



19 April 2016

Mr Ray Wyatt
Secretary, South Australian/Northern Territory Branch
Transport Workers' Union of Australia

Sent via email: ray.wyatt@twusant.com.au

Dear Mr Wyatt

Re: Lodgement of financial statements and accounts – Transport Workers' Union of Australia, South Australian/Northern Territory Branch - for year ended 31 December 2015 (FR2015/386)

I refer to the financial report of the South Australian/Northern Territory Branch of the Transport Workers' Union of Australia. The report was lodged with the Fair Work Commission on 6 April 2016.

The documents have been filed. The financial report was filed based on a primary review. This involved confirming whether 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. You are not required to take further action in relation to the report lodged but I make the following comments to assist you when you next prepare a report.

Documents must be lodged with the FWC within 14 days of presentation meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged with the FWC within 14 days of the meeting at which the full report is presented for the purposes of section 266. The Designated Officer's Certificate indicated that this meeting occurred on 21 March 2016.¹ If this is correct the full report should have been lodged with the FWC by 4 April 2016, or alternatively, the Branch should have applied to the General Manager for an extension of time in accordance with section 268 to lodge the full report on the later day.

Please note that if in future financial years the Branch anticipates it will not be able to lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14th day following the relevant meeting.

¹ I note 21 March 2016 was also the date the resolution referred to in the committee of Management statement was passed and the auditor's report and operating report were signed.

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 *Fair Work (Registered Organisations) Act 2009*, 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.

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 (SA/NT) BRANCH

FINANCIAL STATEMENTS

For the Year Ended 31st December 2015

Transport Workers' Union of Australia

SA/NT Branch



21 March 2016

Fair Work Commission
Tribunal Services and Organisations
GPO Box 1994
Melbourne VIC 3001

Via email: orgs@fwc.gov.au

Designated Officer's Certificate [FR2015/386]

s.268 *Fair Work (Registered Organisations) Act 2009*
Certificate for period ended 31 December 2015

I *Raymond John Wyatt* being the *Branch Secretary* of the *Transport Workers' Union of Australia SA/NT Branch* certify:

- that the documents lodged herewith are copies of the full report for the *Transport Workers' Union of Australia SA/NT Branch* for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was presented to a Committee of Management Meeting on 21 March 2016. The *full report* is also available on the internet for download at www.twusant.com.au and is available in hard copy from 25 Chief St Brompton SA 5007; and
- that the full report was presented to a Committee of Management Meeting on 21 March 2016 in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009* and Rule 49 of the Reporting Unit's Rules.

Signature: 
Raymond John Wyatt
Transport Workers' Union of Australia SA/NT Branch Secretary

Dated: 21 March 2016

TWU
Secure the Future

Transport Workers' Union of Australia SA/NT Branch

POST PO Box 137 WELLAND SA 5007

W www.twusant.com.au

T 08 8346 4177
E info@twusant.com.au

F 08 8346 8580

FACEBOOK.COM/TWUSANT

Branch Secretary Ray Wyatt

ABN 31199 452868

T @twusant

Transport Workers' Union of Australia SA/NT Branch
Branch Committee of Management
OPERATING REPORT

For the period ended 31 December 2015

The Branch Committee of Management presents its report on the Reporting Unit for the financial year ended *31 December 2015*.

Principal Activities

The principal activities of the Branch during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Branch and particularly the object of protecting and improving the interest of the members.

The Branches principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Branch.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch during the reporting period.

Right of members to resign

Members may resign from the Branch in accordance with rule 11, which reads as follows;

11. Resignation from membership

- (1) A Member may resign from Membership by notice in writing addressed and delivered to the Branch Secretary of the Branch in which the Member is enrolled.
- (2) A notice of resignation from Membership takes effect;
 - (a) if the Member has ceased to be Eligible:
 - (i) on the day on which the notice is received by the Union;
 - (ii) on the day specified in the notice;

(b) in any other case:

- (i) at the end of 2 weeks after the notice is received by the Branch Secretary;
or
- (ii) on the day specified in the notice;

whichever is later.

- (3) Any Dues payable but not paid by a former Member, in relation to a period before the Member's resignation from the Union took effect, may be sued for and recovered in accordance with rule 81 as a debt due to the Union.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from Membership is valid, even if it is not effected in accordance with this rule, if the Member is informed in writing by the Union that the resignation has been accepted.

Transport Workers' Union of Australia SA/NT Branch

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

The following officers of the Branch held preserved positions in the following entities:

Raymond Wyatt is an alternate director of TWUSUPER.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Registrar of Members of the Branch was 4678.

Number of employees


The number of persons who were, at the end of the reporting period, employees of the Branch was 11.

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the committee of Management of the Branch during the reporting period are;

- Bryan McIntosh (President),
- Michael Vogt (Vice-President)
- Ray Wyatt (Secretary/Treasurer)
- Ian Smith (Assistant Secretary)
- Ian Gonsalves (Branch Trustee)
- Edward Lawrie (Branch Trustee)
- Matthew Spring (Committee Member)
- Peter Brammy (Committee Member)
- Romana Hutchinson (Committee Member)
- Scott Concannon (Committee Member)
- Daniel McNicol (Committee Member)
- Jeremy Czoloszynski (Committee Member)
- Frank Kesak (Committee Member)

Signature of designated officer:



Name and title of designated officer: **Ray Wyatt – TWU SAINT Branch Secretary**

Dated: Tuesday: **21 March 2016**



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS UNION OF AUSTRALIA SA / NT BRANCH**

We have audited the accompanying financial report of Transport Workers Union of Australia SA / NT Branch, which comprises the Statement of Financial Position as at 31 December 2015, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, Notes to the Financial Statements and the Committee of Management's Statement.

Committee of Management Responsibility for the Financial Report

The Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Branch'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 Branch's internal control. 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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Transport Workers Union of Australia SA / NT Branch for the year ended 31 December 2015, including its presentation on the Transport Workers Union web site. The National Committee of Management and the National Secretary of Transport Workers Union of Australia are responsible for the integrity of the Transport Workers Union web site. This audit report refers only to the statements named above for the SA / NT Branch. It does not provide an opinion on any other information that may be hyper linked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial reports to confirm the information included in the audited financial report presented on the web site.





**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS UNION OF AUSTRALIA SA / NT BRANCH (CONT)**

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards.

Audit Declarations

We have concluded that management's use of the going concern basis of accounting in preparation of the financial statements is appropriate.

The auditor is an approved auditor in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Audit Opinion

In our opinion the financial report present fairly, in all material respects, the financial position of Transport Workers Union of Australia SA / NT Branch as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Edwards Marshall
Chartered Accountants

Stephen Camilleri
Partner

Adelaide
South Australia

Dated 2 March 2016

Transport Workers' Union of Australia SA/NT Branch
Branch Committee of Management

COMMITTEE OF MANAGEMENT STATEMENT

For the period ended 31 December 2015

On 21 March 2016 the Branch Committee of Management of the *Transport Workers Union of Australia SA/NT Branch* passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2015:

The Branch Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: 

Name and title of designated officer: **Ray Wyatt – TWU SA/NT Branch Secretary**

Dated: Tuesday: **21 March 2016**

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

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

	Notes	2015 \$	2014 \$
Revenue			
Membership subscriptions		1,903,701	1,960,850
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	37,962	50,992
Rental revenue	3D	49,316	37,372
Other revenue	3E	755,327	289,287
Other Income		<u>2,746,306</u>	<u>2,338,501</u>
Grants and/or donations	3F	-	-
Total other income		-	-
Total income		<u>2,746,306</u>	<u>2,338,501</u>
Expenses			
Employee expenses	4A	1,241,537	1,278,152
Capitation fees	4B	348,711	355,041
Affiliation fees	4C	34,311	32,851
Administration expenses	4D	475,242	504,579
Grants or donations	4E	1,318	29,936
Depreciation and amortisation	4F	66,036	65,476
Legal costs	4G	67,658	158,185
Auditors fees	13	16,310	16,421
Other expenses	4H	-	-
Total expenses		<u>2,251,123</u>	<u>2,440,641</u>
Profit (loss) for the year		<u>495,183</u>	<u>(102,140)</u>
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Gain (loss) on revaluation of other investments		(130,416)	149,575
Total comprehensive income for the year		<u>364,767</u>	<u>47,435</u>

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,632,428	550,728
Trade and other receivables	5B	113,737	117,654
Other current assets	5C	11,388	7,745
Total current assets		<u>1,757,553</u>	<u>676,128</u>
Non-Current Assets			
Land and buildings	6A	1,269,021	1,292,974
Plant and equipment	6B	94,874	123,728
Other investments	6C	3,992,147	4,678,264
Total non-current assets		<u>5,356,042</u>	<u>6,094,966</u>
Total assets		<u>7,113,595</u>	<u>6,771,094</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	121,337	157,846
Other payables	7B	22,678	21,993
Employee provisions	8A	181,122	175,348
Total current liabilities		<u>325,137</u>	<u>261,770</u>
Non-Current Liabilities			
Employee provisions	8A	7,785	-
Total non-current liabilities		<u>7,785</u>	<u>-</u>
Total liabilities		<u>332,922</u>	<u>355,188</u>
Net assets		<u>6,780,673</u>	<u>6,415,906</u>
EQUITY			
Building Revaluation Reserve	9A	562,538	562,538
Financial Asset Reserve	9B	(767,570)	(637,154)
Retained earnings		6,985,705	5,853,368
Total equity		<u>6,780,673</u>	<u>6,415,906</u>

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	Building Revaluation Reserve \$	Financial Asset Reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2014		562,538	-	5,805,933	6,368,471
Adjustment for errors	9B	-	(786,729)	786,729	-
Profit (loss) for the year		-	-	(102,140)	(102,140)
Other comprehensive income for the year		-	149,575	-	149,575
Closing balance as at 31 December 2014		562,538	(637,154)	6,490,522	6,415,906
Profit (loss) for the year		-	-	495,183	495,183
Other comprehensive income for the year		-	(130,416)	-	(130,416)
Closing balance as at 31 December 2015		562,538	(767,570)	6,985,705	6,780,673

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	39,921	149,679
Interest		37,962	50,993
Other		2,673,024	2,043,799
Cash used			
Employees		1,227,979	1,254,940
Suppliers		623,331	697,897
Payment to other reporting units	10B	360,370	331,239
Net cash from (used by) operating activities	10A	<u>539,227</u>	<u>(39,605)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	41,603
Proceeds from realisation of other investments		555,702	287,776
Cash used			
Purchase of plant and equipment		13,229	103,782
Net cash from (used by) investing activities		<u>542,473</u>	<u>225,597</u>
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		<u>1,081,700</u>	<u>185,992</u>
Cash & cash equivalents at the beginning of the reporting period		550,728	364,736
Cash & cash equivalents at the end of the reporting period	5A	<u>1,632,428</u>	<u>550,728</u>

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current payables
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, contingent assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial instruments
Note 15	Fair value measurements
Note 16	Recovery of Wages Activity
Note 17	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Transport Workers' Union of SA/NT Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

- Valuation of land and buildings
- Valuation of other investments – Available for sale financial assets

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Transport Workers' Union of SA/NT Branch.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Receivables are recognised at the nominal amounts due less any impairment allowance made when collectability of the debt is no longer probable. Collectability is reviewed at the end of the year.

Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Transport Workers' Union of SA/NT Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Transport Workers' Union of SA/NT Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Transport Workers' Union of SA/NT Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Transport Workers' Union of SA/NT Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.10 Cash

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

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Available-for-sale

Investments classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the financial asset revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

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

1.15 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Land & buildings	2.50%
Plant and equipment	4% to 33.3%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the [reporting unit] were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.17 Taxation

Transport Workers' Union of SA/NT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.18 Fair value measurement

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

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

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

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

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

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

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

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Transport Worker's Union of Australia SA/NT Branch.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	37,962	50,992
Total interest	<u>37,962</u>	<u>50,992</u>
Note 3D: Rental revenue		
Properties	49,316	37,372
Other	-	-
Total rental revenue	<u>49,316</u>	<u>37,372</u>
Note 3E: Other Revenue		
Other	755,327	289,287
Total other revenue	<u>755,327</u>	<u>289,287</u>
Note 3F: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	309,826	301,190
Superannuation	60,416	58,378
Leave and other entitlements	36,019	17,808
Separation and redundancies	-	-
Other employee expenses	-	-
Employee expenses holders of office	406,261	377,376
Employees other than office holders:		
Wages and salaries	726,751	783,741
Superannuation	103,513	111,631
Leave and other entitlements	5,012	5,404
Separation and redundancies	-	-
Other employee expenses	-	-
Employee expenses employees other than office holders	835,276	900,776
Total employee expenses	1,241,537	1,278,152
Note 4B: Capitation fees		
Transport Workers Union of Australia National Office	348,711	355,041
Total capitation fees	348,711	355,041
Note 4C: Affiliation fees		
Australian Labor Party – SA/NT Branches	34,311	32,851
Total affiliation fees/subscriptions	34,311	32,851

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	1,525	1,562
Compulsory levies:		
- Transport Workers Union of Australia National Office IR Levy	18,836	-
Fees/allowances - meeting and conferences	6,030	8,732
Conference and meeting expenses	48,632	75,525
Property expenses	34,500	42,610
Office expenses	162,744	159,165
Information communications technology	11,985	29,989
Other	190,990	186,996
Total administration expense	475,242	504,579
Note 4E: Grants or donations		
Grants	-	-
Donations		
Total paid that were \$1,000 or less	1,318	1,436
Total paid that exceeded \$1,000	-	28,500
Total grants or donations	1,318	29,936
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	23,953	23,967
Property, plant and equipment	42,083	41,509
Total depreciation	66,036	65,476
Total depreciation and amortisation	66,036	65,476
Note 4G: Legal costs		
Litigation	67,658	158,185
Other legal matters	-	-
Total legal costs	67,658	158,185
Note 4H: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,631,578	549,878
Cash on hand	850	850
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	1,632,428	550,728
 Note 5B: Trade and Other Receivables		
Receivables from other reporting unit		
Transport Workers Union of Australia	101	-
Total receivables from other reporting unit	101	-
 Less provision for doubtful debts		
	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit (net)	101	-
 Other receivables:		
GST receivable from the Australian Taxation Office	5,604	13,503
Other trade receivables	108,032	104,151
Total other receivables	113,636	117,654
Total trade and other receivables (net)	113,737	117,654
 Note 5C: Other Current Assets		
Prepaid Expenses	9,902	7,588
Movie Tickets for resale on hand	1,486	157
Total other current assets	11,388	7,745

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:

fair value	1,494,475	1,494,475
accumulated depreciation	225,454	201,501
Total land and buildings	1,269,021	1,292,974

Reconciliation of the Opening and Closing Balances of Land and Buildings

Net book value 1 January	1,292,974	1,341,179
Additions by purchase	-	-
Depreciation expense	23,953	23,967
Net book value 31 December	1,269,021	1,292,974

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property as at the date of revaluation in 2009. The properties' fair values were based on valuations performed by an accredited independent valuer.

Note 6B: Plant and equipment

Plant and equipment:

at cost	302,647	328,761
accumulated depreciation	207,773	205,033
Total plant and equipment	94,874	123,728

Reconciliation of the Opening and Closing Balances of Plant and Equipment

Net book value 1 January	123,728	103,059
Additions by purchase	13,229	103,781
Depreciation expense	42,083	41,509
Net book value 31 December	94,874	123,728

Note 6C: Other Investments

Deposits	-	1,011,306
Available for sale financial assets – managed funds	3,992,147	3,666,958
Total other investments	3,992,147	4,678,264

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	86,823	157,846
Operating lease rentals	-	-
Subtotal trade creditors	86,823	157,846
Payables to other reporting units		
Transport Worker Union of Australia	34,514	-
Subtotal payables to other reporting units	34,514	-
Total trade payables	121,337	157,846
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	20,259	20,082
Other	2,419	1,911
Total other payables	22,678	21,993
Total other payables are expected to be settled in:		
No more than 12 months	22,678	21,993
More than 12 months	-	-
Total other payables expected to be settled	22,678	21,993

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	38,041	47,502
Long service leave	74,924	77,928
Separations and redundancies	-	-
Other	-	-
<i>Employee provisions—office holders</i>	112,965	125,430
Employees other than office holders:		
Annual leave	44,595	34,429
Long service leave	31,347	15,490
Separations and redundancies	-	-
Other	-	-
<i>Employee provisions—employees other than office holders</i>	75,942	49,919
Total employee provisions	188,907	175,348
Current	181,122	175,348
Non-Current	7,785	-
<i>Total employee provisions</i>	188,907	175,348
Note 9 Equity		
Note 9A: Property Revaluation Reserve		
Balance as at start of year	562,538	562,538
Transferred to reserve	-	-
Transferred out of reserve	-	-
Total property revaluation reserve	562,538	562,538
Note 9B: Financial Asset Revaluation Reserve		
Balance as at start of year	(637,154)	-
Adjustment for errors (i)	-	(786,729)
Transferred to reserve	(130,416)	149,575
Transferred out of reserve	-	-
Total financial asset revaluation reserve	(767,570)	(637,154)

- (i): The financial asset reserve was not recognised in previous financial years on available for sale financial assets and revaluations were taken directly into retained earnings.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	495,183	102,140
Adjustments for non-cash items		
Depreciation/amortisation	66,036	65,476
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	3,917	(23,713)
(Increase)/decrease in prepayments	(3,643)	36,998
Increase/(decrease) in trade payables	(36,509)	30,870
Increase/(decrease) in other payables	684	(70,309)
Increase/(decrease) in employee provisions	13,559	23,212
Net cash from (used by) operating activities	539,228	(39,605)
Note 10B: Cash flow information		
Cash inflows		
- Transport Workers Union of Australia National Office	39,921	149,679
Total cash inflows	39,921	149,679
Cash outflows		
- Transport Workers Union of Australia National Office	360,370	331,239
Total cash outflows	360,370	331,239

Note 11 Contingent Liabilities, Contingent Assets and Commitments

There are no contingent liabilities, contingent assets or commitments as at 31 December 2015.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2015 2014
\$ \$

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Transactions with the Transport Workers Union of Australia National Office are on normal commercial and conditions no more favourable than to other parties.
Expenses incurred from the National Office are disclosed in Notes 4B and 4D.
Cash inflows and outflows with the National Office are disclosed in Note 10 (b).
Balances with Transport Workers Union of Australia National Office are disclosed in Note 5B and Note 7A.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	395,062	383,086
Annual leave accrued	27,185	26,696
Performance bonus	-	-

Total short-term employee benefits	422,247	409,782
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Post-employment benefits:

Superannuation	76,268	73,765
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Total post-employment benefits	-	-
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Other long-term benefits:

Long-service leave accrued	8,834	8,672
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Total other long-term benefits	8,834	8,672
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Termination benefits

Total	507,349	492,219
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There are no other transactions with key management personnel or their close family members.

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	11,700	10,000
Other services	4,610	6,421

Total remuneration of auditors	16,310	16,421
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**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 14 Financial Instruments		
Note 14A: Categories of Financial Instruments		
<i>Financial Assets</i>		
Fair value through profit or loss	-	-
Total	-	-
Held-to-maturity investments		
Short Term Deposits	-	1,011,306
Total	-	1,011,306
Available-for-sale assets		
Other Investments	3,992,147	3,666,958
Total	3,992,147	3,666,958
Loans and receivables:		
Trade and other receivables	113,737	117,654
Total	113,737	117,654
<i>Carrying amount of financial assets</i>	4,105,884	4,795,918
<i>Financial Liabilities</i>		
Fair value through profit or loss	-	-
Total	-	-
Other financial liabilities		
Trade and Other Payables	144,015	179,839
Total	144,015	179,839
<i>Carrying amount of financial liabilities</i>	144,015	179,839

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 14B: Financial Risk Management

Potential financial risks include credit risk, liquidity risk and market risk, which comprises interest rate risk, foreign currency risk and price risk.

Credit risk arises from the potential non-performance by counterparties of contract obligations to pay financial assets when they are due which could result in the Branch incurring a financial loss. The Branch manages credit risk by monitoring exposure to single debtors, groups of debtors and financial institutions holding cash, term deposits and local money market instruments. Only reputable financial institutions are utilised for cash and term deposits.

The Branch does not have any material credit risk exposure to any single debtor or group of debtors. The following table details the trade and other receivables exposed to credit risk with aging analysis. The receivables that remain within the initial trade terms are considered to be of high credit quality. Receivables are considered past due when the debt has not been settled within the trade terms provided to the counterparty. These debtors have been assessed for impairment and are all within initial trade terms.

Liquidity risk arises from the possibility that the Branch might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk by monitoring forecast cash flows and ensuring that adequate short term cash balances are maintained to meet liabilities. All financial liabilities mature within 1 year and all financial assets, other than available for sale financial assets, mature within 1 year and will be available to meet these liabilities.

Interest rate risk arises from a potential change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch does not have any material exposure to interest rate risk as financial assets are short term instruments in nature and the rate is fixed until maturity, and the Branch does not maintain any debt financial liabilities. Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

Foreign currency risk arises when movements in the foreign exchange rates of currencies in which the Branch holds financial instruments may result in the fair value or future cash flows of those instruments fluctuating. The Branch does not have any material exposure to foreign currency risk as it does not transact or hold any financial instruments in foreign currencies.

Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

Price risk arises when changes in market prices of traded investments or commodities, largely due to demand and supply factors, may result in the fair value or future cash flows of those instruments fluctuating. The Branch does not have any material exposure to price risk as it does not have any traded investments or commodities. Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 15 Fair Value Measurement

Cash and cash equivalents, trade and other receivables, and other investments are short term instruments in nature whose carrying amount is equivalent to fair value.

The fair value of loans and receivables are categorised as a level 2 fair value using a discounted cash flow methodology and based on observable interest rates. The carrying amount approximates the fair value.

The fair value of available for sale assets are categorised as a level 2 fair value using a combination of price and other relevant information of the underlying share of investments of the management funds as well as discounted cash flow methodology based on observable interest rates. The carrying amount approximates the fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Note 16 Recovery of Wages Activity

The branch does not undertake recovery of wages activity from which it derives revenue.

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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

Attention: NICK SALZBERG

TWU SA/NT: General Purpose Financial Report

Date: 6 April 2016

Pages: 37 (including this page)

From: Edward Lawrie, Transport Workers Union of Australia, SA/NT Branch

TRANSPORT WORKERS' UNION OF AUSTRALIA (SA/NT) BRANCH

FINANCIAL STATEMENTS

For the Year Ended 31st December 2015



21 March 2016

Fair Work Commission
Tribunal Services and Organisations
GPO Box 1994
Melbourne VIC 3001

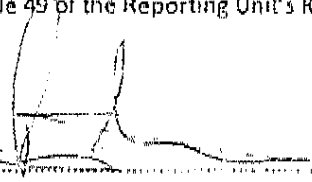
Via email: orgs@fwc.gov.au

Designated Officer's Certificate [FR2015/386]

s.268 Fair Work (Registered Organisations) Act 2009
Certificate for period ended 31 December 2015

I *Raymond John Wyatt* being the *Branch Secretary* of the *Transport Workers' Union of Australia SA/NT Branch* certify:

- that the documents lodged herewith are copies of the full report for the *Transport Workers' Union of Australia SA/NT Branch* for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was presented to a Committee of Management Meeting on *21 March 2016*. The *full report* is also available on the internet for download at www.twusant.com.au and is available in hard copy from 25 Chief St Brompton SA 5007; and
- that the full report was presented to a Committee of Management Meeting on *21 March 2016* in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009* and Rule 49 of the Reporting Unit's Rules.

Signature: 
 Raymond John Wyatt
 Transport Workers' Union of Australia SA/NT Branch Secretary

Dated: 21 March 2016

Transport Workers' Union of Australia SA/NT Branch

Branch Committee of Management

OPERATING REPORT

For the period ended 31 December 2015

The Branch Committee of Management presents its report on the Reporting Unit for the financial year ended *31 December 2015*.

Principal Activities

The principal activities of the Branch during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Branch and particularly the object of protecting and improving the interest of the members.

The Branches principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Branch.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch during the reporting period.

Right of members to resign

Members may resign from the Branch in accordance with rule 11, which reads as follows;

11. Resignation from membership

- (1) A Member may resign from Membership by notice in writing addressed and delivered to the Branch Secretary of the Branch in which the Member is enrolled.
- (2) A notice of resignation from Membership takes effect;
 - (a) if the Member has ceased to be Eligible:
 - (i) on the day on which the notice is received by the Union;
 - (ii) on the day specified in the notice;

(b) in any other case:

- (i) at the end of 2 weeks after the notice is received by the Branch Secretary;
or
- (ii) on the day specified in the notice;

whichever is later.

- (3) Any Dues payable but not paid by a former Member, in relation to a period before the Member's resignation from the Union took effect, may be sued for and recovered in accordance with rule 81 as a debt due to the Union.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from Membership is valid, even if it is not effected in accordance with this rule, if the Member is informed in writing by the Union that the resignation has been accepted.

Transport Workers' Union of Australia SA/NT Branch

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

The following officers of the Branch held preserved positions in the following entities:

Raymond Wyatt is an alternate director of TWUSUPER.

Number of members

The number of persons who, at the end of the reporting period, were recorded on the Registrar of Members of the Branch was 4678.

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Branch was 11.

Names of Committee of Management members and period positions held during the financial year

The persons who held office as members of the committee of Management of the Branch during the reporting period are;

- Bryan McIntosh (President),
- Michael Vogt (Vice-President)
- Ray Wyatt (Secretary/Treasurer)
- Ian Smith (Assistant Secretary)
- Ian Gonsalves (Branch Trustee)
- Edward Lawrie (Branch Trustee)
- Matthew Spring (Committee Member)
- Peter Brammy (Committee Member)
- Romana Hutchinson (Committee Member)
- Scott Concannon (Committee Member)
- Daniel McNicol (Committee Member)
- Jeremy Czoloszynski (Committee Member)
- Frank Kesak (Committee Member)

Signature of designated officer: 

Name and title of designated officer: Ray Wyatt – TWU SA/NT Branch Secretary

Dated: Tuesday: 21 March 2016



Edwards Marshall

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS UNION OF AUSTRALIA SA / NT BRANCH**

We have audited the accompanying financial report of Transport Workers Union of Australia SA / NT Branch, which comprises the Statement of Financial Position as at 31 December 2015, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, Notes to the Financial Statements and the Committee of Management's Statement.

Committee of Management Responsibility for the Financial Report

The Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as they determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Branch'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 Branch's internal control. 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.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Transport Workers Union of Australia SA / NT Branch for the year ended 31 December 2015, including its presentation on the Transport Workers Union web site. The National Committee of Management and the National Secretary of Transport Workers Union of Australia are responsible for the integrity of the Transport Workers Union web site. This audit report refers only to the statements named above for the SA / NT Branch. It does not provide an opinion on any other information that may be hyper linked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial reports to confirm the information included in the audited financial report presented on the web site.





edwards Marshall

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS UNION OF AUSTRALIA SA / NT BRANCH (CONT)**

Independence

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards.

Audit Declarations

We have concluded that management's use of the going concern basis of accounting in preparation of the financial statements is appropriate.

The auditor is an approved auditor in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Audit Opinion

In our opinion the financial report present fairly, in all material respects, the financial position of Transport Workers Union of Australia SA / NT Branch as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Edwards Marshall
Chartered Accountants

Stephen Camilleri
Partner

Adelaide
South Australia

Dated 2016



**Transport Workers' Union of Australia SA/NT Branch
Branch Committee of Management**

COMMITTEE OF MANAGEMENT STATEMENT

For the period ended 31 December 2015

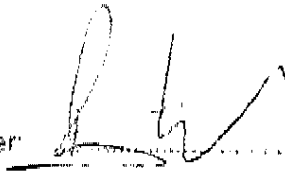
On 21 March 2016 the Branch Committee of Management of the *Transport Workers Union of Australia SA/NT Branch* passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31 December 2015:

The Branch Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'Ray Wyatt', written over a dotted line.

Name and title of designated officer: **Ray Wyatt – TWU SAINT Branch Secretary**

Dated: Tuesday 21 March 2016

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

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

	Notes	2015 \$	2014 \$
Revenue			
Membership subscriptions		1,903,701	1,960,850
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	37,962	50,992
Rental revenue	3D	49,316	37,372
Other revenue	3E	755,327	289,287
Other income		2,746,306	2,338,501
Grants and/or donations	3F	-	-
Total other income		-	-
Total income		2,746,306	2,338,501
Expenses			
Employee expenses	4A	1,241,537	1,278,152
Capitation fees	4B	348,711	355,041
Affiliation fees	4C	34,311	32,851
Administration expenses	4D	475,242	504,579
Grants or donations	4E	1,318	29,938
Depreciation and amortisation	4F	66,036	65,476
Legal costs	4G	67,658	158,185
Auditors fees	13	16,310	16,421
Other expenses	4H	-	-
Total expenses		2,251,123	2,440,641
Profit (loss) for the year		495,183	(102,140)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Gain (loss) on revaluation of other investments		(130,416)	149,575
Total comprehensive income for the year		364,767	47,435

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,632,428	550,728
Trade and other receivables	5B	113,737	117,654
Other current assets	5C	11,388	7,745
Total current assets		1,757,553	676,128
Non-Current Assets			
Land and buildings	6A	1,269,021	1,292,974
Plant and equipment	6B	94,874	123,728
Other investments	6C	3,992,147	4,678,264
Total non-current assets		5,356,042	6,094,966
Total assets		7,113,595	6,771,094
LIABILITIES			
Current Liabilities			
Trade payables	7A	121,337	157,846
Other payables	7B	22,678	21,993
Employee provisions	8A	181,122	175,348
Total current liabilities		325,137	261,770
Non-Current Liabilities			
Employee provisions	8A	7,785	-
Total non-current liabilities		7,785	-
Total liabilities		332,922	355,188
Net assets		6,780,673	6,415,906
EQUITY			
Building Revaluation Reserve	9A	562,538	562,538
Financial Asset Reserve	9B	(767,570)	(637,154)
Retained earnings		6,985,705	5,853,368
Total equity		6,780,673	6,415,906

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	Building Revaluation Reserve \$	Financial Asset Reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2014		562,538	-	5,805,933	6,368,471
Adjustment for errors	9B	-	(786,729)	786,729	-
Profit (loss) for the year		-	-	(102,140)	(102,140)
Other comprehensive income for the year		-	149,575	-	149,575
Closing balance as at 31 December 2014		562,538	(637,154)	6,490,522	6,415,906
Profit (loss) for the year		-	-	495,183	495,183
Other comprehensive income for the year		-	(130,416)	-	(130,416)
Closing balance as at 31 December 2015		562,538	(767,570)	6,985,705	6,780,673

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2015**

	Notes	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	39,921	149,679
Interest		37,962	50,993
Other		2,673,024	2,043,799
Cash used			
Employees		1,227,979	1,254,940
Suppliers		623,331	697,897
Payment to other reporting units	10B	360,370	331,239
Net cash from (used by) operating activities	10A	539,227	(39,605)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	41,603
Proceeds from realisation of other investments		555,702	287,776
Cash used			
Purchase of plant and equipment		13,229	103,782
Net cash from (used by) investing activities		542,473	225,597
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		1,081,700	185,992
Cash & cash equivalents at the beginning of the reporting period		550,728	364,736
Cash & cash equivalents at the end of the reporting period	5A	1,632,428	550,728

The above statement should be read in conjunction with the notes.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current payables
Note 8	Provisions
Note 9	Equity
Note 10	Cash flow
Note 11	Contingent liabilities, contingent assets and commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial instruments
Note 15	Fair value measurements
Note 16	Recovery of Wages Activity
Note 17	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Transport Workers' Union of SA/NT Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

- Valuation of land and buildings
- Valuation of other investments – Available for sale financial assets

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Transport Workers' Union of SA/NT Branch.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates. Receivables are recognised at the nominal amounts due less any impairment allowance made when collectability of the debt is no longer probable. Collectability is reviewed at the end of the year.

Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Transport Workers' Union of SA/NT Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Transport Workers' Union of SA/NT Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Transport Workers' Union of SA/NT Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Transport Workers' Union of SA/NT Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.7 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.9 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

1.10 Cash

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

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Available-for-sale

Investments classified as available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the financial asset revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting unit's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

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

1.15 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Land & buildings	2.50%
Plant and equipment	4% to 33.3%

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.16 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the [reporting unit] were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1.17 Taxation

Transport Workers' Union of SA/NT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.18 Fair value measurement

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

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

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

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

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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

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

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

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

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Transport Worker's Union of Australia SA/NT Branch.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 3 Income		
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	37,962	50,992
Total interest	<u>37,962</u>	<u>50,992</u>
Note 3D: Rental revenue		
Properties	49,316	37,372
Other	-	-
Total rental revenue	<u>49,316</u>	<u>37,372</u>
Note 3E: Other Revenue		
Other	755,327	289,287
Total other revenue	<u>755,327</u>	<u>289,287</u>
Note 3F: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	309,826	301,190
Superannuation	60,416	58,378
Leave and other entitlements	36,019	17,808
Separation and redundancies	-	-
Other employee expenses	-	-
Employee expenses holders of office	406,261	377,376
Employees other than office holders:		
Wages and salaries	726,751	783,741
Superannuation	103,513	111,631
Leave and other entitlements	5,012	5,404
Separation and redundancies	-	-
Other employee expenses	-	-
Employee expenses employees other than office holders	835,276	900,776
Total employee expenses	1,241,537	1,278,152
Note 4B: Capitation fees		
Transport Workers Union of Australia National Office	348,711	355,041
Total capitation fees	348,711	355,041
Note 4C: Affiliation fees		
Australian Labor Party – SA/NT Branches	34,311	32,851
Total affiliation fees/subscriptions	34,311	32,851

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	1,525	1,562
Compulsory levies:		
- Transport Workers Union of Australia National Office IR Levy	18,836	-
Fees/allowances - meeting and conferences	6,030	8,732
Conference and meeting expenses	48,632	75,525
Property expenses	34,500	42,610
Office expenses	162,744	159,165
Information communications technology	11,985	29,989
Other	190,990	186,996
Total administration expense	475,242	504,579
Note 4E: Grants or donations		
Grants	-	-
Donations		
Total paid that were \$1,000 or less	1,318	1,436
Total paid that exceeded \$1,000	-	28,500
Total grants or donations	1,318	29,936
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	23,953	23,967
Property, plant and equipment	42,083	41,509
Total depreciation	66,036	65,476
Total depreciation and amortisation	66,036	65,476
Note 4G: Legal costs		
Litigation	67,658	158,185
Other legal matters	-	-
Total legal costs	67,658	158,185
Note 4H: Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	-	-

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,631,578	549,878
Cash on hand	850	850
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	1,632,428	550,728
Note 5B: Trade and Other Receivables		
Receivables from other reporting unit		
Transport Workers Union of Australia	101	-
Total receivables from other reporting unit	101	-
Less provision for doubtful debts		
	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit (net)	101	-
Other receivables:		
GST receivable from the Australian Taxation Office	5,604	13,503
Other trade receivables	108,032	104,151
Total other receivables	113,636	117,654
Total trade and other receivables (net)	113,737	117,654
Note 5C: Other Current Assets		
Prepaid Expenses	9,902	7,588
Movie Tickets for resale on hand	1,486	157
Total other current assets	11,388	7,745

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$

Note 6 Non-current Assets

Note 6A: Land and buildings

Land and buildings:		
fair value	1,494,475	1,494,475
accumulated depreciation	225,454	201,501
Total land and buildings	1,269,021	1,292,974

Reconciliation of the Opening and Closing Balances of Land and Buildings

Net book value 1 January	1,292,974	1,341,179
Additions by purchase	-	-
Depreciation expense	23,953	23,967
Net book value 31 December	1,269,021	1,292,974

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property as at the date of revaluation in 2009. The properties' fair values were based on valuations performed by an accredited independent valuer.

Note 6B: Plant and equipment

Plant and equipment:		
at cost	302,647	328,761
accumulated depreciation	207,773	205,033
Total plant and equipment	94,874	123,728

Reconciliation of the Opening and Closing Balances of Plant and Equipment

Net book value 1 January	123,728	103,059
Additions by purchase	13,229	103,781
Depreciation expense	42,083	41,509
Net book value 31 December	94,874	123,728

Note 6C: Other Investments

Deposits	-	1,011,306
Available for sale financial assets – managed funds	3,992,147	3,666,958
Total other investments	3,992,147	4,678,264

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	86,823	157,846
Operating lease rentals	-	-
Subtotal trade creditors	86,823	157,846
Payables to other reporting units		
Transport Worker Union of Australia	34,514	-
Subtotal payables to other reporting units	34,514	-
Total trade payables	121,337	157,846
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	20,259	20,082
Other	2,419	1,911
Total other payables	22,678	21,993
Total other payables are expected to be settled in:		
No more than 12 months	22,678	21,993
More than 12 months	-	-
Total other payables expected to be settled	22,678	21,993

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	38,041	47,502
Long service leave	74,924	77,928
Separations and redundancies	-	-
Other	-	-
Employee provisions—office holders	112,965	125,430
Employees other than office holders:		
Annual leave	44,595	34,429
Long service leave	31,347	15,490
Separations and redundancies	-	-
Other	-	-
Employee provisions—employees other than office holders	75,942	49,919
Total employee provisions	188,907	175,348
Current	181,122	175,348
Non-Current	7,785	-
Total employee provisions	188,907	175,348
Note 9 Equity		
Note 9A: Property Revaluation Reserve		
Balance as at start of year	562,538	562,538
Transferred to reserve	-	-
Transferred out of reserve	-	-
Total property revaluation reserve	562,538	562,538
Note 9B: Financial Asset Revaluation Reserve		
Balance as at start of year	(637,154)	-
Adjustment for errors (i)	-	(786,729)
Transferred to reserve	(130,416)	149,575
Transferred out of reserve	-	-
Total financial asset revaluation reserve	(767,570)	(637,154)

(i): The financial asset reserve was not recognised in previous financial years on available for sale financial assets and revaluations were taken directly into retained earnings.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	495,183	102,140
Adjustments for non-cash items		
Depreciation/amortisation	66,036	65,476
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	3,917	(23,713)
(Increase)/decrease in prepayments	(3,643)	36,998
Increase/(decrease) in trade payables	(36,509)	30,870
Increase/(decrease) in other payables	684	(70,309)
Increase/(decrease) in employee provisions	13,559	23,212
Net cash from (used by) operating activities	<u>539,228</u>	<u>(39,605)</u>
Note 10B: Cash flow information		
Cash inflows		
- Transport Workers Union of Australia National Office	39,921	149,679
Total cash inflows	<u>39,921</u>	<u>149,679</u>
Cash outflows		
- Transport Workers Union of Australia National Office	360,370	331,239
Total cash outflows	<u>360,370</u>	<u>331,239</u>

Note 11 Contingent Liabilities, Contingent Assets and Commitments

There are no contingent liabilities, contingent assets or commitments as at 31 December 2015.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2015 2014
\$ \$

Note 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

Transactions with the Transport Workers Union of Australia National Office are on normal commercial and conditions no more favourable than to other parties.
Expenses incurred from the National Office are disclosed in Notes 4B and 4D.
Cash inflows and outflows with the National Office are disclosed in Note 10 (b).
Balances with Transport Workers Union of Australia National Office are disclosed in Note 5B and Note 7A.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	395,062	383,086
Annual leave accrued	27,185	26,696
Performance bonus	-	-
Total short-term employee benefits	422,247	409,782

Post-employment benefits:

Superannuation	76,268	73,765
Total post-employment benefits	-	-

Other long-term benefits:

Long-service leave accrued	8,834	8,672
Total other long-term benefits	8,834	8,672

Termination benefits

Total	507,349	492,219
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There are no other transactions with key management personnel or their close family members.

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	11,700	10,000
Other services	4,610	6,421
Total remuneration of auditors	16,310	16,421

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
Note 14 Financial Instruments		
Note 14A: Categories of Financial Instruments		
<i>Financial Assets</i>		
Fair value through profit or loss	-	-
Total	-	-
Held-to-maturity investments		
Short Term Deposits	-	1,011,306
Total	-	1,011,306
Available-for-sale assets		
Other Investments	3,992,147	3,666,958
Total	3,992,147	3,666,958
Loans and receivables:		
Trade and other receivables	113,737	117,654
Total	113,737	117,654
<i>Carrying amount of financial assets</i>	4,105,884	4,795,918
<i>Financial Liabilities</i>		
Fair value through profit or loss	-	-
Total	-	-
Other financial liabilities		
Trade and Other Payables	144,015	179,839
Total	144,015	179,839
<i>Carrying amount of financial liabilities</i>	144,015	179,839

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 14B: Financial Risk Management

Potential financial risks include credit risk, liquidity risk and market risk, which comprises interest rate risk, foreign currency risk and price risk.

Credit risk arises from the potential non-performance by counterparties of contract obligations to pay financial assets when they are due which could result in the Branch incurring a financial loss. The Branch manages credit risk by monitoring exposure to single debtors, groups of debtors and financial institutions holding cash, term deposits and local money market instruments. Only reputable financial institutions are utilised for cash and term deposits.

The Branch does not have any material credit risk exposure to any single debtor or group of debtors. The following table details the trade and other receivables exposed to credit risk with aging analysis. The receivables that remain within the initial trade terms are considered to be of high credit quality. Receivables are considered past due when the debt has not been settled within the trade terms provided to the counterparty. These debtors have been assessed for impairment and are all within initial trade terms.

Liquidity risk arises from the possibility that the Branch might encounter difficulty settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk by monitoring forecast cash flows and ensuring that adequate short term cash balances are maintained to meet liabilities. All financial liabilities mature within 1 year and all financial assets, other than available for sale financial assets, mature within 1 year and will be available to meet these liabilities.

Interest rate risk arises from a potential change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch does not have any material exposure to interest rate risk as financial assets are short term instruments in nature and the rate is fixed until maturity, and the Branch does not maintain any debt financial liabilities. Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

Foreign currency risk arises when movements in the foreign exchange rates of currencies in which the Branch holds financial instruments may result in the fair value or future cash flows of those instruments fluctuating. The Branch does not have any material exposure to foreign currency risk as it does not transact or hold any financial instruments in foreign currencies.

Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

Price risk arises when changes in market prices of traded investments or commodities, largely due to demand and supply factors, may result in the fair value or future cash flows of those instruments fluctuating. The Branch does not have any material exposure to price risk as it does not have any traded investments or commodities. Due to the Branches low exposure to this risk the sensitivity of fluctuations to this risk is immaterial.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
SA / NT BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

Note 15 Fair Value Measurement

Cash and cash equivalents, trade and other receivables, and other investments are short term instruments in nature whose carrying amount is equivalent to fair value.

The fair value of loans and receivables are categorised as a level 2 fair value using a discounted cash flow methodology and based on observable interest rates. The carrying amount approximates the fair value.

The fair value of available for sale assets are categorised as a level 2 fair value using a combination of price and other relevant information of the underlying share of investments of the management funds as well as discounted cash flow methodology based on observable interest rates. The carrying amount approximates the fair value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

Note 16 Recovery of Wages Activity

The branch does not undertake recovery of wages activity from which it derives revenue.

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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



13 January 2016

Mr Ray Wyatt

Secretary

Transport Workers' Union of Australia-South Australian/Northern Territory Branch

Sent via email: ray.wyatt@twusant.com.au

Dear Mr Wyatt,

**Re: Lodgement of Financial Report - [FR2015/386]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Transport Workers' Union of Australia-South Australian/Northern Territory 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. 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.

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"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<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.