



1 June 2016

Mr Peter Biagini  
Branch Secretary, Queensland Branch  
Transport Workers' Union of Australia  
Sent via email: [info@twuqld.asn.au](mailto:info@twuqld.asn.au)

Dear Mr Biagini,

**Re: Lodgement of Financial Report - [FR2015/384]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

I refer to the financial report of the Queensland Branch of the Transport Workers' Union of Australia. The documents were lodged with the Fair Work Commission (FWC) on 9 May 2016.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2016 may be subject to an advanced compliance review.

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

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid of each is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Reporting Guideline 17 requires that where either grants or donations have not been paid, a disclosure to that effect must be made.

Note 24 discloses the relevant donations correctly but does not make a disclosure with respect to grants. Assuming no grants were paid, the report should have stated that no grants were paid or reported nil balances for the above grant categories.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires the separate disclosure of payables in relation to legal costs broken down by litigation and by other legal matters. Reporting Guideline 21 requires there where any of the activities identified in Reporting Guideline 20 have not occurred in the reporting period, a statement to this effect (or nil balances) must be included in the GPFR. I note that there is no separate disclosure for payables in relation to litigation and other legal matters.

## Reporting Requirements

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

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or by email at [stephen.kellett@fwc.gov.au](mailto:stephen.kellett@fwc.gov.au).

Yours sincerely,

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Senior Adviser  
Regulatory Compliance Branch

# Transport Workers' Union of Australia Queensland Branch



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

### CERTIFICATE OF DESIGNATED OFFICER

#### 2015 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 for the Transport Workers Union of Australia, Queensland Branch for the period ended 31<sup>st</sup> December 2015 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the Full Report was provided to the members of the reporting unit by posting on the Union's website on 27 April 2016; and
- that the Full Report was presented to a meeting of the Branch Committee of Management of the Reporting Unit on 26<sup>th</sup> April 2016 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in blue ink, appearing to read 'Peter Biagini'. The signature is stylized and fluid.

Peter Biagini  
Branch Secretary  
Transport Workers Union of Australia  
Queensland Branch

Dated: 29 April 2016

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

TABLE OF CONTENTS

Audit Report .....	1-3
Auditor's Independence Declaration .....	4
Operating Report .....	5-6
Statement by Members of the Committee .....	7
Financial Report	
Statement of Profit or Loss and other Comprehensive Income .....	8-9
Statement of Financial Position .....	10
Statement of Changes in Equity .....	11
Statement of Cash Flows .....	12
Recovery of Wages Activity .....	13
Notes to the Financial Statements .....	14-29



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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 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management committee declaration.

### Committee's Responsibility for the Financial Report

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

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

### Auditor's Responsibility

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

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



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

### **Independence**

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

### **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 2015, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (*Registered Organisations*) Act 2009 and the reporting guidelines of the General Manager.

### **Report on recovery of wages activity**

We have audited the recovery of wages activity financial report included in Transport Workers Union Australia (QLD Branch)'s report for the year ended 31 December 2015.

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

### **Opinion**

In our opinion, the recovery of wages activity financial report presents fairly, in all material respects the recovery of wages activity of Transport Workers Union Australia (QLD Branch) for the year ended 31 December 2015 in accordance with the guidelines of the General Manager, including:

- a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- b. any donations or other contributions deducted from recovered money.

### **Use of Going Concern Assumption**

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



### Declaration by the auditor

I, Paul Gallagher, declare the following:

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

BDO Audit Pty Ltd

The logo for BDO, consisting of the letters 'BDO' in a stylized, handwritten font.

A handwritten signature in black ink, appearing to read 'Paul Gallagher'.

**P A Gallagher**  
Director

Brisbane, 4 April 2016



**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**AUDITOR'S INDEPENDENCE DECLARATION**



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**DECLARATION OF INDEPENDENCE BY P A 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 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

1. the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009 in relation to the audit; and
2. any applicable code of professional conduct in relation to the audit.

This declaration is in respect to Transport Workers Union Australia (QLD Branch).

A handwritten signature in black ink, appearing to read 'P A Gallagher'.

**P A Gallagher**  
Director

**BDO Audit Pty Ltd**

Brisbane, 4 April 2016

## **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 2015.

#### **Membership**

Total membership of the Branch as at 31 December 2015 was 9,424 of which 8,713 were financial members. (This translates into 9,554 effective members for 2015. In 2014 there were 9,298 effective members).

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

#### **Principal Activities**

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

The Branch produced a range of publications for its members.

#### **Significant Changes in Principal Activities**

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

#### **Number of Employees**

At 31 December 2015, there were 29 persons employed by the Branch.

#### **Rights of Members to Resign**

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

#### **Trustees or Directors of Public Sector Superannuation Scheme**

The following officers of the Transport Workers Union of Australia (QLD Branch) were officeholders of 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 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 2015 - 31 December 2015
Scott Connolly	Assistant Secretary	1 January 2015 - 7 April 2015
Adam Carter	Assistant Secretary	29 July 2015 - 31 December 2015
Brad Wyatt	President	1 January 2015 - 31 December 2015
Grant Mitchell	Vice-President	1 January 2015 - 31 December 2015
Darren White	Trustee	1 January 2015 - 31 December 2015
Michael Cardile	Trustee	1 January 2015 - 31 December 2015
Henry Adsett	Committee Member	1 January 2015 - 31 December 2015
Gary Dickfos	Committee Member	1 January 2015 - 31 December 2015
Brett Perry	Committee Member	1 January 2015 - 31 December 2015
Francis Whitfield	Committee Member	1 January 2015 - 31 December 2015
Ken Suesee	Committee Member	1 January 2015 - 31 December 2015
Peter Ferguson	Committee Member	1 January 2015 - 31 December 2015
Craig Williams	Committee Member	1 January 2015 - 31 December 2015
Agnes Green	Committee Member	1 January 2015 - 31 December 2015
Harry Rawson	Committee Member	1 January 2015 - 31 December 2015
Greg Delamotte	Committee Member	1 January 2015 - 31 December 2015
Adam Winters	Committee Member	1 January 2015 - 31 December 2015

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

Dated at Brisbane this 4<sup>th</sup> day of April 2016



.....  
Peter Biagini  
Branch Secretary

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

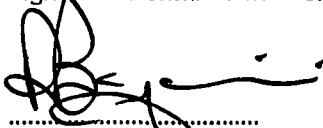
**STATEMENT BY MEMBERS OF THE COMMITTEE**

On the 4<sup>th</sup> day of April 2016 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 2015.

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 Commission;
- 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 Commission 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 Commission;
  - 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:

  
.....  
Peter Biagini  
Branch Secretary

Date 04/04/2016

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Interest		202	518
Investment income		518,284	539,973
Rental income		45,354	46,465
TWU Australia reimbursement		-	69,928
Reimbursement & Sponsorship		134,310	139,149
Director Fees		30,000	30,000
Advertising		16,600	35,570
Realised Gain/(Loss) on investments		202,078	272,492
Unrealised Gain/(Loss) on Investments		(177,300)	(254,845)
Membership subscriptions		4,647,286	4,395,525
Profit/(Loss) on sale of fixed assets		(19,888)	2,036
Training income		48,246	-
Other income		7,217	6,915
<b>TOTAL INCOME</b>		<b>5,452,389</b>	<b>5,283,726</b>
<b>LESS EXPENSES</b>			
Accounting & Audit fees		38,097	38,988
Advertising		89,804	94,749
Affiliation fees	2	140,062	131,764
Bank charges		36,758	32,716
Cleaning		19,344	17,989
Computer expenses		65,651	112,107
Consumables		-	433
Delegates Conference		13,768	51,549
Delegates & BCOM Training		10,641	18,411
Depreciation		374,349	366,139
Donations	24	62,352	54,541
Electricity		36,487	30,489
Entertainment expenses		-	-
Fees and permits		107,366	96,723
Freight and cartage		249	1,688
Fringe benefits		58,524	58,898
General expenses	3	226,124	330,809
Insurance		49,840	56,710
Legal costs		149,966	243,878
Motor vehicle expenses		131,043	157,204
Expenses carried forward		<b>1,610,425</b>	<b>1,895,785</b>

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
Expenses brought forward		1,610,425	1,895,785
Organising expenses		-	2,961
Other Federal Expenses		32,803	29,455
Payroll tax		110,408	100,136
Postage		55,479	59,257
Printing and stationery		34,083	37,721
Rates and taxes		11,048	9,860
Recruitment		568	-
Rent		28,110	27,261
Repairs and maintenance		7,567	15,671
Salaries and Wages	6	2,709,054	2,586,390
Security costs		8,600	7,405
Staff training and welfare		21,749	33,427
Subscriptions		9,290	15,905
Superannuation		314,910	324,961
Sustentation fees		819,781	775,327
Telephone		135,265	132,096
Travelling expenses		95,145	132,344
Uniforms		6,657	5,667
<b>TOTAL EXPENSES</b>		<u>6,010,942</u>	<u>6,191,629</u>
<b>OPERATING PROFIT/(LOSS) FOR THE YEAR</b>		<u>(558,553)</u>	<u>(907,903)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified into Profit or Loss:			
Net transfers in/(out) of Fund Reserves		<u>72,827</u>	<u>62,636</u>
Items that may be subsequently reclassified into Profit or Loss:			
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<u>72,827</u>	<u>62,636</u>
<b>Total comprehensive income attributable to the organisation</b>		<u><u>(485,726)</u></u>	<u><u>(845,267)</u></u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	205,242	25,789
Cash held for Specific Purposes (Reserves)	7	190,518	119,253
Trade and other receivables	8	79,451	194,204
Other assets	10	66,439	83,316
<b>TOTAL CURRENT ASSETS</b>		<b>541,650</b>	<b>422,562</b>
<b>NON-CURRENT ASSETS</b>			
Other Investments	9	8,280,062	8,904,776
Property, plant and equipment	11	3,184,415	3,174,936
Other assets	10	1,650	1,650
<b>TOTAL NON-CURRENT ASSETS</b>		<b>11,466,127</b>	<b>12,081,362</b>
<b>TOTAL ASSETS</b>		<b>12,007,777</b>	<b>12,503,924</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	578,526	797,281
Provisions	14	326,926	268,968
<b>TOTAL CURRENT LIABILITIES</b>		<b>905,452</b>	<b>1,066,249</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	14	169,248	18,749
Other	13	4,333	4,333
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>173,581</b>	<b>23,082</b>
<b>TOTAL LIABILITIES</b>		<b>1,079,033</b>	<b>1,089,331</b>
<b>NET ASSETS</b>		<b>10,928,744</b>	<b>11,414,593</b>
<b>MEMBERS' FUNDS</b>			
Asset Revaluation Reserve	15	1,397,215	1,397,215
Funeral Fund	16	109,630	68,030
Support Fund	16	88,594	57,896
Political Activist	16	529	-
Accumulated Surplus	17	9,332,776	9,891,452
<b>TOTAL MEMBERS' FUNDS</b>		<b>10,928,744</b>	<b>11,414,593</b>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

STATEMENT OF CHANGES IN EQUITY  
FOR YEAR ENDED 31 DECEMBER 2015

Notes	Accumulated Surplus \$	Funeral Fund \$	Support Fund \$	Political Activist Fund \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 31 December 2013</b>	10,799,355	32,365	30,925	-	1,397,215	12,259,860
Adjustment for errors	-	-	-	-	-	-
Profit/(loss) attributable to the organisation	(907,903)	-	-	-	-	(907,903)
Transfers to and from reserves	-	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-	-
Funds collected from members	-	35,665	26,971	-	-	62,636
<b>Balance at 31 December 2014</b>	<b>9,891,452</b>	<b>68,030</b>	<b>57,896</b>	<b>-</b>	<b>1,397,215</b>	<b>11,414,593</b>
Adjustment for errors	(123)	-	-	-	-	(123)
Profit/(loss) attributable to the organisation	(558,553)	-	-	-	-	(558,553)
Transfers to and from reserves	-	-	-	-	-	-
Transfers to and from retained earnings	-	-	-	-	-	-
Funds collected from members	-	41,600	30,698	529	-	72,827
<b>Balance at 31 December 2015</b>	<b>9,332,776</b>	<b>109,630</b>	<b>88,594</b>	<b>529</b>	<b>1,397,215</b>	<b>10,928,744</b>

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 2015**

	Notes	2015 \$	2014 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from members		4,950,166	4,554,581
Payments to suppliers and employees		(5,627,288)	(5,722,438)
Interest received		(2,075)	1,665
Investment income received		518,284	539,973
Interest and other costs of borrowing paid		(451)	-
Training income		48,246	-
Rent received		<u>45,354</u>	<u>46,465</u>
Net cash provided by/(used in) operating activities	18	<u>(67,764)</u>	<u>(579,754)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(460,780)	(262,181)
Proceeds from sale of property, plant and equipment		56,943	45,597
Proceeds from members for Funeral & Strike Funds	16	72,827	62,636
Payment for investments		<u>649,492</u>	<u>672,172</u>
Net cash used in investing activities		<u>318,482</u>	<u>518,224</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		250,718	(61,530)
Cash at beginning of financial year		<u>145,042</u>	<u>206,572</u>
Cash at end of financial year	7	<u><u>395,760</u></u>	<u><u>145,042</u></u>

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

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Consolidated		Parent	
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-	-	-
<b>Receipts</b>				
Amounts recovered from employers in respect of wages etc.	-	-	-	-
Interest received on recovered money	-	-	-	-
<b>Total receipts</b>	-	-	-	-
<b>Payments</b>				
Deductions of amounts due in respect of membership for:				
12 months or less	-	-	-	-
Greater than 12 months	-	-	-	-
Deductions of donations or other contributions to accounts or funds of:				
The reporting unit:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other reporting unit of the organisation:				
name of account	-	-	-	-
name of fund	-	-	-	-
Name of other entity:				
name of account	-	-	-	-
name of fund	-	-	-	-
Deductions of fees or reimbursement of expenses	-	-	-	-
Payments to workers in respect of recovered money	-	-	-	-
<b>Total payments</b>	-	-	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-	-	-
Number of workers to which the monies recovered relates	-	-	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>				
Payable balance	-	-	-	-
Number of workers the payable relates to	-	-	-	-
<b>Fund or account operated for recovery of wages</b>	-	-	-	-

## TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### 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.

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

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Depreciation*

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

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

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

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

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

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

**(b) Asset Revaluation Reserve**

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

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

**(c) Impairment of Assets**

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

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

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

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Employee Benefits**

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

**(e) Provisions**

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

**(f) Cash and Cash Equivalents**

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

**(g) Revenue**

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

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

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

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

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

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

The income of the Branch is exempt from income tax.

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

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

**(i) Comparative Figures**

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

## TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

#### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (j) Financial Instruments

###### Recognition and Initial Measurement

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

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

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

###### Classification and Subsequent Measurement

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

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

###### (ii) Loans and receivables

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

###### (iii) Held-to-maturity investments

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

###### (iv) Available-for-sale financial assets

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

###### (v) Financial liabilities

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

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

###### Fair value

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**(j) Financial Instruments (continued)**

**Impairment**

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

**(k) Critical accounting estimates and judgments**

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

*Key estimates - impairment*

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

**(l) Changes in accounting policies**

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

**(m) Working capital**

The financial statements show a working capital deficiency of \$363,802. The Union will be able to meet its working capital deficiency through the cash portion held within its Macquarie Investment Portfolio. As at 31st December 2015, this cash portion is \$388,207. As and when needed TWU has the ability to withdraw this cash portion to cover any working capital deficiencies in less than 5 days.

	2015	2014
	\$	\$
<b>NOTE 2: AFFILIATION FEES</b>		
Affiliation Fees - ALP QLD	63,855	47,526
Affiliation Fees - Union Shopper	21,656	21,109
Affiliation Fees - Queensland Community Organising	-	10,000
Affiliation Fees- QCU	54,451	53,129
Affiliation Fees - Other	100	-
	<u>140,062</u>	<u>131,764</u>

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 3: GENERAL EXPENSES**

Meetings and functions	51,750	222,941
Other employee expenses	-	-
Honorarium expenses	24,325	31,178
Other expenses	<u>150,049</u>	<u>76,690</u>
	<u><u>226,124</u></u>	<u><u>330,809</u></u>

**NOTE 4: AUDITOR'S REMUNERATION**

Remuneration of the auditor for:		
Auditing of the financial report	29,000	27,000
Other accounting, compliance and taxation services provided by related practice of auditor	<u>6,966</u>	<u>7,625</u>
	<u><u>35,966</u></u>	<u><u>34,625</u></u>

**NOTE 5: REQUIREMENTS OF SUBSECTION 272(5)**

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

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application;
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit; and
- (3) A reporting unit must comply with an application made under subsection (1).

**NOTE 6: EMPLOYEE BENEFITS**

**a. KEY MANAGEMENT PERSONNEL (OFFICE HOLDER'S) COMPENSATION**

Income paid or payable to key management personnel by the union

	Short-term benefits		Long-term benefits	Post-employment benefits	Total
	Wages & Salaries	Movement in Annual leave	Movement in Long Service Leave	Superannuation	
<b>2015</b>					
Office Holders-KMP	231,150	24,651	47,600	29,130	332,531
Total Office Holder's-KMP compensation	<u>231,150</u>	<u>24,651</u>	<u>47,600</u>	<u>29,130</u>	<u>332,531</u>



**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

No redundancy or other employee expenses were incurred for Office Holders during the year.

	Short-term benefits		Long-term benefits	Post-employment benefits	Total
	Wages & Salaries	Movement in Annual leave	Movement in Long Service Leave	Superannuation	
<b>2014</b>					
Office Holders-KMP	281,839	23,442	-	36,489	341,770
Total Office Holder's-KMP compensation	281,839	23,442	-	36,489	341,770

**b. OTHER EMPLOYEE'S COMPENSATION**

Income paid or payable to all other employees by the union

	Short-term benefits		Long-term benefits	Post-employment benefits	Total
	Wages & Salaries	Movement in Annual leave	Movement in Long Service Leave	Superannuation	
<b>2015</b>					
Other employees	2,269,446	33,308	102,899	285,779	2,691,432
Total other employee's compensation	2,269,446	33,308	102,899	285,779	2,691,432

Included in Wages & Salaries (other employees) is \$42,737 relating to redundancy expenses in 2015. No other employee related expenses were incurred for other employees during the year.

	Short-term benefits		Long-term benefits	Post-employment benefits	Total
	Wages & Salaries	Movement in Annual leave	Movement in Long Service Leave	Superannuation	
<b>2014</b>					
Other employees	2,265,553	17,899	(2,343)	288,472	2,569,581
Total other employee's compensation	2,265,553	17,899	(2,343)	288,472	2,569,581

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>NOTE 7: CASH ASSETS</b>		
Cash on hand	600	600
Cash at Bank	204,642	25,189
Cash held for specific purpose (reserves)	<u>190,518</u>	<u>119,253</u>
	<u><u>395,760</u></u>	<u><u>145,042</u></u>
<b>NOTE 8: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	<u>79,451</u>	<u>194,204</u>
	<u><u>79,451</u></u>	<u><u>194,204</u></u>
<b>NOTE 9: FINANCIAL ASSETS</b>		
<b>NON-CURRENT</b>		
Other investments		
Macquarie Investment Portfolio	8,280,062	4,486,939
Ord Minnett Investment Portfolio	<u>-</u>	<u>4,417,837</u>
	<u><u>8,280,062</u></u>	<u><u>8,904,776</u></u>
<b>NOTE 10: OTHER ASSETS</b>		
<b>CURRENT</b>		
Prepayments	63,254	82,408
Accrued interest receivable	<u>3,185</u>	<u>908</u>
	<u><u>66,439</u></u>	<u><u>83,316</u></u>
<b>NON-CURRENT</b>		
Rental Bond - Cairns Office	<u>1,650</u>	<u>1,650</u>
	<u><u>1,650</u></u>	<u><u>1,650</u></u>
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND AND BUILDINGS</b>		
At independent valuation	2,600,000	2,600,000
Improvements	63,291	63,291
Less accumulated depreciation	<u>(192,201)</u>	<u>(147,369)</u>
Total land and buildings	<u><u>2,471,090</u></u>	<u><u>2,515,922</u></u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>NOTE 11: PROPERTY, PLANT AND EQUIPMENT (Continued)</b>		
<b>PLANT AND EQUIPMENT</b>		
<b>(a) Motor vehicles</b>		
At cost	581,394	639,567
Less accumulated depreciation	<u>(242,645)</u>	<u>(244,595)</u>
	<u>338,749</u>	<u>394,972</u>
<b>(b) Office equipment</b>		
At cost	405,702	393,230
Less accumulated depreciation	<u>(350,476)</u>	<u>(295,955)</u>
	<u>55,226</u>	<u>97,275</u>
<b>(c) Furniture, fixtures and fittings</b>		
At cost	191,232	179,011
Less accumulated depreciation	<u>(98,255)</u>	<u>(83,002)</u>
	<u>92,977</u>	<u>96,009</u>
<b>(d) Software pool</b>		
At cost	453,789	205,024
Less accumulated depreciation	<u>(227,416)</u>	<u>(134,266)</u>
	<u>226,373</u>	<u>70,758</u>
Total plant and equipment	<u>713,325</u>	<u>659,014</u>
Total property, plant and equipment	<u>3,184,415</u>	<u>3,174,936</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	2,515,922	659,014	3,174,936
Additions	-	481,680	481,680
Disposals	-	(97,852)	(97,852)
Depreciation expenses	(44,832)	(329,517)	(374,349)
Carrying amount at the end of the year	<u>2,471,090</u>	<u>713,325</u>	<u>3,184,415</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>NOTE 12: TRADE AND OTHER PAYABLES</b>		
CURRENT		
Unsecured liabilities		
Trade creditors	459,865	690,396
Owner Drivers Fund	643	2,145
Team Fund	-	18,405
Income Protection 1	764	2,106
Income Protection 2	444	2,056
Superannuation Payable	31,376	(1,194)
Accrued expenses	26,000	24,000
Accrued Membership Fees 2016/2015	73,144	68,022
Credit Card	23,259	30,084
Public Liability Insurance	(17)	
Salary Sacrifice	(1,464)	(1,429)
Lunch Club	(270)	808
Suspense	(2,891)	(190)
PAYG Withholdings payable	1	-
GST payable/(receivable)	<u>(32,328)</u>	<u>(37,928)</u>
	<u>578,526</u>	<u>797,281</u>
<b>NOTE 13: OTHER LIABILITIES</b>		
NON-CURRENT		
Rental Bond	<u>4,333</u>	<u>4,333</u>
<b>NOTE 14: PROVISIONS</b>		
CURRENT		
Annual Leave Provision - Office Holders	84,020	59,369
Annual Leave Provision - Other Employees	<u>242,906</u>	<u>209,599</u>
	<u>326,926</u>	<u>268,968</u>
NON-CURRENT		
Long Service Leave Provision - Office Holders	47,600	-
Long Service Leave Provision - Other Employees	<u>121,648</u>	<u>18,749</u>
	<u>169,248</u>	<u>18,749</u>
<b>N.B-</b> No separation, redundancy or other employee provisions were made in the reporting period, as no event (actual or foreseeable) occurred to give rise to such a provision.		
(a) Aggregate employee benefits liability	<u>496,174</u>	<u>287,717</u>
(b) Number of employees at year end	<u>29</u>	<u>29</u>

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
<b>NOTE 15: RESERVES</b>		
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	1,397,215
Add: Movement during the year	<u>-</u>	<u>-</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: FUNERAL FUND & STRIKE FUND**

(a) Funeral Fund		
Opening balance	68,030	32,365
Transfer from prior year liability	-	-
Add: net Funds collected in the year	<u>41,600</u>	<u>35,665</u>
Closing balance	<u>109,630</u>	<u>68,030</u>
(b) Support Fund		
Opening balance	57,896	30,925
Transfer from prior year liability	-	-
Add: Funds collected in the year	<u>30,698</u>	<u>26,971</u>
Closing balance	<u>88,594</u>	<u>57,896</u>
(c) Political Activist Fund		
Opening balance	-	-
Transfer from prior year liability	-	-
Add: Funds collected in the year	<u>529</u>	<u>-</u>
Closing balance	<u>529</u>	<u>-</u>

**NOTE 17: ACCUMULATED SURPLUS**

Retained earnings at the beginning of the financial year	9,891,452	10,799,355
Net profit / (loss) attributable to members of the entity	(558,553)	
Prior year correction	<u>(123)</u>	<u>(907,903)</u>
Retained Earnings at the end of the financial year	<u>9,332,776</u>	<u>9,891,452</u>

**TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 \$	2014 \$
<b>NOTE 18: CASH FLOW INFORMATION</b>		
(a) Reconciliation of cash flow from operations with Net profit attributable to the organisation:		
Profit (Loss)	(558,553)	(907,903)
Non-cash flows in profit		
Depreciation	374,349	366,139
Loss/(gain) on disposal of property, plant & equipment	19,888	(2,036)
Changes in assets and liabilities		
(Increase)/decrease in value of investments	(24,778)	(17,647)
(Increase)/decrease in receivables	114,753	(122,506)
(Increase)/decrease in other assets	16,878	18,768
Increase/(decrease) in payables	(218,759)	215,434
Increase/(decrease) in provisions	<u>208,458</u>	<u>(130,003)</u>
Cash flows from operations	<u>(67,764)</u>	<u>(579,754)</u>

**NOTE 19: FINANCIAL RISK MANAGEMENT**

**Financial Risk Management**

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

- Market Risk
- Credit Risk
- Liquidity Risk

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

**Market risk**

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

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

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

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

**NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)**

*Price risk*

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

**Credit Risk**

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

There are no material amounts of collateral held as security at 31 December 2015.

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.

**Liquidity risk**

The entity manages liquidity risk by monitoring forecast cash flows.

*Contractual maturities*

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

31 December 2015	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	578,526	-	-
Provisions	326,926	-	169,248
Other payables	-	4,333	-

TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 19: FINANCIAL RISK MANAGEMENT (Continued)

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$
<b>31 December 2014</b>			
<b>Non-derivatives</b>			
<i>Non-interest bearing</i>			
Trade payables	797,281	-	-
Provisions	268,968	-	18,749
Other payables	-	4,333	-

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

**Fair value of financial instruments**

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

**Fair value measurements categorised by fair value hierarchy**

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

The different levels are defined below:

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

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

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

**Fair value hierarchy for financial assets**

	Level 1		Level 2		Level 3	
	2015	2014	2015	2014	2015	2014
<b>Financial Assets</b>						
Macquarie Investment Portfolio	8,280,062	4,486,939	-	-	-	-
Ord Minnett Investment Portfolio	-	4,417,837	-	-	-	-
<b>Total</b>	<b>8,280,062</b>	<b>8,904,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



TRANSPORT WORKERS UNION OF AUSTRALIA (QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 19: 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 2015, 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:

	2015	2014
	\$	\$
<b>Change in profit</b>		
– Increase in interest rate by 2%	7,903	2889
– Decrease in interest rate by 2%	(7,903)	(2,889)

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

*Price risk*

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

– Increase in equity prices by 2%	165,601	178,095
– Decrease in equity prices by 2%	(165,601)	(178,095)

NOTE 20: COMMITMENTS

**Lease Commitments Payable**

The Branch has commitments payable related to tenancy agreements:

	2015	2014
	\$	\$
Less than one year	28,969	27,961
Greater than one year but less than five years	<u>57,938</u>	<u>55,921</u>
	<u><u>86,907</u></u>	<u><u>83,882</u></u>

**Equipment Lease Commitments Payable**

The Branch has commitments payable related to lease equipment:

Less than one year	45,384	15,224
Greater than one years but less than five years	<u>181,611</u>	<u>54,099</u>
	<u><u>226,995</u></u>	<u><u>69,323</u></u>

NOTE 21: 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 2015

**NOTE 22: 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 23: RELATED PARTIES**

		2015	2014
		\$	\$
<i>Expenditure incurred in relation to TWU Australia.</i>			
<b>Entity</b>	<b>Purpose</b>		
TWU Australia	Sustentation	819,781	775,327
TWU Australia	Other Federal Expenses	32,803	29,455
 <i>Sales invoices raised in relation to TWU Australia.</i>			
<b>Entity</b>	<b>Purpose</b>		
TWU Australia	Reimbursement	40,658	69,928

**NOTE 24: DONATIONS**

Total amount paid in donations that were less than \$1,000	12,687	19,529
Total amount paid in donations that exceeded \$1,000	<u>49,665</u>	<u>35,012</u>
	<u>62,352</u>	<u>54,541</u>

**NOTE 25: BRANCH DETAILS**

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

**NOTE 26: PARENT ENTITY**

TWU Australia is the Branch's parent entity.



13 January 2016

Mr Peter Biagini  
Branch Secretary  
Transport Workers' Union of Australia-Queensland Branch  
Sent via email: [info@twuqld.asn.au](mailto:info@twuqld.asn.au)

Dear Mr Biagini,

**Re: Lodgement of Financial Report - [FR2015/384]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Transport Workers' Union of Australia-Queensland Branch (the reporting unit) ended on 31 December 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 July 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). A sample statement of loans, grants or donations is available at [sample documents](#).

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you wish to seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at [Sam.Gallichio@fwc.gov.au](mailto:Sam.Gallichio@fwc.gov.au).

Yours sincerely,

Sam Gallichio  
Adviser  
Regulatory Compliance Branch

## TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> <li>the General Purpose Financial Report (which includes the Committee of Management Statement);</li> <li>the Auditor's Report; and</li> <li>the Operating Report.</li> </ul>	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

\* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

# The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.