



15 August 2018

Mr John Berger
Victorian/Tasmanian Branch Secretary
Transport Workers' Union of Australia-Victorian/Tasmanian Branch
By email: info@twu.asn.au
CC: elliott31@optusnet.com.au

Dear Mr Berger,

**Transport Workers' Union of Australia-Victorian/Tasmanian Branch
Financial Report for the year ended 31 December 2017 - [FR2017/365]**

I acknowledge receipt of the financial report of the Transport Workers' Union of Australia-Victorian/Tasmanian Branch (TWU VIC/TAS). The documents were lodged with the Registered Organisations Commission (the ROC) on 26 June 2018. I also acknowledge an amended financial report was lodged on 8 August 2018 which included copies of the correct dates the Committee of Management Statement and Operating Report were signed.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2018 may be subject to an advanced compliance review.

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

Committee of Management Statement & Notes to the financial report

Reference to s.272 & 273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to the Commissioner of the ROC instead of the General Manager, Fair Work Commission. Section 273 continues to refer to the Fair Work Commission.

The TWU VIC/TAS Committee of Management statement, at reference (b) and at Note 3 in the Notes to the Financial Statements, refers to the 'General Manager' of the Fair Work Commission. In future, please ensure these references are to the 'Commissioner'. In addition, the TWU VIC/TAS Committee of Management statement at reference (e)(vi) refers to 'Commission'. In future, please ensure this reference is to the 'Fair Work Commission'.

Reporting Requirements

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](#).

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](#).

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink that reads "David Vale". The signature is written in a cursive style with a horizontal line above the name.

David Vale
Registered Organisations Commission



TRANSPORT WORKERS UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH

ABN 47 634 408 538

52-56 Rouse Street, Port Melbourne
P.O. Box 208, Port Melbourne, Vic. 3207
Tel: 1300 727 614 Fax: (03) 9648 1792
Email: info@twu.asn.au
Website: www.twu.asn.au

President: Allan Taylor
Vice President: James Hughes
Branch Secretary: John Berger
Branch Assistant Secretary: Chris Fornell
Trustees: Mick Wirrick, Kevin Whelan

26 June 2018

Registered Organisations Commission
GPO BOX 2983
MELBOURNE, VIC, 3001

Dear Sir/Madam,

RE: ANNUAL FINANCIAL REPORT 2017

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 2017 Annual Financial Report which was presented to a meeting of the Committee of Management on 27th March 2018 and again on 26th June 2018. And the full report was distributed to members in the TWU Journal on 4th May 2018.

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

Yours Sincerely,

John Berger
BRANCH SECRETARY

Encl.



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

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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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 s265 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 27 March 2018; and
- (iii) that the full report was provided to members on 04 May 2018 in accordance with s265 of the Fair Work (Registered Organisations) Act 2009; and
- (iv) that the full report was presented to a meeting of the Committee of Management of the reporting unit on 26 June 2018 in accordance with s266 of the Fair Work (Registered Organisations) Act 2009



John Berger

Date: 26 June 2018

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

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Overview

The operating surplus for the year was \$392,423 (2016: \$666,066) Total comprehensive income for the year was \$5,269,304. This includes a once off income item of \$4,976,881 related to a change in accounting policy and revaluation of the Union's Land and Buildings (refer below).

Membership:

- A total of 1,958 persons joined the Union during 2017.
- A total of 1,499 persons resigned from the Union during 2017.
- Membership increased by 460 persons. Income from members increased by 0.22% (2016: increased by 1.62%) or increased by \$15,581 (2016: increased by \$110,764).
- Income from conducting Training Courses amounted to \$20,409 (2016: \$38,818).

Land and Building Revaluation

The union has changed its accounting policy in relation to the disclosure of the value of its Land and Buildings. In previous years Land and Buildings was shown in the Statement of Financial Position at cost less accumulated depreciation on the buildings. At 31 December 2017 the Union has adopted a revaluation approach and taken up Land and Buildings in the Statement of Financial Position at fair value. The fair value used is based on a valuation done by Jones Lang LaSalle on 1 December 2017. To facilitate the change in policy and increase in value, a revenue item of \$4,976,881 has been included in other comprehensive income in the Statement of Comprehensive Income and as a revaluation surplus in Member Funds.

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 2017**

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.

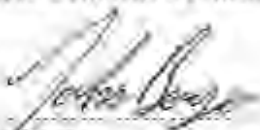
Prescribed Information

23,831 persons (2016: 23,862) were recorded in the register of members at 31 December 2017.

23 full-time equivalent persons (2016: 25) were employed at 31 December 2017.

Branch Committee of Management Members	Period Position Held:
John Berger	All of 2017
Chris Fennell	All of 2017
Michael Wirrick	All of 2017
Michael McNess	All of 2017
Dissio Markos	All of 2017
John Rowe	All of 2017
John Siggers	All of 2017
Kevin Hoey	All of 2017
Allan Taylor	All of 2017
Jim Hughes	All of 2017
Ken Griffin	All of 2017
Kevin Whelan	All of 2017
George Pantelidis	01 Jan 2017 to 20 June 2017
Clive Dennis	All of 2017
Jan Munro	All of 2017
Sherajh Rahim	All of 2017
Dean Sloan	27 July 2017 to 31 December 2017

For the Committee of Management:


John Berger

27 March 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Cash on Hand		1,200	1,200
Cash at Bank		537,265	555,366
Accrued Interest		102,743	101,618
Accrued Memberships	1(a)	393,497	400,336
Sundry Debtors	4	5,100	16,400
Prepayments		84,556	106,814
Investments	6	4,738,695	4,262,174
Total Current Assets		<u>5,863,066</u>	<u>5,443,908</u>
NON CURRENT ASSETS			
Property, Plant & Equipment	5 & 7	8,551,564	3,716,771
Total Non Current Assets		<u>8,551,564</u>	<u>3,716,771</u>
TOTAL ASSETS		14,414,620	9,160,679
CURRENT LIABILITIES			
Sundry Creditors	8	593,043	499,752
Prepaid Income	9	169,900	187,731
Employee Entitlements	10	864,475	836,293
Total Current Liabilities		<u>1,628,018</u>	<u>1,523,776</u>
NON-CURRENT LIABILITIES			
Employee Entitlements	10	66,692	186,295
Total Non Current Liabilities		<u>66,692</u>	<u>186,295</u>
TOTAL LIABILITIES		1,694,710	1,710,071
NET ASSETS		<u>12,719,910</u>	<u>7,450,608</u>
MEMBERS EQUITY			
Accumulated Funds		7,843,029	7,450,608
Revaluation Reserve		4,876,881	-
TOTAL MEMBER EQUITY		<u>12,719,910</u>	<u>7,450,608</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 2017

	Note	2017	2016
		\$	\$
INCOME			
Contributions and Entrance Fees	1(a)	6,947,266	6,831,685
Investment Income - Interest		129,838	138,249
Sundry Income		87,405	69,873
Occupational Health & Safety Course Fees		20,408	38,818
TWU Superannuation Training Officer		87,340	85,247
TWU Superannuation Director Fee		30,000	30,000
Total Income		7,302,258	7,293,872
EXPENDITURE			
Employee Expenses	11		
Salaries		2,589,430	2,599,067
Superannuation		535,111	534,248
Leave Entitlements		345,594	373,356
Car Allowances		239,544	248,018
Separation and Redundancy		67,425	-
Total Employee Expenses		3,767,104	3,754,688
Other Expenses:			
Administration & Rent (Country Office)		3,664	2,681
Affiliation Fees	14a(ii)	104,785	104,417
Auditor's Remuneration	14a(vii)	8,500	7,950
Bad Debts		1,700	-
Bank Charges		15,332	15,787
Certificates & Awards		1,453	6,567
Clothing & Uniforms		2,665	1,063
Conference & Meeting Expenses	14a(iv)	152,543	32,419
Consulting Fees		-	1,700
Cleaning		36,445	44,241
Computer Costs		49,936	45,424
Delegates Commission		120,404	92,293
Delegate Meeting Expenses	14a(iv)	13,266	3,792
Depreciation		121,453	108,021
Donations	14a(iv)	11,800	31,500
Federal Office Training Fund	13a(ii)	6,925	7,013
Federal Office Capitation/Sustentation Fee	13a(ii)	1,225,498	1,222,749
Federal Council Expenses	13a(ii)	17,016	6,343
Federal IR Levy (ACTU)	13a(ii)	27,700	28,060
Fringe Benefits Tax		12,403	12,862
Insurance		13,562	11,317
Lease & Hire of Equipment		31,232	43,529
Legal Expenses	14a(v)	57,007	32,076
Light, Power & Water		28,726	30,207
Loss on Sale of Assets		-	25
Marketing		50,209	119,392

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$	2016 \$
Mortuary Benefits		9,000	16,000
Motor Vehicle Expenses		48,188	42,499
Occupational Health & Safety Expense		25,088	30,272
Payroll Tax		146,088	149,699
Postage		89,867	91,463
Printing & Stationery		72,438	64,002
Publications, Awards & Subscriptions		11,512	6,917
Rates & Taxes		100,212	63,096
Repairs & Maintenance		26,744	27,844
Schoolbook Scholarship		2,045	2,045
Security Costs		9,864	9,860
Staff Amenities		7,859	7,370
Sundry Expenses		14,233	8,529
Telephone		58,538	42,780
Training Courses - Members		3,000	3,036
Training Courses - Staff		14,656	9,278
Travel & Accommodation		267,019	198,845
TWU News Editor		78,851	50,033
WorkCover		23,787	31,131
Total Other Expenses		<u>3,122,731</u>	<u>2,873,117</u>
Total Expenditure		<u>6,809,835</u>	<u>6,627,805</u>
OPERATING SURPLUS FOR THE YEAR		392,423	666,067
OTHER COMPREHENSIVE INCOME			
Revaluation of Land and Buildings	7	4,878,881	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,269,304</u>	<u>666,067</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 2017

	Note	2017	2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
- Contributions and Entrance Fees		6,986,538	6,931,685
- Course and Seminar Fees		20,409	38,818
- Other Receipts		204,747	88,739
<i>Payments</i>			
- Suppliers and Employees		(5,511,523)	(5,456,750)
- Payments to TWU Federal Office		(1,292,223)	(1,250,799)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	<u>407,948</u>	<u>351,692</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
- Interest Received		129,838	139,105
- Investment in Term Deposit		(476,521)	(403,004)
- Purchase of Plant & Equipment		(79,366)	(275,941)
NET CASH PROVIDED BY / (USED IN) INVESTMENT ACTIVITIES		<u>(426,049)</u>	<u>(539,840)</u>
NET INCREASE / (DECREASE) IN CASH HELD		(18,101)	(188,147)
Cash at Beginning of Year		556,566	744,713
CASH AT END OF YEAR	12	<u>538,465</u>	<u>556,566</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 MEMBER EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Funds	Revaluation Reserve	Total Member Equity
	\$		\$
Balance at 31 December 2015	6,784,541	-	6,784,541
Operating Surplus for the year	666,067	-	666,067
Balance at 31 December 2016	<u>7,450,607</u>	-	<u>7,450,607</u>
Operating Surplus for the year	392,423		392,423
Revaluation of Land and Buildings	-	4,876,881	4,876,881
Balance at 31 December 2017	<u>7,843,029</u>	<u>4,876,881</u>	<u>12,719,910</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 2017**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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 reporting guidelines made under section 255 of the Act require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 *Application for Tiers of Australian Accounting Standards*. The Victorian/Tasmanian Branch of The Transport Workers Union has complied with the requirements of this standard and other accounting standards as are applicable to a not for profit entity.

BASIS OF PREPARATION

The financial report is for the Victorian/Tasmanian Branch ("the Branch") of the Transport Workers' Union of Australia ("the Union"). The Transport Workers' Union of Australia is an organisation registered under the Act. The Act dictates that the Branch is a reporting unit of the registered organisation.

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 Branch 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 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 of the Branch.

(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 received and banked by the branch 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

Land and buildings is recognized in the statement of financial position at market value. Market value is based on third party expert valuations commissioned by the branch every three years. Note – this is a change in policy from previous years where land and buildings were taken up at cost less accumulated depreciation on the buildings and improvements.

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

All other classes of property, plant and equipment are 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.

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.

Held-to-maturity investments

These investments have fixed maturities, and it is the Branch's intention to hold these investments to maturity. Any held-to-maturity investments held by the Branch 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 Branch 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 2017

	Notes	2017	2016
		\$	\$
4 SUNDRY DEBTORS			
Trade & Other Debtors		5,100	16,400
		<u>5,100</u>	<u>16,400</u>
5 INVESTMENTS			
Comprises the following Held to Maturity Financial Instruments :-			
CBA Cash Deposit Acc:		750,000	1,000,000
Bendigo Bank Term Deposits		1,130,003	1,112,174
ME Bank Term Deposits		2,858,692	2,150,000
		<u>4,738,695</u>	<u>4,262,174</u>
6 PROPERTY, PLANT & EQUIPMENT			
Land & Buildings - Rouse Street			
Land and Buildings at market value	7	8,350,000	0
Land (at cost)		-	2,160,000
Building - (at cost)		-	2,659,656
Less: Accumulated Depreciation		-	(1,339,394)
Total Land & Buildings		<u>8,350,000</u>	<u>3,500,262</u>
Motor Vehicles (at cost)		106,374	106,374
Less: Accumulated Depreciation		(89,141)	(81,439)
		<u>17,233</u>	<u>24,886</u>
Office Furniture & Equipment (at cost)		1,557,505	1,502,072
Less: Accumulated Depreciation		(1,373,174)	(1,310,449)
		<u>184,331</u>	<u>191,623</u>
Total Property, Plant & Equipment		<u>8,551,564</u>	<u>3,716,771</u>
Reconciliation of Opening and Closing Balance of Property, Plant & Equipment			
Land & Buildings			
Opening		3,500,262	3,362,966
Additions		23,931	178,251
Revaluation		4,876,851	-
Disposals		-	-
Depreciation		(51,074)	(40,955)
Closing		<u>8,350,000</u>	<u>3,500,262</u>
Motor Vehicles			
Opening		24,886	35,193
Additions		-	-
Disposals		-	-
Depreciation		(7,653)	(10,307)
Closing		<u>17,233</u>	<u>24,886</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
6 PROPERTY, PLANT & EQUIPMENT (continued)			
Furniture and Equipment			
Opening		191,623	146,867
Additions		55,433	102,748
Disposals		-	(25)
Depreciation		(62,725)	(56,759)
Other		-	-
Closing		<u>184,331</u>	<u>191,623</u>

7 VALUATION - LAND AND BUILDINGS

The Committee of Management have decided to change their accounting policy in relation to the disclosure of the value of Land and Buildings. In prior financial years Land and Buildings were shown separately in the Statement of Financial Position at cost less accumulated depreciation on the buildings and improvements. The market value of land and buildings was disclosed in the Notes to the Financial Statements. At 31 December 2016 the total of land and buildings shown in the Statement of Financial Position was \$3,500,282. Market value was disclosed at \$6,350,000 in the Notes.

At 31 December 2017 Land and Buildings is disclosed in the Statement of Financial Position at market value and as one asset. The market value used is based on a valuation of the property done by Jones Lang LaSalle on 1 December 2017. The change in accounting policy has resulted in the recognition of a revenue item of \$4,900,812 in the Statement of Comprehensive Income and a resultant once off increase in the Union's surplus for the year.

Jones Lang LaSalle provided the committee with three alternative valuations using different bases as follows :- (i) subject to a notional lease \$8,350,000, (ii) subject to vacant possession \$6,800,000 and (iii) land value at \$6,250,000. The committee have decided to use the first alternative. Note - in previous years the market value disclosed in the Notes to the Financial Statements was based on the third alternative methodology.

8 SUNDRY CREDITORS

	2017	2018
	\$	\$
Trade Creditors	89,052	63,168
Federal Council	182,001	177,085
Accrued Expenses	52,444	10,900
Delegate Commission	71,005	52,603
PAYE Tax	57,851	57,538
Other Taxes	102,023	93,959
Superannuation & Salary Sacrifice	51,147	39,633
Other Creditors	8,119	4,845
	<u>593,642</u>	<u>499,752</u>

9 PREPAID INCOME

Prepaid Memberships	1(a)	120,068	138,258
TWU Director Fees		15,000	15,000
TWU Super Sponsorship Fees		12,727	12,910
TWU Super Training Officer		22,105	21,566
		<u>169,900</u>	<u>187,734</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
		\$	\$
10 EMPLOYEE ENTITLEMENTS			
(i) As Per Financial Statements			
Current Liabilities			
Annual Leave		364,370	403,141
Long Service Leave		500,105	433,153
Separation and Redundancies		-	-
Other		-	-
		<u>864,475</u>	<u>836,294</u>
Non Current Liabilities			
Long Service Leave		66,692	186,295
		<u>931,167</u>	<u>1,022,589</u>
Total Liability			
(ii) Liability by Employee Category			
Elected Officials			
Annual Leave		81,242	105,462
Long Service Leave		202,342	232,116
Separation and Redundancies		-	-
Other		-	-
Other Employees			
Annual Leave		283,155	297,679
Long Service Leave		364,426	387,332
Separation and Redundancies		-	-
Other		-	-
		<u>931,167</u>	<u>1,022,589</u>
Total Liability			
11 EMPLOYEE REMUNERATION			
(a) Elected Officials			
Salary and Wages		747,182	774,705
Superannuation		157,136	160,429
Car Allowance		97,828	100,322
Leave and Other Entitlements		38,057	184,287
Separation and Redundancy		-	-
Other Employee Expenses		-	-
Total Elected Officials		<u>1,040,203</u>	<u>1,219,743</u>
(b) Other Employees			
Salary and Wages		1,852,248	1,824,362
Superannuation		377,975	373,818
Car Allowance		141,715	147,695
Leave and Other Entitlements		307,538	189,089
Separation and Redundancy		67,425	-
Other Employee Expenses		-	-
Total Other Employees		<u>2,746,901</u>	<u>2,534,944</u>
Total All Employees			
		<u>3,787,104</u>	<u>3,754,687</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
12 CASH FLOW INFORMATION			
(a) Reconciliation of cash flows from operations with operating surplus/(deficit) for the year.			
Operating Surplus/(Deficit)		392,423	868,066
Deduct Cash flow from investments		(129,838)	(139,105)
Depreciation		121,453	102,989
Changes in Assets and Liabilities			
(Increase)/decrease in receivables		6,839	16,864
(Increase)/decrease in accrued interest		(1,125)	856
(Increase)/decrease in other assets		33,558	(51,700)
Increase/(decrease) in payables		76,060	(224,946)
Increase/(decrease) in provisions		(91,422)	(19,333)
Cash Flows from Operations		407,948	351,692
(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		537,265	555,366
Cash at End of Year		538,465	556,566

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		87,340	85,247
Sponsorship		25,637	12,910
Director Fee		30,000	30,000
(ii) Expenses Paid			
To the TWU National Council			
Sustentation Fees		1,225,498	1,222,749
Training Fund		6,925	7,013
Council Expenses		17,015	8,343
IR Levy		27,700	28,050
To the ALP VIC & TAS			
Affiliation fees and Levies		70,418	87,673
(iii) Balances			
TWU National Council			
Debtor			
Creditor		162,001	177,085
TWU Superannuation Fund			
Prepaid Income		49,832	48,476
Debtor			
TWU Queensland – Creditor		25,319	0

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
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		294,297	282,741
Annual Leave		23,677	48,494
Allowances		33,898	34,547
		<u>351,872</u>	<u>365,782</u>
(ii) Post employment benefits			
Superannuation		59,607	57,880
		<u>59,607</u>	<u>57,880</u>
(iii) Other long term benefits			
Long Service Leave		-	56,190
(iv) Termination Benefits			
(v) Other Benefits		-	-
Total		<u>411,479</u>	<u>478,852</u>

14. ADDITIONAL PRESCRIBED DISCLOSURES

(a) Expenses

(i) Consideration paid to employers for payroll deductions		8,924	9,527
(ii) Affiliation Fees			
ALP Vic Branch		68,032	65,241
ALP Tas Branch		2,388	2,432
Ballarat Trades Hall		1,400	1,400
Bendigo Trades Hall Council		1,112	1,112
Geelong Trades Hall Council		5,587	5,519
Gippsland Trades & Labour Council Inc		348	450
Goulburn Valley TLC		2,739	2,179
North East and Border TLC		917	862
South West TLC		491	981
Sunraysia Trades and Labour Council		260	260
Victorian Trades Hall Council		21,494	18,126
Unions Tasmania		-	5,855
As per Statement of Comprehensive Income		<u>104,765</u>	<u>104,417</u>
(iii) Compulsory Levies			
Paid to Federal Office for the ACTU		27,700	28,050
(iv) Donations paid			
Total Donations - less than \$1,000		-	-
Total Donations - greater than \$1,000		11,800	31,500
As per Statement of Comprehensive Income		<u>11,800</u>	<u>31,500</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
14. ADDITIONAL PRESCRIBED DISCLOSURES (Continued)			
(v) Legal Costs			
Litigation		-	-
Other legal matters		57,007	32,076
As per Statement of Comprehensive Income		<u>57,007</u>	<u>32,076</u>
(vi) Expenses incurred in holding meetings or conferences of members, councils, committees, panels or other bodies etc - as per Statement of Comprehensive Income			
Delegate Meetings		13,266	3,792
Other Meetings		152,543	32,419
(vii) Auditors Remuneration			
Audit Services		8,500	7,950
Non Audit Services		-	-
As per Statement of Comprehensive Income		<u>8,500</u>	<u>7,950</u>
(b) Assets			
Amounts receivable from another reporting entity unit have been disclosed at Note 13.			
(c) Liabilities			
Legal costs payable - included in Accrued Expenses			
Litigation		-	-
Other legal matters		-	9,815
		<u>-</u>	<u>9,815</u>

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

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

Expenses

- Separation and redundancies related to elected officials;
- Other employee expenses;
- Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the TWU Vic/Tas Branch;

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
		\$	\$
15 SPECIFIC ITEMS THAT HAVE NOT OCCURRED (Continued)			
<ul style="list-style-type: none"> - Grants less than \$1,000 - Grants greater than \$1,000 - Penalties imposed under the RO Act; - Litigation expenses; 			
Liabilities			
<ul style="list-style-type: none"> - 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. 			
Statement of Changes in Member Equity			
<ul style="list-style-type: none"> - there is no separate fund or account operated in respect of compulsory levies raised by the union or voluntary contributions collected from members of the union. - No monies in respect of compulsory levies or voluntary contributions referred to above have been invested in any assets - No separate fund or account required by the rules of the union - No transfers and/or withdrawals to a fund, account or controlled entity kept for specific purposes by the union 			

16 CAPITAL AND LEASING COMMITMENTS	2017	2016
	\$	\$
Non cancellable operating lease contracted for but not capitalised in the financial statements:		
Payable in next 12 months	35,724	25,740
Payable after 12 months but less than 60 months	96,265	102,960
Total	131,989	128,700

17 CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at 31 December 2017

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 2017

	Notes	2017	2016
		\$	\$
19 FINANCIAL RISK MANAGEMENT (Continued)			
<p>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.</p> <p>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.</p>			
B. Categories of Financial Instruments			
<p>The following is an analysis of Financial Assets and Financial Liabilities included in the Statement of Financial Position as at 31 December 2017</p>			
<i>Financial Assets</i>			
Cash at Bank		537,265	555,366
Term Deposits		4,738,696	4,262,174
Sundry Debtors		5,100	16,400
Carrying amount of financial assets		5,281,060	4,833,940
<i>Financial Liabilities</i>			
Sundry Creditors		593,643	499,752
Carrying amount of financial liabilities		593,643	499,752
<p>The fair value of the assets and liabilities at 31 December 2017 as listed above are the same as the carrying values. Refer to Note 20 below for further explanation and analysis.</p>			
C. Risk Analysis			
<i>(a) Credit Risk</i>			
<p>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.</p> <p>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.</p> <p>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.</p>			
Credit quality of financial instruments			
Not past due and not impaired			
Cash at Bank		537,265	555,366
Term Deposits		4,738,696	4,262,174
Past due or impaired			
Sundry Debtors		5,100	16,400
Total		5,281,060	4,833,940

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
19 FINANCIAL RISK MANAGEMENT (Continued)			
Ageing of financial assets that were past due but not impaired			
Sundry Debtors			
0 to 30 days		-	8,200
31 to 60 days		850	-
61 to 90 days		-	-
90+ days		4,250	8,200
Total		<u>5,100</u>	<u>16,400</u>

(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 2017, the branch had \$5,275,960 of cash and cash equivalents to pay for \$593,643 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		537,268	555,366
Term Deposits		4,738,695	4,282,174
Sundry Debtors		5,100	16,400
- One to Five years		-	-
- More than five years		-	-
Total		<u>5,281,060</u>	<u>4,833,940</u>

(i) Financial Liabilities due for payment -

- Within one year			
Sundry Creditors		593,643	499,752
- One to Five years		-	-
- More than five years		-	-
Total		<u>593,643</u>	<u>499,752</u>

(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 2017**

Notes	2017	2016
	\$	\$

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 19B 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.
- (iii) 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).
- (iv) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.
- (v) 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.



Elliott Assurance Pty Ltd*
Audit and Compliance Services

Suite 105
870 St Kilda Road
Melbourne 3004
Telephone (03) 8077 3897
Email: elliott317@optusnet.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TRANSPORT WORKERS UNION VICTORIAN/TASMANIA BRANCH

Audit Opinion

I have audited the financial report of the Transport Workers Union Victorian/Tasmania Branch (the Branch), which comprises the Statement of Financial Position as at 31 December 2017, the Statement of Comprehensive Income, Statement of Changes in Member Equity, Statement of Cash Flows for the year then ended, Notes to and Forming Part of the Financial Statements and the Committee of Management Statement.

In my opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Transport Workers Union Victorian/Tasmania Branch as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Fair Work Commission Reporting Guidelines and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the "Act").

Basis for Opinion

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of this report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Branch Committee of Management for the Financial Report

The Committee of Management ("the Committee") is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Act and for such internal control as the Committee 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 committee 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 the Committee either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My 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 my 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 Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness 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 Entity'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 Entity 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.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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.

Recovery of Wages Activity

The Committee is responsible for the preparation of the recovery of wages activity financial report in accordance with section 253(2)c of the Act. 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 to include in the scope of the audit required under subsection 257(1) of the 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 *
105/620 St Kilda Road Melbourne
Date - 27th Day of March 2018

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

COMMITTEE OF MANAGEMENT STATEMENT

On 27 March 2018 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 2017:

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

27 March 2018



Australian Government
Registered Organisations Commission

22 January 2018

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

By Email: info@twu.asn.au

Dear Mr Berger,

**Re: Lodgement of Financial Report - [FR2017/365]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Transport Workers' Union of Australia-Victorian/Tasmanian Branch (the reporting unit) ended on 31 December 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 31 March 2018.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 30 June 2018 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find [here](#) a link to guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

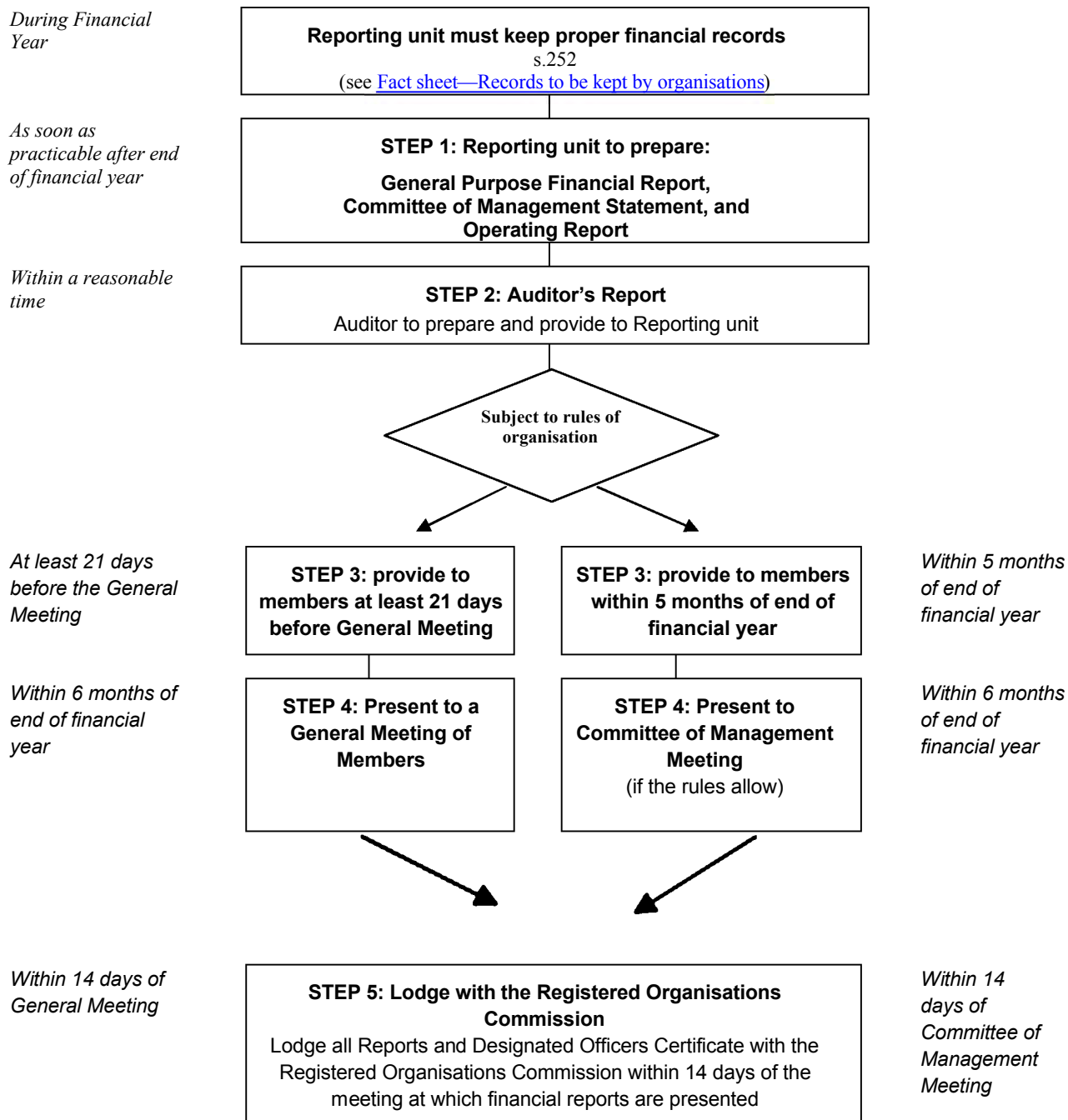
Yours faithfully,

Sam Gallichio
Registered Organisations Commission

Fact sheet

Summary of financial reporting timelines – s.253 financial reports

See Fact sheet—Financial reporting for an explanation of each of these steps.





Fact sheet

Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*



*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
<p>✗ Only reporting units must lodge the Statement.</p>	<p>✓ All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p>✗ Employees can sign the Statement.</p>	<p>✓ The statement must be signed by an elected officer of the relevant branch.</p>

	Statements can be lodged with the financial report.		The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner's Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines. In the [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

The Commissioner's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report.

Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on regorgs@roc.gov.au

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice