Office Holders	250,629	-	14,577
Other Employees	1,937,877	-	236,980
	<u>2,188,506</u>		<u>251,557</u>
2011			
Office Holders	324,069	-	33,840
Other Employees	1,548,589	-	194,746
	<u>1,872,658</u>		<u>228,586</u>

NOTE 7: CASH ASSETS

Cash on hand	600	700
Cash at Bank	<u>118,362</u>	<u>348,662</u>
	<u>118,962</u>	<u>349,362</u>

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables	<u>17,881</u>	<u>14,798</u>
	<u>17,881</u>	<u>14,798</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 9: FINANCIAL ASSETS

CURRENT

Shares	-	30,000
Term Deposits	1,390,457	402,910
Macquarie Trading Clearing Account	-	70,764
Union Co-op Loan	-	2,149,552
	<u>1,390,457</u>	<u>2,653,226</u>

NON-CURRENT

Other investments		
Macquarie Investment Portfolio	<u>7,735,328</u>	<u>5,812,025</u>
	<u>7,735,328</u>	<u>5,812,025</u>

NOTE 10: OTHER ASSETS

CURRENT

Prepayments	81,755	107,756
Accrued interest receivable	<u>19,506</u>	<u>33,594</u>
	<u>101,261</u>	<u>141,350</u>

NON-CURRENT

Rental Bond - Cairns Office	<u>1,650</u>	<u>1,650</u>
	<u>1,650</u>	<u>1,650</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

LAND AND BUILDINGS

At independent valuation	2,600,000	2,600,000
Improvements	28,967	-
Less accumulated depreciation	<u>(58,433)</u>	<u>(15,049)</u>
Total land and buildings	<u>2,570,534</u>	<u>2,584,951</u>

PLANT AND EQUIPMENT

(a) Motor vehicles

At cost	578,734	570,392
Less accumulated depreciation	<u>(197,676)</u>	<u>(153,522)</u>
	<u>381,058</u>	<u>416,870</u>

(b) Office equipment

At cost	313,969	304,618
Less accumulated depreciation	<u>(188,085)</u>	<u>(93,732)</u>
	<u>125,884</u>	<u>210,886</u>

(c) Furniture, fixtures and fittings

At cost	154,113	106,617
Less accumulated depreciation	<u>(45,871)</u>	<u>(26,535)</u>
	<u>108,242</u>	<u>80,082</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)
PLANT AND EQUIPMENT

(d) Software pool		
At cost	13,448	3,022
Less accumulated depreciation	<u>(3,661)</u>	<u>(598)</u>
	<u>9,787</u>	<u>2,424</u>
Total plant and equipment	<u>624,971</u>	<u>710,262</u>
Total property, plant and equipment	<u>3,195,505</u>	<u>3,295,213</u>

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

	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,584,951	710,262	3,295,213
Additions	28,967	239,182	268,149
Disposals	-	(163,568)	(163,568)
Depreciation expenses	(43,384)	(160,905)	(204,289)
Carrying amount at the end of the year	<u>2,570,534</u>	<u>624,971</u>	<u>3,195,505</u>

2012	2011
\$	\$

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	502,727	184,884
Funeral Fund Trust	16,848	-
TWU Funeral Fund	18	-
TWU Members Support Fund	24	-
Team Fund	9,060	-
Strike Fund Trust	9,654	-
Carriers Load Ins Trust	(1,820)	-
Income Protection 2 Trust	35	-
Public Liability Ins	1,574	-
FBT liability	1	43,594
PAYG withholding payable	-	45,224
Superannuation payable	-	(1,124)
Accrued expenses	16,600	170,000
Accrued Membership Fees 2013/2012	53,492	14,788
Credit Card	27,304	25,771
Suspense	(184)	-
GST payable/(receivable)	<u>(45,823)</u>	<u>(3,708)</u>
	<u>589,510</u>	<u>479,429</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NOTE 13: OTHER LIABILITIES

NON-CURRENT

Rental Bond - Cairns Office	<u>4,333</u>	<u>4,333</u>
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NOTE 14: PROVISIONS

CURRENT

Office Holders	25,242	7,918
Other Employees	<u>138,106</u>	<u>84,286</u>
	<u>163,348</u>	<u>92,204</u>

NON-CURRENT

Office Holders	-	-
Other Employees	<u>18,694</u>	<u>15,708</u>

(a) Aggregate employee benefits liability	<u>182,042</u>	<u>107,912</u>
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(b) Number of employees at year end	<u>32</u>	<u>23</u>
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NOTE 15: RESERVES

Asset revaluation reserve	<u>1,397,215</u>	<u>1,397,215</u>
(a) Asset Revaluation Reserve		
Movements during the financial year:		
Opening balance	1,397,215	2,402,754
Add: Movement during the year	<u>-</u>	<u>(1,005,539)</u>
Closing balance	<u>1,397,215</u>	<u>1,397,215</u>

The asset revaluation reserve records revaluations of non-current assets.

NOTE 16: ACCUMULATED SURPLUS

Retained earnings at the beginning of the financial year	10,278,735	11,698,668
Prior year adjustments	-	(264,905)
Net profit / (loss) attributable to members of the entity	<u>109,209</u>	<u>(1,155,028)</u>
Retained Earnings at the end of the financial year	<u>10,387,944</u>	<u>10,278,735</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 \$	2011 \$
NOTE 17: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with Net profit attributable to the organisation:		
Profit (Loss)	109,209	(1,155,027)
Non-cash flows in profit		
Depreciation	301,565	243,431
Loss/(gain) on disposal of property, plant & equipment	12,327	(3,957)
Changes in assets and liabilities		
(Increase)/decrease in value of investments	(534,124)	904,745
(Increase)/decrease in receivables	(3,082)	91,532
(Increase)/decrease in other assets	40,089	(104,793)
Increase/(decrease) in payables	110,081	251,568
Increase/(decrease) in employee provisions	74,129	(10,774)
Cash flows from operations	<u>110,194</u>	<u>216,725</u>

NOTE 18: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The entity does not have any derivative instruments at 31 December 2012.

i. Treasury Risk Management

A committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

There are no material amounts of collateral held as security at 31 December 2012.

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

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

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

The trade receivables balance at 31 December 2012 and 31 December 2011 do not include any count with external credit ratings. Customers are assessed for credit worthiness using the above criteria.

Price Risk

The entity is not exposed to any material commodity price risk.

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash at bank	-	-	-	-	118,362	348,662	600	700	118,962	349,362
Trade and other receivables	-	-	-	-	-	-	19,506	33,594	19,506	33,594
Investments	6%	6%	-	-	1,390,457	402,910	7,735,328	5,912,789	9,125,785	6,315,699
Other	-	6%	-	-	-	2,149,552	-	-	-	2,149,552
Total financial assets	-	-	-	-	1,508,819	2,901,124	7,755,434	5,947,083	9,264,253	8,848,207
Financial liabilities										
Trade and sundry payables	-	-	-	-	-	-	797,447	479,429	797,447	479,429
Total financial liabilities	-	-	-	-	-	-	797,447	479,429	797,447	479,429

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 18: FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity analysis:

Interest rate risk

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

As at 31 December 2012, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2012	2011
	\$	\$
Change in profit		
– Increase in interest rate by 2%	30,176	58,022
– Decrease in interest rate by 2%	(30,176)	(58,022)

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

No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

NOTE 19: COMMITMENTS

Lease Commitments Payable

The Branch has commitments payable related to tenancy agreements:

Less than one year	23,645	27,132
Greater than one year but less than five years	42,358	91,656
	<u>66,003</u>	<u>118,788</u>

Equipment Lease Commitments Payable

The Branch has commitments payable related to lease equipment:

Less than one year	9,768	9,768
Greater than one years but less than five years	29,305	39,074
	<u>39,073</u>	<u>48,842</u>

NOTE 20: CONTINGENT LIABILITIES

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

NOTE 21: SUPERANNUATION

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

NOTE 22: BRANCH DETAILS

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

NOTE 23: PARENT ENTITY

TWU Australia is the Branch's parent entity.