



6 August 2019

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

cc. Mr Phillip Elliott, Auditor

Dear Secretary,

Re: – Transport Workers' Union of Australia, Victorian/Tasmanian Branch - financial report for year ending 31 December 2018 (FR2018/368)

I refer to the financial report of the Victorian/Tasmanian Branch of the Transport Workers' Union of Australia. The documents were lodged with the Registered Organisations Commission (**ROC**) on 25 June 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Reports must be provided to members within 5 months of end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the full report is presented to a committee of management meeting (i.e. for the purposes of section 266), the full report must be provided to members within 5 months of the end of the financial year. In the case of the Branch, this is 31 May. As a result of the section 255(2A) report (which is a report that is part of the general purpose financial report under section 253, and hence part of the full report) not having been approved by the committee of management and audited until 24 June 2019, it appears that, in the strict sense, the full report was not provided within the ordinarily prescribed timeframe.

In the ordinary course, if the section 255(2A) report is prepared at the same time as the other statements, there should be no difficulty in complying with the prescribed timeframe provisions. However, if in future financial years an extension of time to provide the full report [including the s255(2A) report] later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made *prior* to the expiry of the 5 months.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines

and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

VIC/TAS Branch

a. 52-56 Rouse Street Port Melbourne VIC 3207

m. PO Box 203, Port Melbourne VIC 3207

t. 1300 727 614

f. (03) 9646 1792

e. info@twu.asn.au

ABN 47 634 608 538



www.twu.asn.au

Branch Secretary
John Berger

24 June 2019

Registered Organisations Commission
GPO BOX 2983
MELBOURNE. VIC. 3001

Dear Sir/Madam,

RE: ANNUAL FINANCIAL REPORT 2018

In accordance with the Fair Work (Registered Organisations) Act 2009 the Transport Workers Union of Australia (Vic/Tas Branch) hereby submits the following documents:

- The Certificate of Secretary and 2018 Annual Financial Report which was presented to a meeting of the Committee of Management on 26th March 2019 and again on 18th June 2019. And the full report was distributed to members in the TWU Journal on 8th May 2019, and
- The Report required under subsection 255 (2A) which was presented to the meetings of the Committee of Management required by the RO Act on 24th June 2019. The report was audited and was published on TWU VIC/TAS website on 24th June 2019.

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**

REPORT REQUIRED UNDER SUBSECTION 255 (2A)

FOR THE YEAR ENDED 31 DECEMBER 2018

Contents

	Page
Certificate of Secretary	1
Report Required under Subsection 255 (2A)	2
Committee of Management Statement	3
Auditor's Report	4

**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 document lodged herewith is a copy of the report referred to in subsection 255 (2A) 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 24th June 2019 (1st meeting), and
- (iii) that the full report was published on TWU Vic/Tas website on 24 June 2019; and
- (iv) that the full report was presented to a meeting of the committee of management of the reporting unit on 24th June 2019 (2nd meeting), in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.



John Berger

Date: 24 June 2019

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)

**REPORT REQUIRED UNDER SUBSECTION 255 (2A)
for the year ended 31 December 2018**

The Committee of Management of the Transport Workers' Union of Australia, Victorian Tasmanian Branch presents the expenditure report as required under subsection 255 (2A) for the year ended 31 December 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses, in respect of employees	4,061,821	3,787,104
Advertising	372	-
Operating Costs	3,005,649	2,932,471
Donations to political parties	29,600	10,000
Legal costs	49,088	57,007

Signature of designated officer:



Name of designated officer: John Berger

Title of designated officer: Branch Secretary

Date: 24/6/2019

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

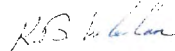
COMMITTEE OF MANAGEMENT STATEMENT

On 24 June 2019 the Committee of Management of the Transport Workers' Union of Australia, Victorian Tasmanian Branch passed the following resolution in relation to the Report required under subsection 255 (2A) of the reporting unit for the financial year ended 31 December 2018:

The Committee of Management declares in relation to the Report under subsection 255 (2A) that in its opinion:

- (a) the Report complies with the Australian Accounting Standards;
- (b) the Report complies with the reporting guidelines of the Commissioner;
- (c) the Report complies with the requirements of subsection 255(2A) of the Fair Work (Registered Organisations) Act 2009

For the Committee of Management:



.....
Kevin Whelan



.....
Dissio Markos

24 June 2019



Elliott Assurance Pty Ltd *
Audit and Compliance Services

Suite 105
620 St Kilda Road
Melbourne 3004
Telephone (03) 9077 9897
Email: elliott31@optusnet.com.au

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

Audit Opinion

I have audited the Report required under subsection 255(2A) (the Report) of the Fair Work (Registered Organisations) Act 2009, prepared by the Transport Workers Union Victorian/Tasmania Branch (the Branch), for the year ended 31 December 2018.

In my opinion the report presents fairly, in all material respects, the expenditures incurred by the Branch for the year ended 31 December 2018 in accordance with Australian Accounting Standards, the Reporting Guidelines and subsection 255(2A) of 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 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 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 Report

The Committee of Management ("the Committee") is responsible for the preparation and fair presentation of the 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 the Report that is free from material misstatement, whether due to fraud or error.

Auditors Responsibility for the Audit of the Report

My objectives are to obtain reasonable assurance about whether the 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 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.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My 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. I am registered with the Registered Organisations Commission. My registered auditor number is AA2017/245.



.....
Phillip Elliott *

Melbourne, 24 June 2019

* 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

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Contents

	Page
Certificate of Secretary	1
Operating Report	2
Statement of Financial Position	4
Statement of Comprehensive Income	5
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to the Financial Statements	8
Auditor's Report	22
Committee of Management Statement	25

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 26th March 2019 (1st meeting), and
- (iii) that the full report was provided to members on 08 May 2019; and
- (iv) that the full report was presented to a meeting of the committee of management of the reporting unit on 18th June 2019 (2nd meeting), in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.



John Berger

Date: 18 June 2019

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

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 \$134,506 (2017: \$392,423). Total comprehensive Income for the year was \$134,506.

Membership:

- A total of 2,690 persons joined the Union during 2018.
- A total of 1,656 persons resigned from the Union during 2018.
- Membership increased by 934 persons. Income from members increased by 0.38% (2017: increased by 0.22%) or increased by \$26,065(2017: increased by \$15,581).
- Income from conducting Training Courses amounted to \$30,636 (2017: \$20,409).

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 2018

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

24,306 persons (2017: 23,831) were recorded in the register of members at 31 December 2018.
31 full-time equivalent persons (2017: 27) were employed at 31 December 2018.

Branch Committee of Management Members:	Period Position Held:
John Berger	All of 2018
Chris Fennell	All of 2018
Michael Wirrick	All of 2018
Michael McNess	All of 2018
Dissio Markos	All of 2018
John Rowe	All of 2018
John Sagers	All of 2018
Kevin Hoey	All of 2018
Allan Taylor	All of 2018
Jim Hughes	All of 2018
Kevin Whelan	All of 2018
Clive Dennis	All of 2018
Ian Munro	All of 2018
Sherajh Rahim	All of 2018
Dean Sloan	All of 2018
Darren McColley	28 March 2018 to 31 December 2018
Ken Griffin	01 January to 27 March 2018

For the Committee of Management:



John Berger

26 March 2019

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
CURRENT ASSETS			
Cash on Hand		1,200	1,200
Cash at Bank		600,526	537,265
Accrued Interest		87,269	102,743
Accrued Memberships	1(a)	398,289	393,497
Sundry Debtors	4	19,688	5,100
Prepayments		130,026	84,556
Investments	5	4,871,005	4,738,695
Total Current Assets		6,108,004	5,863,056
NON CURRENT ASSETS			
Property, Plant & Equipment	6 & 7	8,508,939	8,551,564
Total Non Current Assets		8,508,939	8,551,564
TOTAL ASSETS		14,616,943	14,414,620
CURRENT LIABILITIES			
Sundry Creditors	8	598,079	593,643
Prepaid Income	8	132,783	169,900
Employee Entitlements	10	992,642	864,475
Total Current Liabilities		1,723,504	1,628,018
NON-CURRENT LIABILITIES			
Employee Entitlements	10	39,022	66,692
Total Non Current Liabilities		39,022	66,692
TOTAL LIABILITIES		1,762,526	1,694,710
NET ASSETS		12,854,417	12,719,910
MEMBERS EQUITY			
Accumulated Funds		7,977,536	7,843,029
Revaluation Reserve		4,876,881	4,876,881
TOTAL MEMBER EQUITY		12,854,417	12,719,910

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 2018

	Note	2018	2017
		\$	\$
INCOME			
Contributions and Entrance Fees	1(a)	6,973,322	6,947,266
Investment Income - Interest		136,301	129,838
Sundry Income		104,068	87,405
Occupational Health & Safety Course Fees		30,636	20,409
TWU Superannuation Training Officer		88,898	87,340
TWU Superannuation Director Fee		30,000	30,000
Total Income		7,363,225	7,302,258
EXPENDITURE			
Employee Expenses	11		
Salaries		2,814,289	2,599,430
Superannuation		582,950	535,111
Leave Entitlements		369,420	345,594
Car Allowances		255,162	239,544
Separation and Redundancy		40,000	67,425
Total Employee Expenses		4,061,821	3,787,104
Other Expenses			
Administration & Rent (Country Office)		3,734	3,664
Affiliation Fees	14a(ii)	111,696	104,765
Auditor's Remuneration	14a(vii)	8,750	8,500
Bad Debts		-	1,700
Bank Charges		16,453	15,332
Certificates & Awards		4,556	1,453
Clothing & Uniforms		4,667	2,666
Conference & Meeting Expenses	14a(vi)	116,831	152,543
Cleaning		42,456	36,445
Computer Costs		49,820	49,936
Delegates Commission		54,984	120,404
Delegate Meeting Expenses	14a(vi)	24,863	13,266
Depreciation		74,387	121,453
Donations	14a(iv)	37,402	11,800
Federal Office Training Fund	13a(ii)	6,706	6,925
Federal Office Capitation/Sustentation Fee	13a(ii)	1,228,241	1,225,498
Federal Council Expenses	13a(ii)	3,099	17,016
Federal IR Levy (ACTU)	13a(ii)	26,824	27,700
Fringe Benefits Tax		(14,292)	12,403
Insurance		14,348	13,562
Lease & Hire of Equipment		40,869	31,232
Legal Expenses	14a(v)	49,088	57,007
Light, Power & Water		29,693	28,726
Marketing		43,958	12,433
Member Expenses		140,651	37,836

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		\$	\$
Mortuary Benefits		10,227	9,000
Motor Vehicle Expenses		60,685	48,188
Occupational Health & Safety Expense		24,594	25,088
Payroll Tax		152,613	146,068
Postage		92,531	89,667
Printing & Stationery		58,447	72,438
Publications, Awards & Subscriptions		13,965	11,512
Rates & Taxes		92,079	100,212
Repairs & Maintenance		19,238	26,744
Schoolbook Scholarship		955	2,045
Security Costs		11,284	9,664
Staff Amenities		7,838	7,859
Sundry Expenses		12,436	14,233
Telephone		76,216	58,536
Training Courses - Members		27,006	3,000
Training Courses - Staff		6,220	14,555
Travel & Accommodation		272,327	267,019
TWU News Editor		78,050	78,851
WorkCover		30,518	23,787
Total Other Expenses		<u>3,166,896</u>	<u>3,122,731</u>
Total Expenditure		<u>7,228,718</u>	<u>6,909,835</u>
OPERATING SURPLUS FOR THE YEAR		134,506	392,423
OTHER COMPREHENSIVE INCOME			
Revaluation of Land and Buildings	7	-	4,876,881
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>134,506</u>	<u>5,269,304</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 2018

	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
- Contributions and Entrance Fees		6,953,518	6,986,538
- Course and Seminar Fees		30,636	20,409
- Interest Received		151,774	129,838
- Other Receipts		186,273	204,747
<i>Payments</i>			
- Suppliers and Employees		(5,844,955)	(5,511,523)
- Payments to TWU Federal Office		(1,249,912)	(1,292,223)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	<u>227,334</u>	<u>537,786</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
- Investment in Term Deposit		(132,310)	(476,521)
- Purchase of Plant & Equipment		(31,763)	(79,366)
NET CASH PROVIDED BY / (USED IN) INVESTMENT ACTIVITIES		<u>(164,073)</u>	<u>(555,887)</u>
NET INCREASE / (DECREASE) IN CASH HELD		63,261	(18,101)
Cash at Beginning of Year		538,465	556,566
CASH AT END OF YEAR	12	<u>601,726</u>	<u>538,465</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 2018

	Accumulated Funds	Revaluation Reserve	Total Member Equity
	\$		\$
Balance at 31 December 2016	7,450,607	-	7,450,607
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	7,843,030	4,876,881	12,719,911
Operating Surplus for the year	134,506	-	134,506
Revaluation of Land and Buildings	-	-	-
Balance at 31 December 2018	7,977,536	4,876,881	12,854,417

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 2018**

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 2018**

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 2018**

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 2018

	Notes	2018 \$	2017 \$
4 SUNDRY DEBTORS			
Trade & Other Debtors		19,688	5,100
		<u>19,688</u>	<u>5,100</u>
5 INVESTMENTS			
Comprises the following Held to Maturity Financial Instruments :-			
CBA Cash Deposit Acc		-	750,000
Bendigo Bank Term Deposits		1,161,005	1,130,003
ME Bank Term Deposits		3,710,000	2,858,692
		<u>4,871,005</u>	<u>4,738,695</u>
6 PROPERTY, PLANT & EQUIPMENT			
Land & Buildings - Rouse Street Land and Buildings at market valuation	7	8,350,000	8,350,000
		<u>8,350,000</u>	<u>8,350,000</u>
Total Land & Buildings			
Fixtures & Fittings		11,542	-
Less: Accumulated Depreciation		(1,046)	-
		<u>10,495</u>	<u>-</u>
Motor Vehicles (at cost)		106,374	106,374
Less: Accumulated Depreciation		(96,784)	(89,141)
		<u>9,580</u>	<u>17,233</u>
Office Furniture & Equipment (at cost)		1,577,726	1,557,505
Less: Accumulated Depreciation		(1,438,863)	(1,373,174)
		<u>138,864</u>	<u>184,331</u>
Total Property, Plant & Equipment		<u>8,508,939</u>	<u>8,551,564</u>
Reconciliation of Opening and Closing Balance of Property, Plant & Equipment			
Land & Buildings			
Opening		8,350,000	3,500,262
Additions		-	23,931
Revaluation		-	4,876,881
Disposals		-	-
Depreciation		-	(51,074)
Closing		<u>8,350,000</u>	<u>8,350,000</u>
Motor Vehicles			
Opening		17,233	24,886
Additions		-	-
Disposals		-	-
Depreciation		(7,653)	(7,653)
Closing		<u>9,580</u>	<u>17,233</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
6 PROPERTY, PLANT & EQUIPMENT (continued)			
Furniture and Equipment			
Opening		184,331	191,623
Additions		20,221	55,433
Disposals		-	-
Depreciation		(65,688)	(62,725)
Other		-	-
Closing		<u>138,864</u>	<u>184,331</u>
Fixtures and Fittings			
Opening		-	-
Additions		11,542	-
Disposals		-	-
Depreciation		(1,048)	-
Other		-	-
Closing		<u>10,495</u>	<u>-</u>

7 VALUATION - LAND AND BUILDINGS

Land and Buildings is disclosed in the Statement of Financial Position at Fair Value and as one asset. The fair value of \$8,350,000 as disclosed above is based on a valuation carried out by Jones Lang LaSalle on the 31st of December 2017. The branch has adopted a policy of obtaining a valuation every three years so the carrying value of the property will be reconsidered at that time

8 SUNDRY CREDITORS	2018 \$	2017 \$
Trade Creditors	75,544	89,052
Federal Council	167,154	162,001
Accrued Expenses	11,206	52,444
Delegate Commission	35,129	71,005
ATO Liabilities	158,972	159,874
Payroll Liabilities	144,279	51,147
Other Creditors	5,795	8,119
	<u>598,079</u>	<u>593,642</u>

9 PREPAID INCOME

Prepaid Memberships	1(a)	105,056	120,068
TWU Director Fees		15,000	15,000
TWU Super Sponsorship Fees		12,727	12,727
TWU Super Training Officer		-	22,105
		<u>132,783</u>	<u>169,900</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
10 EMPLOYEE ENTITLEMENTS			
(i) As Per Financial Statements			
Current Liabilities			
Annual Leave		469,002	364,370
Long Service Leave		523,639	500,105
Separation and Redundancies		-	-
Other		-	-
		<u>992,642</u>	<u>864,475</u>
Non Current Liabilities			
Long Service Leave		39,022	66,692
		<u>39,022</u>	<u>66,692</u>
Total Liability		<u>1,031,663</u>	<u>931,167</u>
(ii) Liability by Employee Category			
Elected Officials			
Annual Leave		110,394	81,242
Long Service Leave		193,584	202,342
Separation and Redundancies		-	-
Other		-	-
Other Employees			
Annual Leave		358,608	283,156
Long Service Leave		379,077	364,428
Separation and Redundancies		-	-
Other		-	-
Total Liability		<u>1,031,663</u>	<u>931,167</u>
11 EMPLOYEE REMUNERATION			
(a) Elected Officials			
Salary and Wages		604,793	747,182
Superannuation		122,414	167,136
Car Allowance		89,661	97,828
Leave and Other Entitlements		71,881	38,057
Separation and Redundancy		-	-
Other Employee Expenses		-	-
Total Elected Officials		<u>888,749</u>	<u>1,040,203</u>
(b) Other Employees			
Salary and Wages		2,209,496	1,852,248
Superannuation		460,536	377,975
Car Allowance		165,501	141,715
Leave and Other Entitlements		297,539	307,538
Separation and Redundancy		40,000	67,425
Other Employee Expenses		-	-
Total Other Employees		<u>3,173,072</u>	<u>2,746,901</u>
Total All Employees		<u>4,061,821</u>	<u>3,787,104</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
12 CASH FLOW INFORMATION			
(a) Reconciliation of cash flows from operations with operating surplus/(deficit) for the year:			
Operating Surplus/(Deficit)		134,506	392,423
Depreciation		74,387	121,453
Changes in Assets and Liabilities			
(Increase)/decrease in receivables		(14,588)	6,839
(Increase)/decrease in accrued income		10,682	(1,125)
(Increase)/decrease in prepayments		(45,469)	33,558
Increase/(decrease) in payables		(32,680)	76,060
Increase/(decrease) in provisions		100,496	(91,422)
Cash Flows from Operations		227,334	537,786
(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		800,526	537,265
Cash at End of Year		601,726	538,465
13 RELATED PARTY DISCLOSURES			
(a) Related Party Transactions for the Reporting Period			
(i) Income Received			
From the TWU Superannuation Fund			
Training Officer		88,898	87,340
Sponsorship		25,455	25,837
Director Fee		30,000	30,000
(ii) Expenses Paid			
To the TWU National Council			
Sustentation Fees		1,228,241	1,225,498
Training Fund		6,708	6,925
Council Expenses		3,099	17,016
IR Levy		26,824	27,700
To the ALP VIC & TAS			
Affiliation fees and Levies		72,331	70,418
(iii) Balances			
TWU National Council			
Debtor		737	-
Creditor		167,154	162,001
TWU Superannuation Fund			
Prepaid Income		27,727	49,832
Debtor		90	-
TWU Queensland - Creditor		-	25,619

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
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		322,359	294,297
Annual Leave		8,691	23,677
Allowances		42,828	33,898
		373,878	351,872
(ii) Post employment benefits			
Superannuation		62,654	59,607
		62,654	59,607
(iii) Other long term benefits			
Long Service Leave		-	-
(iv) Termination Benefits			
(v) Other Benefits		-	-
		-	-
Total		436,532	411,479
14. ADDITIONAL PRESCRIBED DISCLOSURES			
(a) Expenses			
(i) Consideration paid to employers for payroll deductions		10,384	8,924
(ii) Affiliation Fees			
ALP Vic Branch		69,948	68,032
ALP Tas Branch		2,383	2,386
Ballarat Trades Hall		1,400	1,400
Bendigo Trades Hall Council		1,112	1,112
Geelong Trades Hall Council		5,693	5,587
Gippsland Trades & Labour Council Inc.		348	348
Goulburn Valley TLC		2,739	2,739
North East and Border TLC		940	917
South West TLC		981	491
Sunraysia Trades and Labour Council		195	260
Victorian Trades Hall Council		21,891	21,494
Unions Tasmania		4,067	-
		111,696	104,765
(iii) Compulsory Levies			
Paid to Federal Office for the ACTU		28,842	27,700
(iv) Donations paid			
Total Donations - less than \$1,000		3,500	-
Total Donations - greater than \$1,000		33,902	11,800
		37,402	11,800
As per Statement of Comprehensive Income		37,402	11,800

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
14. ADDITIONAL PRESCRIBED DISCLOSURES (Continued)			
(v) Legal Costs			
Litigation		-	-
Other legal matters		49,088	57,007
As per Statement of Comprehensive Income		49,088	57,007
(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		24,863	13,286
Other Meetings		116,831	152,543
(vii) Auditors Remuneration			
Audit Services		8,750	8,500
Non Audit Services		-	-
As per Statement of Comprehensive Income		8,750	8,500
(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		-	-
		-	-

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;
- 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 2018**

	Notes	2018	2017
		\$	\$

15 SPECIFIC ITEMS THAT HAVE NOT OCCURRED (Continued)

- 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;

Statement of Changes in Member Equity

- 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

	2018	2017
	\$	\$
Non cancellable operating lease contracted for but not capitalised in the financial statements		
Payable in next 12 months	35,724	35,724
Payable after 12 months but less than 60 months	51,480	96,285
Total	87,204	131,989

17 CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at 31 December 2018

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 2018

Notes 2018 2017
 \$ \$

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 2018.

Financial Assets

Cash at Bank	600,526	537,265
Term Deposits	4,871,005	4,738,695
Sundry Debtors	19,688	5,100
Carrying amount of financial assets	<u>5,491,220</u>	<u>5,281,060</u>

Financial Liabilities

Sundry Creditors	598,079	593,643
Carrying amount of financial liabilities	<u>598,079</u>	<u>593,643</u>

The fair value of the assets and liabilities at 31 December 2018 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	600,526	537,265
Term Deposits	4,871,005	4,738,695
Past due or impaired		
Sundry Debtors	19,688	5,100
Total	<u>5,491,220</u>	<u>5,281,060</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018	2017
		\$	\$
19 FINANCIAL RISK MANAGEMENT (Continued)			
Ageing of financial assets that were past due but not impaired			
Sundry Debtors			
0 to 30 days		4,398	-
31 to 60 days		6,800	850
61 to 90 days		-	-
90+ days		8,490	4,250
Total		19,688	5,100

(ii) 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 2018 the branch had \$5,471,531 of cash and cash equivalents to pay for \$598,079 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		600,526	537,265
Term Deposits		4,871,006	4,738,695
Sundry Debtors		19,688	5,100
- One to Five years		-	-
- More than five years		-	-
Total		5,491,220	5,281,060

(ii) Financial Liabilities due for payment :-

- Within one year			
Sundry Creditors		598,079	593,643
- One to Five years		-	-
- More than five years		-	-
Total		598,079	593,643

(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 2018**

Notes	2018	2017
	\$	\$

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. 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.



Elliott Assurance Pty Ltd *
Audit and Compliance Services

Suite 105
620 St Kilda Road
Melbourne 3004
Telephone (03) 9077 9897
Email: elliott31@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 2018, 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 2018, 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.

Information other than the Financial Report and Auditors Report

The committee of management is responsible for the other information. The other information comprises the information included in the Operating Report accompanying the financial report for the year ended 31 December 2018, but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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.

Auditors Responsibility 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. I am registered with the Registered Organisations Commission. My registered auditor number is AA2017/245.

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 *

Melbourne, 2 April 2019

* 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

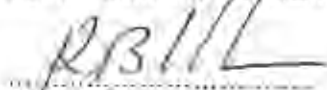
COMMITTEE OF MANAGEMENT STATEMENT

On 26 March 2019 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 2018:

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



Dissio Markos

26 March 2019