



FAIR WORK
AUSTRALIA

6 July 2011

Mr Wayne Mader
Branch Secretary
Transport Workers' Union of Australia
Victorian/Tasmanian Branch
PO Box 203
PORT MELBOURNE VIC 3207
By email: info@twu.asn.au

Copy: Ms Wendy Wang

Dear Mr Mader

**Financial report for year ended 31 December 2010 – FR2010/2862
Fair Work (Registered Organisations) Act 2009 – (RO Act)**

I acknowledge receipt of the financial report for year ended 31 December 2010 for the Victorian/Tasmanian Branch of the Transport Workers' Union of Australia. The financial report was lodged with Fair Work Australia (FWA) on 20 June 2011. I also note identical copies of the financial report were lodged with our office on 4 and 5 July. The copy lodged on 5 July also contained a s237 statement of loans grants and donations.

The s237 statement has been placed on a file that is not available to the general public but may be inspected during office hours by a member of your organisation in accordance with s237(4) RO Act.

The financial report has been filed.

Although the report has been filed please note the following comments and promptly make the necessary changes to your financial reporting templates to ensure the following requirements are implemented in future financial reports. Please note many of these issues were raised in our correspondence to you dated 9 July 2010 regarding an earlier financial report (see attached). Failure to make the necessary changes in future financial reports may result in FWA requiring the financial report to be prepared again and certain financial reporting procedures to be repeated.

1. Operating Report - Officers and Members who are Trustees of Superannuation Entity

Section 254(2)(d) RO Act requires the operating report to provide details of any officer or member of the reporting unit who are a trustee or a director of a company that is a trustee of a superannuation entity where the criterion of being a trustee is the officer or member is a member of the TWU. If there are no officers or members that hold such a position this should be indicated in the report.

At present the report only appears to consider whether you, as Branch Secretary, is a trustee of the TWU Superannuation Fund. It is necessary to take into account whether any officer or members of the reporting unit is a trustee a superannuation entity. This matter was mentioned in response to last financial year's operating report.

2. General Purpose Financial Report (GPFR) - Statement of Changes in Equity

Subsection 253(2) provides that the GPFR comprises of a:

- profit and loss statement;
- balance sheet;
- statement of cash flows;
- notes to the financial statements;
- any reports/statements required by the Reporting Guidelines; and
- any other statements required by the Australian Accounting Standards.

AASB 101(10) requires a statement of changes in equity to form part of the complete set of financial statements. Therefore, the reporting unit must provide a statement of changes in equity in their GPFR. This was brought to your attention last year.

3. Auditor's Report

Subsection 257(5) RO Act requires the auditor to state whether in his opinion the GPFR is presented fairly in accordance with the Australian Accounting Standards and any other requirements imposed by Part 3, Chapter 8 of the RO Act.

The lodged auditor's report dated 3 March 2011 stated that the financial report "*is in accordance with section 253 of the Fair Work (Registered Organisations) Act 2009, ... giving a true and fair view of the financial position of the Branch... and complying with Australian Accounting Standards to the extent detailed in Note 1...*"

Although the auditor has expressed his opinion adopting a well recognised auditing term of "true and fair view", it is required under the RO Act that the auditor's opinion use the term "presents fairly". The opinion must also state whether the financial report presents fairly in accordance with Part 3, Chapter 8 of the RO Act not just s253 of the RO Act.

Additionally, the scope of the audit should include the committee of management statement because the committee of management statement forms part of the GPFR as defined by s253(2) (see above in point 2). A committee of management statement is a statement required under the Reporting Guidelines.

It is advisable that this letter is forwarded to your auditor to ensure the above requirements are complied with in future.

4. Committee of Management Statement

(a) The committee of management statement was executed on 3 March 2011 which pre-dates the date the resolution was passed on 10 March 2011. It appears this may have been an inadvertent mistake. Please ensure the dates are correct in future and if this was not a mistake please do not execute documents attesting to resolutions or events that are to occur in the future.

(b) Reference to the "Industrial Registrar" in paragraph (b) should be the "General Manager" since the *Fair Work (Registered Organisations) Act 2009* has come into operation.

(c) Items 16 – 23, 25(f) and 27(b) of the Reporting Guidelines govern the financial reporting obligations in relation to the recovery of wages. If no recovery of wages activity has taken place a statement to that effect should appear in the committee of management statement or the auditor's report. This makes it clear that the reporting unit is aware of such a reporting obligation and no recovery of wages activity took place in the financial year.

5. Designated Officer's Certificate

The certificate should not certify events that will occur in the future. The lodged certificate was executed on 3 March 2011 but certifies that the full report will be provided to members on 15 April. The certificate should only certify events that have already occurred.

6. Timeline of Events

The RO Act sets out timeline for events. Please note the s237 statement of loans, grants and donations must be lodged within 90 days from the end of the financial year, namely by 31 March of each year. Section 268 requires the full report and the designated officer's certificate to be lodged with FWA within 14 days after the presentation of the full report to the s266 committee of management meeting.

The reporting unit will need to synchronise the s266 meeting, providing copies of the full report to members and lodging the full report and designated officer's certificate to meet the RO Act timelines. A timeline of the financial reporting obligations is attached for your information.

If you have any queries please do not hesitate to contact me on (03) 8661 7989 or by email at cynthia.lobooth@fwa.gov.au

Yours sincerely



Cynthia Lo-Booth
Tribunal Services and Organisations

Enc.



TRANSPORT WORKERS UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH

ABN 47 634 608 538

52-56 Rouse Street, Port Melbourne
P.O. Box 203, Port Melbourne, Vic. 3207
Tel: 1300 727 614 Fax: (03) 9646 1792
Email: info@twu.asn.au
Website: www.twu.asn.au

President: David White
Vice President: Allan Taylor
Branch Secretary: Wayne Mader
Branch Assistant Secretary: John Berger
Trustees: Anna Gileno, Chris Fennel

FR2010/2862.

16 June 2011

Fair Work Australia
GPO Box 1994
Melbourne Vic 3001



Dear Sir/Madam,

Ref: Annual Report 2010

In accordance with the Fair Work (Registered Organisations) Act 2009 the Transport Workers Union of Australia (Vic/Tas Branch) hereby submits the Certificate of Secretary and 2010 Annual Report documents which were presented to a meeting of the Committee of Management on 3 March 2011 and 7 June 2011 and distributed to members in the TWU Journal on 15 April 2011.

If you have any queries regarding this matter, please call Wendy Wang on 1300 727 614.

Yours sincerely,

Wayne Mader
Branch Secretary

Enc.

100 Years of Australian Transport Unionism



ISO 9001
FS 521039

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH
A.B.N. 47 634 608 538**

CERTIFICATE OF SECRETARY

I, Wayne Mader, being the Secretary of the Transport Workers' Union of Australia, Victorian Tasmanian Branch, certify:

- (i) that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- (ii) that the full report was provided to members on 15 April 2011; and
- (iii) that the full report was presented to a meeting of the committee of management of the reporting unit on 3 March 2011 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.


Wayne Mader

3 March 2011

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH
A.B.N. 47 634 608 538**

COMMITTEE OF MANAGEMENT STATEMENT

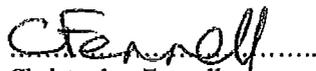
On 10 March 2011 the Committee of Management of the Transport Workers' Union of Australia, Victorian Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2010:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (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; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organization including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organization including the rules of the branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - iv. where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each the other reporting units of the organization; and
 - v. no applications by members have been made under section 272 of the Fair Work (Registered Organisations) Act 2009 during the period; and
 - vi. no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.

For the Committee of Management:


.....
Anna Gileno


.....
Christopher Fennell

3 March 2011

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH
A.B.N. 47 634 608 538**

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

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**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH
A.B.N. 47 634 608 538**

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

Review of Principle Activities

The Union's principal activities are representing its members on industrial and safety issues, and training and supporting Delegates and Occupational Health and Safety Representatives in their duties. There have been no significant changes in the nature of these activities during the year.

Review of Financial Affairs

The surplus for the full year was \$47,197 (2009: \$179,555 deficit). The following is noted:

Membership;

- A total of 496 persons joined the Union during 2010.
- A total of 2414 persons resigned from the Union during 2010.
- Membership decreased by 1918 persons. Income from members increased by 1.5% (2009: Decrease 1.5%) or \$94,097 (2009: Decrease \$89,432).

Non membership-fee income decreased during the year. It is expected that 2011 will see the Union continue to withdraw from this area in line with the strategic direction of building and developing training courses, and Healthbreak screening that assist on growing the membership of the Union.

Income from Grants amounted to \$381,791 (2009: \$546,416).

- Income from conducting Training Courses amounted to \$181,279 (2009: \$180,279).

As at 31 December 2010, the kerbside valuation of Land & Buildings is \$5,000,000 (2009: \$5,000,000) in line with last year, and \$1,456,190 over the value reflected in these Financial Statements.

The following events need to be recognized in the preparation of the Financials Statements;

- There have been no significant changes in the Union's financial affairs during the year.

Members Right to Resign

Members are able to resign in writing at any time. Unless a date is specified, the resignation takes effect on receipt of the resignation if the member has ceased to be eligible for membership, or after two weeks for any other reason. The Union may sue former members for unpaid dues.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH
A.B.N. 47 634 608 538**

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010**

Trusteeships of Superannuation Entities

The Branch Secretary, Wayne Mader is not a director of any trustee companies associated with the TWU Superannuation Fund.

Prescribed Information

18,094 persons (2009: 20,012) were recorded in the register of members at 31 December 2010.

34 full-time equivalent persons (2009: 42) were employed at 31 December 2010.

Branch Committee of Management Members:	Period Position Held:
Anna Gileno	All of 2010
Bob Rule	All of 2010
David White	All of 2010
Howard Smith	All of 2010
John Rowe	All of 2010
John Saggars	All of 2010
Kevin Hoey	All of 2010
Allan Taylor	All of 2010
Manny Spiteri	All of 2010
Michael Wirrick	All of 2010
Michael Nealer	All of 2010
Wayne Mader	All of 2010
Jim Hughes	All of 2010
Tony Bozzi	All of 2010
Carmine D'Amico	All of 2010
John Berger	All of 2010
Chris Fennell	All of 2010

For the Committee of Management:


Wayne Mader

3 March 2011

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash on Hand		2,000	1,566
Cash at Bank		383,411	737,215
Accrued Interest		13,758	16,486
Sundry Debtors	2	369,909	178,813
Prepayments		28,138	42,512
Investments	3	50,435	200,096
Total Current Assets		847,651	1,176,688
NON CURRENT ASSETS			
Property, Plant & Equipment	4,7	3,742,386	3,788,162
Investments	3	1,000,000	1,000,000
Total Non Current Assets		4,742,386	4,788,162
TOTAL ASSETS		5,590,037	5,964,850
CURRENT LIABILITIES			
Sundry Creditors	5	533,491	734,599
Income in Advance		54,470	50,232
Employee Entitlements	6	762,516	958,710
Total Current Liabilities		1,350,477	1,743,541
NON-CURRENT LIABILITIES			
Employee Entitlements	6	106,276	135,222
Total Non Current Liabilities		106,276	135,222
TOTAL LIABILITIES		1,456,753	1,878,763
NET ASSETS		4,133,284	4,086,087
MEMBERS FUNDS			
Members funds at beginning of year		4,086,087	4,265,642
Movement for year		47,197	(179,555)
Members funds at end of year		4,133,284	4,086,087

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
INCOME			
Contributions and Entrance Fees		6,169,981	6,075,884
Occupational Health & Safety Course Fees		44,236	69,610
Red Card Training Fees		1,213	2,093
Transport Safety Seminar Fees		86,743	109,577
OHS Representative Grant		75,440	48,060
Safety in Shorthaul Freight Grant		296,580	197,720
Workplace Participation Portland Grant		-	100,000
SleepApnoea Testing Grant		(60,000)	110,000
Mentoring Older Workers Grant		2,750	23,375
Healthscreening Diabetics Grant		71,186	50,595
Workplace Participation Flemington Grant		(4,165)	16,665
TWU Superannuation Training Officer		80,702	72,498
Federal Office Rental Income		44,000	46,191
Federal Office Payroll Reimbursement		317,127	376,145
Sundry Income		98,488	122,392
Investment Income - Interest		91,660	82,105
Total Income		<u>7,315,941</u>	<u>7,502,908</u>
EXPENDITURE			
Accountancy Fees		9,157	10,125
Administration Costs & Rent (Country Offices)		3,122	3,082
Affiliation & Levies		126,721	126,869
Auditor's Remuneration		7,400	15,040
Bank Charges		22,250	21,574
Certificates & Awards		1,403	4,883
Clothing & Uniforms		1,528	1,352
Conference & Meeting Expenses		18,265	15,134
Cleaning		42,974	49,286
Computer Costs		106,542	72,664
Delegates Commission		102,108	133,929
Delegate Meeting Expenses		16,332	18,813
Donations		27,827	15,518
Federal Office Training Fund		8,705	9,129
Federal Council Levies		616,844	609,766
Federal Council Expenses		20,519	30,376
Fringe Benefits Tax		11,089	38,247
Insurance		15,936	15,548
Lease & Hire of Equipment		19,605	19,075

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**STATEMENT OF INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
Legal Expenses - Industrial Matters		124,815	46,062
Light, Power & Water		35,160	35,489
Loss on Sale of Non-current Assets		-	-
Marketing		67,599	86,560
Mortuary Benefits		21,000	18,000
Motor Vehicle Expenses		74,251	103,349
Postage		114,999	107,600
Printing & Stationery		87,719	110,022
Publications, Awards & Subscriptions		4,059	7,543
Rates & Taxes		25,665	20,349
Repairs & Maintenance		34,294	27,358
Schoolbook Scholarship		6,525	6,675
Salaries - Elected Officials	8	1,326,364	1,304,944
Salaries - Other Employees	8	1,961,470	2,068,509
Annual Leave - Elected Officials		62,561	124,487
Annual Leave - Other Employees		267,704	191,247
Long Service Leave Expense - Elected Officials		83,651	91,006
Long Service Leave Expense - Other Employees		51,261	40,548
Superannuation - Elected Officials	8	222,353	272,708
Superannuation - Other Employees	8	405,047	416,391
Car Allowance - Elected Officials		145,505	176,566
Car Allowance - Other Employees		185,380	195,782
Payroll Tax		177,444	204,332
WorkCover		41,351	46,990
Security Costs		8,086	7,380
Staff Amenities		17,642	17,647
Occupational Health & Safety Expense		20,428	21,697
Transport Safety Seminar Expenses		50,902	56,426
Workplace Participation Portland Expense		-	48,068
SleepApnoea Testing Expense		(42,000)	42,000
Mentoring Older Workers Expense		-	6,000
Healthscreening Diabetics Expense		-	23,635
Safety in Shorthaul Freight Expense		10,460	108,252
Sundry Expenses		58,458	33,611
Telephone		115,962	87,001
Training Courses - Staff		29,994	36,110
Training Courses - Members		5,458	2,255
Travel & Accommodation		181,328	172,064
Depreciation		107,522	107,389
Total Expenditure		7,268,744	7,682,463
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		47,197	(179,555)
Add Member Funds at Beginning of Year		4,086,087	4,265,642
MEMBER FUNDS AT END OF YEAR		4,133,284	4,086,087

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
- Contributions and Entrance Fees		6,169,981	6,075,884
- Course and Seminar Fees		144,887	482,420
- Grants		244,890	492,102
- Interest Received		94,388	93,100
- Other Receipts		473,427	617,225
<i>Payments</i>			
- Suppliers and Employees		(6,952,013)	(7,037,389)
- Levy Payments to Federal Office		(616,844)	(709,766)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	9	(441,284)	13,576
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
- Redemption of Investments		149,661	(96)
<i>Payments</i>			
- Purchase of Plant & Equipment		(61,746)	(77,704)
- Purchase of Bonds		-	-
NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES		87,915	(77,800)
NET (DECREASE) / INCREASE IN CASH HELD		(353,369)	(64,224)
Cash at Beginning of Year		738,781	803,005
CASH AT END OF YEAR		385,411	738,781

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organizations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the Victorian/Tasmanian Branch of the Transport Workers' Union of Australia and is in accordance with the Fair Work (Registered Organisations) Act 2009 . The Branch is a reporting unit. The transport Workers' Union of Australia is an organization registered under the Fair Work (Registered Organisations) Act 2009 . The Victorian/Tasmania branch is a branch of the registered organization. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the union and the Federal Council are not subject to the Corporations Act 2001. The financial report has been prepared on the basis of historical costs Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Committee of Management.

(a) Revenue

Memberships

Membership contributions are accounted for on a cash basis in accordance with S252(4) of the Fair Work (Registered Organisations) Act 2009. This means that all memberships received during the financial year ending on the 31st of December are included as income in the Statement of Income and Expenditure for that year. Membership income in any one year will comprise amounts received for prior, current and future financial years.

Other Income

All other income is accounted for on an accruals basis.

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

(c) Property, Plant and Equipment

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Property, Plant and Equipment	2.00 – 20.00%

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

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the income statement in the year of disposal.

(d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organization.

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

(f) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognized on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

Available-for-sale financial assets

Investments which are classified as available for sale are measured at fair value.

Held-to-maturity investments

These investments have fixed maturities, and it is the Union's intention to hold these investments to maturity. Any held-to-maturity investments held by the Union are stated at a current value based on revaluing the investment on an amortised cost basis to its face value at maturity. Any adjustment is debited to the diminution in value of investments expense.

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable payment that are not quoted on an active market. They are recognized at amortised cost.

(g) Goods and Services Tax

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

(h) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgements in applying the Union's accounting principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the matter 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)

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
<u>2 SUNDRY DEBTORS</u>		
Federal Council	66,889	7,185
Trade & Other Debtors	303,020	171,628
	369,909	178,813
<u>3 INVESTMENTS</u>		
CURRENT		
Sandhurst Trustees Term Deposit (due 24 Jan 2011)	50,435	200,096
	50,435	200,096
NON CURRENT		
Commonwealth Bank Bond #1 (maturity 17 Jan 2013)	1,000,000	1,000,000
	1,000,000	1,000,000
<u>4 PROPERTY, PLANT & EQUIPMENT</u>		
Land - Rouse St. Port Melbourne (at cost)	2,180,000	2,180,000
Building - Rouse St. Port Melb. (at cost)	2,455,816	2,455,816
Less: Accumulated Depreciation	(1,092,006)	(1,029,993)
	1,363,810	1,425,824
Motor Vehicles (at cost)	88,197	88,197
Less: Accumulated Depreciation	(57,226)	(48,133)
	30,971	40,063
Office Furniture & Equipment (at cost)	1,198,764	1,137,017
Less: Accumulated Depreciation	(1,031,159)	(994,743)
	167,605	142,275
Total Property, Plant & Equipment	3,742,386	3,788,162

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
<u>5 SUNDRY CREDITORS</u>		
Federal Council	122,691	88,219
Trade suppliers	302,513	474,940
Commissions to Delegates	50,918	60,357
Taxes	57,369	111,082
	533,491	734,599
<u>6 EMPLOYEE ENTITLEMENTS</u>		
CURRENT LIABILITIES		
Provision for Annual Leave - Elected Officials	113,565	155,953
Provision for Annual Leave - Other Employees	184,926	266,655
Provision for Long Service Leave - Elected Officials	238,175	355,293
Provision for Long Service Leave - Other Employees	225,850	180,809
	762,516	958,710
NON CURRENT LIABILITIES		
Provision for Long Service Leave - Elected Officials	23,552	42,608
Provision for Long Service Leave - Other Employees	82,724	92,614
	106,276	135,222
MOVEMENT IN ANNUAL LEAVE PROVISION		
Opening Balance	422,608	360,338
Increase/(Decrease) in Provision	(124,117)	62,270
Closing Balance	298,491	422,608
MOVEMENT IN LONG SERVICE LEAVE PROVISION		
Opening Balance	671,324	665,349
Increase / (Decrease) in Provision	(101,023)	5,975
Closing Balance	570,301	671,324

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$

7 VALUATION - LAND AND BUILDINGS

ROUSE STREET, PORT MELBOURNE

A valuation of the land & building at Rouse Street was undertaken as at 31 December 2010. The property is valued at \$5,000,000 (2009: \$5,000,000) assuming a notional owner occupied lease.

The written down value of the Rouse Street property included in the financial statements is \$3,543,810 (2009: \$3,605,824). This comprises the purchase price paid for the land & building in 1990 plus the cost of building improvements, less depreciation on the building and the improvements.

The excess of the valuation over the book value has not been reflected in these Financial Statements.

8 EMPLOYEE REMUNERATION

The amount of salary and superannuation paid to employees and officials is as follows:

SALARIES

Elected Officials	1,326,364	1,304,944
Other Employees	1,961,470	2,068,509
	3,287,834	3,373,453

SUPERANNUATION

Elected Officials	222,353	272,708
Other Employees	405,047	439,211
	627,400	711,919

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN TASMANIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010**

	2010	2009
	\$	\$
<u>9 NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES</u>		
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	7,033,185	7,667,631
Payments to suppliers and employees	(7,568,857)	(7,747,155)
Interest received	94,388	93,100
Net cash provided by (used in) operating activities	10a (441,284)	13,576
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(61,746)	(77,704)
Payment for investments	-	-
Net cash provided by (used in) investing activities	(61,746)	(77,704)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	149,660	(96)
Repayment of borrowings	-	-
Net cash provided by (used in) financing activities	149,660	(96)
Net increase in cash held	(353,370)	(64,224)
Cash at beginning of year	738,781	803,005
Cash at end of year	10b 385,411	738,781

10 CASH FLOW INFORMATION

a. Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities

Profit from ordinary activities		
NON-CASH FLOWS IN PROFIT FROM	47,197	(179,555)
Amortisation	-	-
Depreciation	107,522	107,389
CHANGES IN ASSETS & LIABLILITES		
(Increase)/decrease in receivables	(188,368)	257,823
(Increase)/decrease in other assets	14,375	(6,976)
Increase/(decrease) in payables	(196,870)	(233,350)
Increase/(decrease) in provisions	(225,140)	68,245
Cash flows from operations	(441,284)	13,576

b. Reconciliation of Cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand	2,000	1,566
Cash at Bank	383,411	737,215
	385,411	738,781

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE TRANSPORT WORKERS UNION OF AUSTRALIA VICTORIAN/TASMANIAN
BRANCH

Scope

I have audited the accompanying financial report, being a general purpose financial report, of the Transport Workers Union of Australia Victorian/Tasmanian Branch for the year ended 31 December 2010. The Financial Report comprises the Balance Sheet as at 31 December 2010, Income and Expenditure Statement, Statement of Cash Flows, and Notes To and Forming Part of The Financial Statements

Committee of Management's Responsibility for the Financial Report

The members of the Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. The Committee's responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I have conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I 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 judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical pronouncements.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE TRANSPORT WORKERS UNION OF AUSTRALIA VICTORIAN/TASMANIAN
BRANCH

Status as Approved Auditor

I confirm that at the time of signing this audit report I am a member of the Institute of Chartered Accountants and my Certificate of Public Practice is current.

Auditor's Opinion

In my opinion the financial report of the Transport Workers Union Victorian/Tasmanian Branch is in accordance with section 253 of the Fair Work (Registered Organisations) Act 2009, including:-

- (a) giving a true and fair view of the financial position of the Branch as at 31 December 2010 and the results of its operations and its cash flows for the year then ended, and
- (b) complying with Australian Accounting Standards to the extent detailed in Note 1 to the financial statements



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Phillip Elliott *

Address: 1330 Malvern Road, Malvern.

Dated this : 3rd Day of March 2011

* Liability limited by a scheme approved under Professional Standards Legislation