



2 May 2018

Mr Ian Smith
Secretary, South Australian/Northern Territory Branch
Transport Workers' Union of Australia

Dear Mr Smith

Re: – South Australian/Northern Territory Branch, Transport Workers' Union of Australia - financial report for year ending 31 December 2017 (FR2017/349)

I refer to the financial report of the South Australian/Northern Territory Branch of the Transport Workers' Union of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 13 April 2018.

The financial report has now 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 any further action in respect of the report lodged. Please note the report for year ending 31 December 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

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

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stephen Kellett'.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

Transport Workers' Union of Australia

SA/NT Branch

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
S.268 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
CERTIFICATE FOR THE YEAR ENDED 31 DECEMBER 2017**

I Ian Smith 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 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was made available to members of the Branch on 10 April 2018; and
- that the full report was presented to a meeting of the Branch Committee of management of the reporting unit on 10 April 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 10 April 2018

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
BRANCH COMMITTEE OF MANAGEMENT
OPERATING REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

The Branch Committee of Management presents its report on the Reporting Unit for the financial year ended *31 December 2017*.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

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
BRANCH COMMITTEE OF MANAGEMENT
OPERATING REPORT (CONT)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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:

Ian Smith 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 4,280.

Number of employees

The number of persons who were, at the end of the reporting period, employees of the Branch was 9.

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 01.01.17 to 31.12.17),
- Peter Brammy (Vice-President 01.01.17 to 31.12.17)
- Ray Wyatt (Branch Secretary 01.01.17 to 14.02.17)
- Ian Smith (Assistant Branch Secretary 01.01.17 to 14.02.17; Branch Secretary 14.02.17 to 31.12.17)
- Edward Lawrie (Trustee 01.01.17 to 14.02.17; Assistant Branch Secretary 14.02.17 to 31.12.17)
- Kate Fennell, *nee Robertson* (Branch Trustee 01.01.17 to 31.12.17)
- Daniel McNicol (Committee Member 01.01.17 to 13.06.17; Trustee 13.06.17 to 31.12.17)
- Romana Hutchinson (Committee Member 01.01.17 to 31.12.17)
- Frank Kesak (Committee Member 01.01.17 to 31.12.17)
- Matthew Spring (Committee Member 01.01.17 to 31.12.17)
- Scott Concannon (Committee Member 01.01.17 to 31.12.17)
- Jeremy Czoloszynski (Committee Member 01.01.17 to 31.12.17)
- Craig Stanton (Committee Member 13.06.17 to 31.12.17)



**Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 10 April 2018**

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

Opinion

We have audited the financial report of Transport Workers' Union of Australia SA / NT Branch, which comprises the Statement of Financial Position as at 31 December 2017, 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 Branch Committee of Management's Statement.

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 2017 and of its financial performance and its cash flows for the year then ended in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial report of the Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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 2017, 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 report to confirm the information included in the audited financial report presented on the web site.

Branch Committee of Management Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Committee of Management.
- Conclude on the appropriateness of the Branch Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Nexia Edwards Marshall
Chartered Accountants



Stephen Camilleri
Partner

Brompton
South Australia

Dated 10 April 2018

**TRANSPORT WORKERS' UNION OF AUSTRALIA SA/NT BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

On 10 April 2018 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 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (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.



Ian Smith
Branch Secretary
Transport Workers' Union of Australia SA/NT Branch
Dated: 10 April 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
Revenue			
Membership subscriptions		1,839,780	1,839,897
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	19,850	29,866
Rental revenue	3D	38,989	42,550
Other revenue		491,452	416,124
Total Revenue		2,390,071	2,328,437
Other Income			
Grants and/or donations	3E	18,909	-
Net gains from sale of asset	3F	8,675	-
Total other income		27,584	-
Total income		2,417,655	2,328,437
Expenses			
Employee expenses	4A	1,265,155	1,061,406
Capitation fees	4B	339,416	333,690
Affiliation fees	4C	24,055	26,174
Administration expenses	4D	594,745	476,364
Grants or donations	4E	2,320	42,657
Depreciation and amortisation	4F	39,128	56,210
Legal costs	4G	3,655	27,598
Auditors fees	13	13,930	13,600
Other expenses	4H	-	-
Total expenses		2,282,404	2,037,699
Surplus (deficit) for the year		135,251	290,738
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss:			
Gain (loss) on revaluation of other available for sale Investments		242,893	(47,730)
Items that will not be subsequently reclassified to profit or loss:			
Gain (loss) on revaluation of land and buildings		-	170,014
Total comprehensive income for the year		378,144	413,022

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 2017**

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,615,839	1,823,434
Trade and other receivables	5B	77,714	62,550
Other current assets	5C	13,093	14,312
Total current assets		<u>1,706,646</u>	<u>1,900,296</u>
Non-Current Assets			
Land and buildings	6A	1,430,321	1,414,169
Plant and equipment	6B	90,116	69,855
Intangibles	6C	26,222	-
Other investments	6D	4,679,655	4,198,109
Total non-current assets		<u>6,226,314</u>	<u>5,682,133</u>
Total assets		<u>7,932,960</u>	<u>7,582,429</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	174,238	107,917
Other payables	7B	54,829	67,098
Employee provisions	8A	106,106	193,761
Total current liabilities		<u>335,173</u>	<u>368,776</u>
Non-Current Liabilities			
Employee provisions	8A	25,948	19,958
Total non-current liabilities		<u>25,948</u>	<u>19,958</u>
Total liabilities		<u>361,121</u>	<u>388,734</u>
Net assets		<u>7,571,839</u>	<u>7,193,695</u>
EQUITY			
Building Revaluation Reserve	9A	732,552	732,552
Financial Asset Reserve	9B	(572,407)	(815,300)
Retained earnings		7,411,694	7,276,443
Total equity		<u>7,571,839</u>	<u>7,193,695</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 2017**

	Notes	Building Revaluation Reserve \$	Financial Asset Reserve \$	Retained Earnings \$	Total Equity \$
Balance as at 1 January 2016		562,538	(767,570)	6,985,705	6,780,673
Surplus (deficit) for the year		-	-	290,738	290,738
Other comprehensive income for the year		170,014	(47,730)	-	122,284
Balance as at 31 December 2016		732,552	(815,300)	7,276,443	7,193,695
Surplus (deficit) for the year		-	-	135,251	135,251
Other comprehensive income for the year		-	242,893	-	242,893
Balance as at 31 December 2017		732,552	(572,407)	7,411,694	7,571,839

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 2017**

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	12,946	44,880
Interest		19,850	29,866
Other		2,273,158	2,349,299
Cash used			
Employees		1,350,712	1,036,594
Suppliers		610,293	602,737
Payment to other reporting units	10B	308,665	333,690
Net cash from (used by) operating activities	10A	36,284	451,024
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		8,675	-
Proceeds from realisation of other investments		1,024,216	574,070
Cash used			
Purchase of plant and equipment		73,446	6,326
Purchase of software		28,317	-
Purchase of other investments		1,175,007	827,762
Net cash from (used by) investing activities		(243,879)	(260,018)
FINANCING ACTIVITIES			
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(207,595)	191,006
Cash & cash equivalents at the beginning of the reporting period		1,823,434	1,632,428
Cash & cash equivalents at the end of the reporting period	5A	1,615,839	1,823,434

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 2017

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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 2017

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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Transport Workers' Union of Australia 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:

The freehold land and buildings were independently valued in August 2016 by Herron Todd White and Valuations SA. The valuations were based on an assessment of the properties current market value using the capitalisation of net income approach. The critical assumptions adopted in determining the valuation included the location of the land and buildings, the demand for land and buildings in the area and recent sales data for similar properties. The valuations resulted in a revaluation increment of \$170,014 being recognised for the year ended 31 December 2016. At 31 December 2017, the Committee of Management reviewed the key assumptions made by the valuers in August 2016. They have concluded that these assumptions remain materially unchanged, and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 31 December 2017.

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.

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

Future Australian Accounting Standards Requirements

The Branch's assessment of the new and amended pronouncements that are relevant to the Branch but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting. The key changes that may affect the Branch on initial application include certain simplifications to the classification of financial assets and upfront accounting for expected credit loss. AASB 9 is not expected to have a material impact on the Branch.

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although it is anticipated that the adoption of AASB 15 may have an impact on the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations.

AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The new Standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective.

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. Although it is anticipated that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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.

Government grants are recognised when the Branch will comply with the condition attached to the grant and the grant will be received. The Branch did not receive any government grants.

1.6 Gains

Sale of assets

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

1.7 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 2017

1.8 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.

1.9 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.

1.10 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 2017

1.11 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 2017

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and 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 2017

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 2017

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.

1.12 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 2017

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.

1.13 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.

1.14 Land, Buildings, Plant and Equipment

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 2017

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.

1.15 Intangibles

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

	2017	2016
Intangibles	3 years	-

Derecognition

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

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.

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

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.

1.17 Taxation

The 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

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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

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

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

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.

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 Branch 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 Branch 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.

1.19 Going concern

The Branch is not reliant on agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

	2017	2016
	\$	\$
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	19,850	29,866
Total interest	<u>19,850</u>	<u>29,866</u>
Note 3D: Rental revenue		
Properties	38,989	42,550
Other	-	-
Total rental revenue	<u>38,989</u>	<u>42,550</u>
Note 3E: Grants or donations		
Grants	18,909	-
Donations	-	-
Total grants or donations	<u>18,909</u>	<u>-</u>
Note 3F: Net gains from sale of assets		
Motor Vehicles	8,675	-
Total net gains from sale of assets	<u>8,675</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 2017**

	2017	2016
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	417,194	317,532
Superannuation	60,797	61,919
Leave and other entitlements	29,899	21,771
Separation and redundancies	169,739	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>677,629</u>	<u>401,222</u>
Employees other than office holders:		
Wages and salaries	413,260	560,174
Superannuation	64,196	71,938
Leave and other entitlements	52,471	28,072
Separation and redundancies	57,599	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>587,526</u>	<u>660,184</u>
Total employee expenses	<u>1,265,155</u>	<u>1,061,406</u>
Note 4B: Capitation fees		
Transport Workers Union of Australia National Office	339,416	333,690
Total capitation fees	<u>339,416</u>	<u>333,690</u>
Note 4C: Affiliation fees		
Australian Labor Party – SA/NT Branches	24,055	26,174
Total affiliation fees/subscriptions	<u>24,055</u>	<u>26,174</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

	2017	2016
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	2,022	1,388
Compulsory levies:		
- Transport Workers Union of Australia National Office IR Levy	7,605	7,828
Fees/allowances - meeting and conferences	15,153	9,953
Conference and meeting expenses	31,591	30,383
Contractors/consultants	17,302	-
Property expenses	33,925	31,053
Office expenses	229,703	153,733
Information communications technology	40,131	25,389
Other	217,313	216,637
Total administration expense	594,745	476,364
Note 4E: Grants or donations		
Grants	-	-
Donations		
Total paid that were \$1,000 or less	2,320	2,757
Total paid that exceeded \$1,000	-	39,900
Total grants or donations	2,320	42,657
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	2,381	24,866
Property, plant and equipment	34,652	31,344
Total depreciation	37,033	56,210
Amortisation		
Intangibles	2,095	-
Total amortisation	2,095	-
Total depreciation and amortisation	39,128	56,210
Note 4G: Legal costs		
Litigation	3,655	27,598
Other legal matters	-	-
Total legal costs	3,655	27,598
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 2017**

	2017	2016
	\$	\$
Note 5 Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	1,615,289	1,822,884
Cash on hand	550	550
Total cash and cash equivalents	<u>1,615,839</u>	<u>1,823,434</u>
Note 5B: Trade and Other Receivables		
Receivables from other reporting units	-	-
Total receivables from other reporting units	<u>-</u>	<u>-</u>
Less provision for doubtful debts	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting units (net)	<u>-</u>	<u>-</u>
Other receivables:		
GST receivable	5,534	4,047
Other trade receivables	72,180	58,503
Total other receivables	<u>77,714</u>	<u>62,550</u>
Total trade and other receivables (net)	<u>77,714</u>	<u>62,550</u>
Note 5C: Other Current Assets		
Prepaid Expenses	13,093	12,826
Movie Tickets for resale on hand	-	1,486
Total other current assets	<u>13,093</u>	<u>14,312</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH

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

	2017	2016
	\$	\$
Note 6 Non-current Assets		
Note 6A: Land and buildings		
Land and buildings:		
fair value	1,433,534	1,415,000
accumulated depreciation	3,213	831
Total land and buildings	1,430,321	1,414,169

Reconciliation of the Opening and Closing Balances of Land and Buildings

Net book value 1 January	1,414,169	1,269,021
Additions by purchase	18,533	-
Revaluation	-	170,014
Depreciation expense	2,381	24,866
Net book value 31 December	1,430,321	1,414,169

The fair value of land and buildings is categorised as a level 2 fair value. The land and buildings held by the Branch were valued by independent valuers in August 2016. The valuations were based on an assessment of the properties current market values using the capitalisation of net income approach. The valuations resulted in a revaluation increment of \$170,014 being recognised in the Building Revaluation Reserve in equity for the year ended 31 December 2016.

Note 6B: Plant and equipment

Plant and equipment:		
at cost	320,168	308,972
accumulated depreciation	230,052	239,117
Total plant and equipment	90,116	69,855

Reconciliation of the Opening and Closing Balances of Plant and Equipment

Net book value 1 January	69,855	94,874
Additions by purchase	54,913	6,325
Depreciation expense	34,652	31,344
Net book value 31 December	90,116	69,855

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

	2017	2016
	\$	\$
Note 6C: Intangibles		
Computer software at cost:		
Purchased	28,317	-
accumulated amortisation	(2,095)	-
Total intangibles	<u>26,222</u>	<u>-</u>
Reconciliation of Opening and Closing Balances of Intangibles		
Net book value 1 July	-	-
Additions:		
By purchase	28,317	-
Amortisation	(2,095)	-
Net book value 30 June 2017	26,222	-
Note 6D: Other Investments		
Deposits	-	-
Available for sale financial assets – managed funds	4,679,655	4,198,109
Total other investments	<u>4,679,655</u>	<u>4,198,109</u>
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	108,612	74,864
Subtotal trade creditors	<u>108,612</u>	<u>74,864</u>
Payables to other reporting units		
Transport Worker Union of Australia	30,488	33,053
Transport Worker Union of Australia Queensland Branch	35,138	-
Subtotal payables to other reporting units	<u>65,626</u>	<u>33,053</u>
Total trade payables	<u>174,238</u>	<u>107,917</u>
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	51,243	64,089
Other	3,586	3,009
Total other payables	<u>54,829</u>	<u>67,098</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA SA / NT BRANCH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Note 7B: Other payables (Cont)		
No more than 12 months	54,829	67,098
More than 12 months	-	-
Total other payables expected to be settled	54,829	67,098

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:

Annual leave	23,305	43,663
Long service leave	47,571	85,339
Separations and redundancies	-	-
Other	-	-

<i>Employee provisions—office holders</i>	70,876	129,002
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Employees other than office holders:

Annual leave	35,230	39,383
Long service leave	25,948	45,334
Separations and redundancies	-	-
Other	-	-

<i>Employee provisions—employees other than office holders</i>	61,178	84,717
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Total employee provisions	132,054	213,719
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Current	106,106	193,761
Non-Current	25,948	19,958
Total employee provisions	132,054	213,719

Note 9 Equity

Note 9A: Property Revaluation Reserve

Balance as at start of year	732,552	562,538
Transferred to reserve	-	170,014
Transferred out of reserve	-	-
Total property revaluation reserve	732,552	732,552

Note 9B: Financial Asset Revaluation Reserve

Balance as at start of year	(815,300)	(767,570)
Transferred to reserve	242,893	(47,730)
Transferred out of reserve	-	-
Total financial asset revaluation reserve	(572,407)	(815,300)

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

	2017	2016
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	135,251	290,738
Cash flows excluded from profit attributable to operating activities		
Realised gains/(losses) on investments	(87,861)	-
Proceeds from disposal of assets	(8,675)	-
Adjustments for non-cash items		
Depreciation/amortisation	39,128	56,210
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(15,164)	51,187
(Increase)/decrease in prepayments	1,219	(2,924)
Increase/(decrease) in trade payables	66,320	(13,420)
Increase/(decrease) in other payables	(12,269)	44,421
Increase/(decrease) in employee provisions	(81,665)	24,812
Net cash from (used by) operating activities	<u>36,284</u>	<u>451,024</u>
Note 10B: Cash flow information		
Cash inflows		
- Transport Workers Union of Australia National Office	12,946	44,880
Total cash inflows	<u>12,946</u>	<u>44,880</u>
Cash outflows		
- Transport Workers Union of Australia National Office	308,665	333,690
Total cash outflows	<u>308,665</u>	<u>333,690</u>

Note 11 Contingent Liabilities, Contingent Assets and Commitments

There are no contingent liabilities, contingent assets or commitments as at 31 December 2017.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2017	2016
	\$	\$

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 10B.
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)	473,545	339,303
Annual leave accrued	22,565	21,770
Performance bonus	-	-
Total short-term employee benefits	<u>496,110</u>	<u>361,073</u>

Post-employment benefits:

Superannuation	64,350	61,919
Total post-employment benefits	<u>64,350</u>	<u>61,919</u>

Other long-term benefits:

Long-service leave accrued	7,334	7,075
Total other long-term benefits	<u>7,334</u>	<u>7,075</u>

Termination benefits	227,339	-
Total	<u>795,133</u>	<u>430,067</u>

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	12,400	12,100
Other services	1,530	1,500
Total remuneration of auditors	<u>13,930</u>	<u>13,600</u>

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

	2017	2016
	\$	\$
Note 14 Financial Instruments		
Note 14A: Categories of Financial Instruments		
<i>Financial Assets</i>		
Available-for-sale assets		
Other Investments	4,679,655	4,198,109
Total	<u>4,679,655</u>	<u>4,198,109</u>
Loans and receivables:		
Trade and other receivables	77,714	62,550
Total	<u>77,714</u>	<u>62,550</u>
<i>Carrying amount of financial assets</i>	<u>4,757,369</u>	<u>4,260,659</u>
<i>Financial Liabilities</i>		
Other financial liabilities		
Trade and Other Payables	229,067	175,016
Total	<u>229,067</u>	<u>175,016</u>
<i>Carrying amount of financial liabilities</i>	<u>229,067</u>	<u>175,016</u>

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

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.

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

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.

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).