



20 June 2017

Mr John Berger
Branch Secretary
Transport Workers' Union of Australia, Victorian/Tasmanian Branch

By e-mail: info@twu.asn.au
legal@twu.com.au

Dear Mr Berger

**Transport Workers' Union of Australia, Victorian/Tasmanian Branch
Financial Report for the year ended 31 December 2016 - FR2016/422**

I acknowledge receipt of the additional information in regard to the financial report for the year ended 31 December 2016 for the Transport Workers' Union of Australia, Victorian/Tasmanian Branch (TWU-VICTAS). The financial report was lodged with the Registered Organisations Commission (ROC) on 1 May 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2016 report has been filed, as stated in the ROC letter to the TWU-VICTAS of 29 May 2016, the following should be addressed in the preparation of the next financial report.

1. The reporting unit is to undertake a revaluation of the property located at Rouse Street, Port Melbourne or to clearly disclose to members the reasons for continuing to value the property at cost.
2. The Auditor's Statement is to be presented in the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours sincerely

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

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

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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**VICTORIAN/TASMANIAN BRANCH
A.B.N. 47 634 608 538**

CERTIFICATE OF SECRETARY

I, John Berger, 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 presented to a meeting of the committee of management of the reporting unit on 21st March 2017 (the first meeting) in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009; and
- (iii) that the full report was provided to members on 13th April 2017; and
- (iv) that the full report was presented to a meeting of the committee of management of the reporting unit on 27th April 2017 (the second meeting) in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



John Berger

Date: 1st May 2017

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

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 \$666,066 (2015: \$450,917). The following is noted:

Membership;

- A total of 1,427 persons joined the Union during 2016.
- A total of 1,560 persons resigned from the Union during 2016.
- Membership decreased by 133 persons. Income from members increased by 1.62% (2015: Increase 2.67%) or increased by \$110,764 (2015: decreased by \$187,210).
- Income from conducting Training Courses amounted to \$38,818 (2015: \$39,363).

As at 31 December 2016, the kerbside valuation of Land & Buildings is \$6,350,000 (2015: \$6,150,000) in line with last year, and \$2,849,738 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 2016**

Trusteeships of Superannuation Entities

The Branch Secretary, John Berger, is a director of the following trustee company associated with the TWU Superannuation Fund:

- TWU Nominees Pty Ltd

There are no other officers or members of the reporting unit who are a trustee or a director of a company that is a trustee of a superannuation entity.

Prescribed Information

23,862 persons (2015: 24,731) were recorded in the register of members at 31 December 2016.
25 full-time equivalent persons (2015: 24) were employed at 31 December 2016.

Branch Committee of Management Members:	Period Position Held:
Wayne Mader	01 Jan. – 27 Apr. 2016
John Berger	All of 2016
Chris Fennell	All of 2016
Michael Wirrick	All of 2016
Michael McNess	All of 2016
Dissio Markos	28 Apr. – 31 Dec. 2016
John Rowe	All of 2016
John Saggars	All of 2016
Kevin Hoey	All of 2016
Allan Taylor	All of 2016
Jim Hughes	All of 2016
Ken Griffin	All of 2016
Kevin Whelan	All of 2016
George Pantelidis	All of 2016
Clive Dennis	All of 2016
Ian Munro	All of 2016
Sherajh Rahim	All of 2016

For the Committee of Management:


.....
John Berger

21 March 2017

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		\$	\$
CURRENT ASSETS			
Cash on Hand		1,200	1,200
Cash at Bank		555,366	743,514
Accrued Interest		101,618	102,474
Accrued Memberships	1(a)	400,336	400,151
Sundry Debtors	4	16,400	33,264
Prepayments		106,814	55,299
Investments	5	4,262,174	3,859,169
Total Current Assets		<u>5,443,908</u>	<u>5,195,071</u>
NON CURRENT ASSETS			
Property, Plant & Equipment	6 & 7	3,716,771	3,543,821
Total Non Current Assets		<u>3,716,771</u>	<u>3,543,821</u>
TOTAL ASSETS		9,160,679	8,738,891
CURRENT LIABILITIES			
Sundry Creditors	8	499,752	625,055
Prepaid Income	9	187,731	287,374
Employee Entitlements	10	836,294	848,275
Total Current Liabilities		<u>1,523,777</u>	<u>1,760,704</u>
NON-CURRENT LIABILITIES			
Employee Entitlements	10	186,295	193,647
Total Non Current Liabilities		<u>186,295</u>	<u>193,647</u>
TOTAL LIABILITIES		1,710,072	1,954,350
NET ASSETS		<u>7,450,607</u>	<u>6,784,541</u>
MEMBERS FUNDS			
Members funds at beginning of year		6,784,541	6,333,623
Movement for year		666,066	450,917
TOTAL MEMBER FUNDS		<u>7,450,607</u>	<u>6,784,541</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
<u>INCOME</u>			
Contributions and Entrance Fees	1(a)	6,931,685	6,820,920
Investment Income - Interest		138,249	143,056
Sundry Income		69,873	83,197
Occupational Health & Safety Course Fees		38,818	39,364
TWU Superannuation Training Officer		85,247	124,174
TWU Superannuation Director Fee		30,000	30,000
Total Income		7,293,872	7,240,711
<u>EXPENDITURE</u>			
Employee Expenses			
Salaries		2,599,067	2,734,608
Superannuation		534,248	573,965
Leave Entitlements		373,356	372,044
Car Allowances		248,018	276,576
Separation and Redundancy		-	-
Total Employee Expenses	11	3,754,688	3,957,193
Other Expenses			
Administration & Rent (Country Office)		2,681	3,522
Affiliation & Levies - ALP	14	65,241	74,758
Affiliation & Levies - Other	14	39,176	49,411
Auditor's Remuneration	14	7,950	7,800
Bank Charges		15,787	15,662
Certificates & Awards		6,567	2,889
Clothing & Uniforms		1,063	1,432
Conference & Meeting Expenses	14	32,419	19,875
Consulting Fees		1,700	13,630
Cleaning		44,241	45,144
Computer Costs		45,424	34,199
Delegates Commission		92,293	92,620
Delegate Meeting Expenses	14	3,792	18,435
Depreciation		108,021	88,384
Donations	14	31,500	1,577
Federal Office Training Fund		7,013	7,413
Federal Office Capitation/Sustentation Fee		1,222,749	1,203,210
Federal Council Expenses		8,343	20,347
Federal IR Levy (ACTU)	14	28,050	29,650
Fringe Benefits Tax		12,862	25,402
Insurance		11,317	11,853
Lease & Hire of Equipment		43,529	42,498
Legal Expenses	14	32,076	84,404
Light, Power & Water		30,207	38,229
Loss on Sale of Assets		25	-
Marketing		119,392	45,347

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		\$	\$
Mortuary Benefits		15,000	4,500
Motor Vehicle Expenses		42,499	46,836
Occupational Health & Safety Expense		30,272	33,688
Payroll Tax		149,699	159,480
Postage		91,463	68,242
Printing & Stationery		64,002	48,971
Publications, Awards & Subscriptions		6,917	4,634
Rates & Taxes		63,096	67,821
Repairs & Maintenance		27,844	33,743
Schoolbook Scholarship		2,045	3,000
Security Costs		9,860	9,501
Staff Amenities		7,370	8,373
Sundry Expenses		8,529	18,282
Telephone		42,780	94,229
Training Courses - Members		9,036	5,258
Training Courses - Staff		9,276	12,378
Travel & Accommodation		198,845	195,893
TWU News Editor		50,033	7,951
WorkCover		31,131	32,132
Total Other Expenses		<u>2,873,117</u>	<u>2,832,601</u>
Total Expenditure		<u>6,627,805</u>	<u>6,789,794</u>
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		666,066	450,917
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>666,066</u>	<u>450,917</u>
Add Member Funds at Beginning of Year		6,784,541	6,333,624
MEMBER FUNDS AT END OF YEAR		<u><u>7,450,607</u></u>	<u><u>6,784,541</u></u>

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
- Contributions and Entrance Fees		6,931,685	6,820,920
- Course and Seminar Fees		38,818	39,364
- Other Receipts		88,739	192,587
<i>Payments</i>			
- Suppliers and Employees		(5,456,750)	(5,576,428)
- Levy Payments to Federal Office		(1,250,799)	(1,232,860)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	<u>351,692</u>	<u>243,582</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
- Interest Received		139,105	147,066
- Investment in Term Deposit		(403,004)	(203,590)
- Purchase of Plant & Equipment		(275,941)	(32,948)
NET CASH PROVIDED BY / (USED IN) INVESTMENT ACTIVITIES		<u>(539,840)</u>	<u>(89,472)</u>
NET INCREASE / (DECREASE) IN CASH HELD		(188,147)	154,110
Cash at Beginning of Year		744,713	590,603
CASH AT END OF YEAR	12	<u>556,566</u>	<u>744,713</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Accumulated Funds	Reserves	Total
	\$		\$
Balance at 31 December 2014	6,333,624		6,333,624
Surplus/(Deficit) for the year	450,917	-	450,917
Balance at 31 December 2015	<u>6,784,541</u>		<u>6,784,541</u>
Surplus/(Deficit) for the year	666,066	-	666,066
Balance at 31 December 2016	<u>7,450,607</u>		<u>7,450,607</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN/TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 ("the Act").

The financial report is for the Victorian/Tasmanian Branch of the Transport Workers' Union of Australia and is in accordance with the Act. The Branch is a reporting unit. The transport Workers' Union of Australia is an organization registered under the Act. 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 an accruals basis and in accordance with historical cost, except for certain assets and liabilities for which the fair value basis of accounting has been applied.

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

(a) Revenue

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

Memberships

Membership income is accounted for on an accruals basis. Only amounts banked by the union are recognized as income. Adjustments are made at year end to account for memberships received before and after year end to ensure all memberships relating to the current year are shown in the Statement of Comprehensive Income

Other Revenue

All other revenue is accounted for on an accrual 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.

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.

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN/TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Depreciation (continued)

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Building	1%
Building Improvements	5% to 10%
Office Furniture and Equipment	20% to 67%
Motor Vehicles	12.5% to 25%

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 2016**

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 GENERAL MANAGER

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 2016

	Notes	2016	2015
		\$	\$
4 SUNDRY DEBTORS			
Trade & Other Debtors		16,400	33,264
		<u>16,400</u>	<u>33,264</u>

5 INVESTMENTS

Comprises the following Held to Maturity Financial Instruments :-

CBA Term Deposit	-	200,000
CBA Cash Deposit Acc	1,000,000	
Bendigo Bank Term Deposits	1,112,174	1,109,169
ME Bank Term Deposits	2,150,000	2,100,000
NAB Term Deposit	-	450,000
	<u>4,262,174</u>	<u>3,859,169</u>

6 PROPERTY, PLANT & EQUIPMENT

Land & Buildings - Rouse Street		
Land (at cost)	2,180,000	2,180,000
Building - (at cost)	2,659,656	2,481,405
Less: Accumulated Depreciation	(1,339,394)	(1,298,439)
Total Land & Buildings	<u>3,500,262</u>	<u>3,362,966</u>
Motor Vehicles (at cost)		
Less: Accumulated Depreciation	106,374	106,374
	(81,488)	(71,181)
	<u>24,886</u>	<u>35,193</u>
Office Furniture & Equipment (at cost)		
Less: Accumulated Depreciation	1,502,072	1,404,382
	(1,310,449)	(1,258,721)
	<u>191,623</u>	<u>145,661</u>
Total Property, Plant & Equipment	<u>3,716,771</u>	<u>3,543,821</u>

Reconciliation of Opening and Closing Balance of Property, Plant & Equipment

Land & Buildings		
Opening	3,362,966	3,397,011
Additions	178,251	2,196
Disposals	-	-
Depreciation	(40,955)	(36,241)
Closing	<u>3,500,262</u>	<u>3,362,966</u>
Motor Vehicles		
Opening	35,193	47,033
Additions	-	-
Disposals	-	-
Depreciation	(10,307)	(11,840)
Closing	<u>24,886</u>	<u>35,193</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
6 PROPERTY, PLANT & EQUIPMENT (continued)			
Furniture and Equipment			
Opening		145,661	155,211
Additions		100,359	30,752
Disposals		(25)	-
Depreciation		(54,372)	(40,302)
Other		-	-
Closing		<u>191,623</u>	<u>145,661</u>

7 VALUATION - LAND AND BUILDINGS

An appraisal of the sales value of the land & buildings at Rouse Street in Port Melbourne was undertaken by Hocking Stuart in January 2017. They assessed this as \$6,350,000 (2015:\$6,150,000).

The written down value of land and buildings included in the financial statements is \$3,500,262 (2015: \$3,362,966). 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.

8 SUNDRY CREDITORS

Trade Creditors		63,188	82,496
Federal Council		177,085	288,521
Accrued Expenses		10,900	15,712
Delegate Commission		52,603	52,000
PAYE Tax		57,538	57,969
Other Taxes		93,959	79,698
Superannuation & Salary Sacrifice		39,633	42,201
Other Creditors		4,845	6,458
		<u>499,752</u>	<u>625,055</u>

9 PREPAID INCOME

Prepaid Memberships	1(a)	138,256	251,316
TWU Director Fees		15,000	15,000
TWU Super Sponsorship Fees		12,910	-
TWU Super Training Officer		21,566	21,058
		<u>187,731</u>	<u>287,374</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
10 EMPLOYEE ENTITLEMENTS			
(a) As Per Financial Statements			
Current Liabilities			
Annual Leave		403,141	418,810
Long Service Leave		433,153	429,465
		836,294	848,275
Non Current Liabilities			
Long Service Leave		186,295	193,647
		1,022,589	1,041,922
(b) Liability by Employee Category			
Elected Officials			
Annual Leave		105,462	88,813
Long Service Leave		232,116	227,974
Other Employees			
Annual Leave		297,679	329,997
Long Service Leave		387,332	395,137
		1,022,589	1,041,922
11 EMPLOYEE REMUNERATION			
Elected Officials			
Salary and Wages		774,705	709,847
Superannuation		160,429	149,265
Car Allowance		100,322	99,534
Annual Leave *		114,196	56,948
Long Service Leave *		70,091	(21,826)
Separation and Redundancy		-	-
		1,219,743	993,768
Other Employees			
Salary and Wages		1,824,362	2,024,761
Superannuation		373,818	424,700
Car Allowance		147,695	177,097
Annual Leave *		157,130	232,528
Long Service Leave *		31,939	104,339
Separation and Redundancy		-	-
		2,534,944	2,963,425
		3,754,688	3,957,193

*** Notes :-**

1. Annual leave and long service leave includes amounts paid during the year and movements in the provisions at year end
2. Annual and long service amounts for elected officials includes final payout to the retiring branch secretary

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
12 CASH FLOW INFORMATION			
(a) Reconciliation of cash flows from operations with operating surplus/(deficit) for the year.			
Operating Surplus/(Deficit)		666,066	450,917
Deduct Cash flow from investments		(139,105)	(147,066)
Depreciation		102,989	88,384
Changes in Assets and Liabilities			
(Increase)/decrease in receivables		16,864	9,888
(Increase)/decrease in accrued interest		856	4,010
(Increase)/decrease in other assets		(51,700)	(6,589)
Increase/(decrease) in payables		(224,946)	(95,239)
Increase/(decrease) in provisions		(19,333)	(60,722)
Cash Flows from Operations		<u>351,692</u>	<u>243,582</u>
(b) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		1,200	1,200
Cash at Bank		555,366	743,514
Cash at End of Year		<u>556,566</u>	<u>744,714</u>

13 RELATED PARTY DISCLOSURES

(a) Related Party Transactions for the Reporting Period

(i) Income Received

From the TWU National Council

Payroll reimbursement

-

Rent received

-

From the TWU Superannuation Fund

Training Officer

85,247

124,174

Sponsorship

12,910

50,766

Director Fee

30,000

30,000

(ii) Expenses Paid

To the TWU National Council

Sustentation Fees

1,222,749

1,203,210

Training Fund

7,013

7,413

Council Expenses

8,343

20,347

IR Levy

28,050

29,650

To the ALP VIC & TAS

Affiliations and Levies

67,673

74,758

(iii) Balances

TWU National Council

Debtor

-

Creditor

177,085

288,521

TWU Superannuation Fund

Prepaid Income

49,476

15,000

Debtor

-

23,164

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
13 RELATED PARTY DISCLOSURES (Continued)			
(b) Key Management Personnel Remuneration for the Reporting Period			
Key management personnel includes the branch secretary and assistant branch secretary			
(i) Short term employees benefits			
Salaries		282,741	263,791
Annual Leave *		48,494	29,593
Allowances		34,547	37,703
		365,782	331,087
(ii) Post employment benefits			
Superannuation		57,880	55,610
		57,880	55,610
(iii) Other long term benefits			
Long Service Leave *		56,190	6,124
		56,190	6,124
Total		479,852	392,821

* The amounts shown for 2016 included the final payout of leave entitlements for the retiring branch secretary.

14. ADDITIONAL PRESCRIBED DISCLOSURES

(a) Expenses

(i) Consideration paid to employers for payroll deductions		9,527	10,578
(ii) Affiliation Fees			
ALP Vic Branch		65,241	73,081
ALP Tas Branch		2,432	1,677
Ballarat Trades Hall		1,400	1,900
Bendigo Trades Hall Council		1,112	778
Geelong Trades Hall Council		5,519	5,444
Gippsland Trades & Labour Council Inc.		450	423
Goulburn Valley TLC		2,179	2,070
North East and Border TLC		862	684
South West TLC		981	981
Sunraysia Trades and Labour Council		260	250
Victorian Trades Hall Council		18,126	34,001
Unions Tasmania		5,855	2,880
As per Statement of Comprehensive Income		104,417	124,169
(iii) Compulsory Levies			
Paid to Federal Office for the ACTU		28,050	29,650
(iv) Donations			
Donations less than \$1,000		-	350
Donations exceeding \$1,000		31,500	1,227
As per Statement of Comprehensive Income		31,500	1,577

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
14. ADDITIONAL PRESCRIBED DISCLOSURES (Continued)			
(v) Legal Costs			
Litigation		-	-
Other legal matters		32,076	84,404
As per Statement of Comprehensive Income		32,076	84,404
(vi) Expenses incurred in holding meetings or conferences of members, councils, committees, panels or other bodies etc - as per Statement of Comprehensive Income			
Delegates		3,792	18,435
Other		32,419	19,875
(vii) Auditors Remuneration			
Audit Services		7,950	7,800
Non Audit Services		-	-
As per Statement of Comprehensive Income		7,950	7,800
(b) Assets			
Amounts receivable from another reporting entity unit have been disclosed in Note 4 and Note 13.			
(c) Liabilities			
Legal costs payable - included in Accrued Expenses			
Litigation		-	-
Other legal matters		9,815	3,401
		9,815	3,401

15 SPECIFIC ITEMS THAT HAVE NOT OCCURRED

The following prescribed disclosures under the reporting guidelines of the Fair Work (Registered Organisations) Act 2009, have not occurred in the reporting period :-

Going Concern

- The Branch does not require financial support from another reporting unit
- The Branch has not agreed to provide financial support to another reporting unit to continue as a going concern.

Amalgamations and Restructures

The Branch has not acquired any asset or liability during the financial year as a result of an amalgamation or restructure or determination or revocation by the General Manager.

Revenue

- Capitation fees
- Compulsory levies
- Donations or grants
- Financial support received from other reporting units.
- Recovery of wages

Expenses

- Separation and redundancies related to elected officials;
- Separation and redundancies related to unelected employees
- Other employee expenses;

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Notes	2016	2015
	\$	\$

15 SPECIFIC ITEMS THAT HAVE NOT OCCURRED (Continued)

- Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the TWU Vic/Tas Branch;
- Grants less than \$1,000
- Grants greater than \$1,000
- Penalties imposed under the RO Act;
- Litigation expenses;

Liabilities

- Provision for separation and redundancies related to Elected Officials;
- Provision for separation and redundancies related to Employees other than Elected Officials;
- Payables to employers as consideration for the employers making payroll deductions of membership fees;
- Payables related to litigation matters;

16 CAPITAL AND LEASING COMMITMENTS

Non cancellable operating lease contracted for but not capitalised in the financial statements

Payable in next 12 months	25,740	45,761
Payable after 12 months but less than 60 months	102,960	100,882
Total	128,700	146,643

17 CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at 31 December 2016

18 SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has affected, or may significantly affect, the operations of the branch, the result of operations, or the state of the branch in the future financial years.

19 FINANCIAL RISK MANAGEMENT

A. General objectives, policies and processes

Financial risk management entails devising strategies to manage potential adverse financial outcomes associated with financial instruments.

The committee of management is responsible for monitoring and managing the branch's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the branch in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements.

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$

19 FINANCIAL RISK MANAGEMENT (Continued)

The main risks the union is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the branch is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

B. Categories of Financial Instruments

The following is an analysis of Financial Assets and Financial Liabilities included in the Statement of Financial Position as at 31 December 2016.

Financial Assets

Cash at Bank		555,366	743,514
Term Deposits		4,262,174	3,859,169
Sundry Debtors		16,400	33,264
Carrying amount of financial assets		4,833,940	4,635,947

Financial Liabilities

Sundry Creditors		499,752	625,055
Carrying amount of financial liabilities		499,752	625,055

The fair value of the assets and liabilities at 31 December 2016 as listed above are the same as the carrying values. Refer to Note 20 below for further explanation and analysis.

C. Risk Analysis

(a) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed above at B.

The committee believe that cash at bank and the investments are held by high quality institutions and any loss is highly unlikely and all receivables are likely to be repaid within the expected terms.

Credit quality of financial instruments

Not past due and not impaired

Cash at Bank		555,366	743,514
Term Deposits		4,262,174	3,859,169

Past due or impaired

Sundry Debtors		16,400	33,264
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Total

		4,833,940	4,635,947
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TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		\$	\$
19 FINANCIAL RISK MANAGEMENT (Continued)			
Ageing of financial assets that were past due but not impaired			
Sundry Debtors			
0 to 30 days		8,200	25,714
31 to 60 days		-	1,700
61 to 90 days		-	-
90+ days		8,200	5,850
Total		16,400	33,264

(b) Liquidity Risk

Liquidity risk is the risk that the Branch will not have the funds readily available to meet its financial obligations as and when they fall due.

At 31 December 2016 the branch had \$4,817,540 of cash and cash equivalents to pay for \$499,752 of creditors. It is considered that liquidity risk is low and acceptable.

Financial liability and financial asset maturity analysis

(i) Financial Assets - cash flows realisable

- Within one year			
Cash at Bank		555,366	743,514
Term Deposits		4,262,174	3,859,169
Sundry Debtors		16,400	33,264
- One to Five years			
-		-	-
- More than five years			
-		-	-
Total		4,833,940	4,635,947

(i) Financial Liabilities due for payment :-

- Within one year			
Sundry Creditors		499,752	625,055
- One to Five years			
-		-	-
- More than five years			
-		-	-
Total		499,752	625,055

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The branch's exposure to market interest rates relates primarily to cash at bank and term deposits.

(ii) Other Price Risks

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in prices that are inherent in such a market.

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2016**

Notes	2016	2015
	\$	\$

20 FAIR VALUE MEASUREMENTS

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

The fair values disclosed above at Note 18B have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
- (ii) For listed available-for-sale and held-for-trading financial assets, closing quoted bid prices at the end of the reporting period are used. In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.
- (iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate debt will differ to the carrying amounts.

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 2016. The Financial Report comprises the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity 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.

Auditor Status

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

Going Concern

I believe that the committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

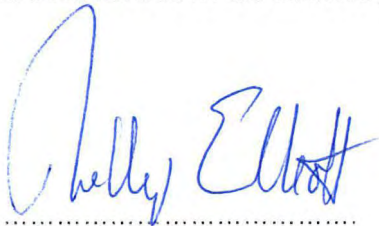
Auditor's Opinion

In my opinion the financial report of the Transport Workers Union Victorian/Tasmanian Branch:-

- (a) presents fairly, in all material respects, the financial position of the Branch as at 31 December 2016 and of its performance and cash flows for the year then ended, and
- (b) complies with Australian Accounting Standards and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

Recovery of Wages Activity

The Committee of Management are responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with section 253(2)(c) of the Fair Work (Registered Organisations) Act 2009. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit in accordance with Australian Auditing Standards. I have been advised that no recovery of wages activity has been undertaken in the current financial year. Accordingly I have not been instructed by the Committee of Management to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity.



.....
Phillip Elliott *

Address: Suite 105, 620 St Kilda Road Melbourne Vic 3004

Dated this : 21st Day of March 2017

* Liability limited by a scheme approved under Professional Standards Legislation

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

COMMITTEE OF MANAGEMENT STATEMENT

On 21 March 2017 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 2016:

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

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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; and
 - vii. No recovery of wages has occurred.

For the Committee of Management:



Kevin Whelan



Michael Wirrick

21 March 2017