



19 August 2020

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

Dear John Berger,

**Transport Workers' Union of Australia-Victorian/Tasmanian Branch
Financial Report for the year ended 31 December 2019 – (FR2019/311)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Transport Workers' Union of Australia-Victorian/Tasmanian Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 17 June 2020.

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 (**RGs**) 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

References to legislation and the ROC

Following the enactment of the Fair Work (Registered Organisations) Amendment Act 2016, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that Note 3 Information to be provided to members or General Manager refers to the General Manager instead of the Commissioner. Please ensure in future years that this note is amended accordingly.

Nil activities disclosure

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes contained nil activity information for all prescribed RGs categories except the following:

- Receive cash flows from another reporting unit and/or controlled entity (RG 18);
- Have another entity administer the financial affairs of the reporting unit (RG 19); and
- Make a payment to a former related party of the reporting unit (RG 20).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the RGs.

I also note that the body of the notes includes the following nil activity disclosures twice:

- "Pay separation and redundancy expense for holders of office", "pay other employment expenses for holders of office" and "pay other employment expenses for employees (other than holders of offices) are disclosed in both Note 11 and Note 15;
- "Pay legal costs relating to litigation" is disclosed in both Note 14(v) and Note 15;
- "Have a payable in respect of legal costs relating to litigation" is disclosed in both Note 14(c) and Note 15; and
- "Have a liability for separation and redundancy for holders of offices" and "have a liability for separation and redundancy for employees (other than holders of offices) are disclosed in both Note 10(ii) and Note 15.

Please note that nil activities only need to be disclosed once.

New Australian Accounting Standards

Australian Accounting Standards AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities are applicable to not-for-profit entities for annual periods beginning on or after 1 January 2019. When a new Australian Accounting Standard is adopted, Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 28, requires that the entity disclose certain information about the new Australian Accounting Standard such as the title, the nature of the change and, if applicable, a description of the transitional provisions.

The GPFR does not appear to have included the disclosures required, not only by AASB 108, but also the disclosure required by AASB 15 and AASB 1058. It therefore appears that the reporting unit has not adopted either AASB 15 or AASB 1058 in the financial year ended 31 December 2019.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with Australian Accounting Standards.

Operating report

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the following names appeared in the previous year's operating report but did not appear in this year's operating report:

- Michael Wirrick

- John Siggers
- Allan Taylor
- Jim Hughes
- Sherajh Rahim
- Ken Griffin

There was no indication that these people had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

Auditor's report

Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report paragraph 24(c) requires the auditor's statement to list the elements of the GPFR. In the lodged auditor's report reference is made to an officer's declaration statement, however an officer's declaration statement was not included in the copy of the documents lodged with the ROC.

Please ensure in future years that only those statements which formed part of the auditor's scope are identified in the auditor's report.

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 RGs 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 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission

VIC/TAS Branch

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Branch Secretary
John Berger

17 June 2020

Registered Organisations Commission
GPO BOX 2983
MELBOURNE VIC 3001

Dear Sir/Madam,

RE: ANNUAL FINANCIAL REPORT 2019

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

- Certificate of Secretary
- Report required under subsection 255 (2A)
- and 2019 Annual Financial Report

The full report was presented to a meeting of the Committee of Management on 24th March 2020 and again on 16th June 2020. And the full report was distributed to members in the TWU Journal on 1st May 2020.

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 2019

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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 24th March 2020 (1st meeting), and
- (iii) that the full report was provided to members on 01 May 2020, and
- (iv) that the full report was presented to a meeting of the committee of management of the reporting unit on 16th June 2020 (2nd meeting), in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.



.....

John Berger


Dated. 16/06/2020

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)

**REPORT REQUIRED UNDER SUBSECTION 255 (2A)
for the year ended 31 December 2019**

The Committee of Management presents the expenditure report as required under subsection 255(2A) for the year ended 31 December 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses, in respect of employees	4,275,118	4,061,821
Advertising		372
Operating Costs	3,168,964	3,005,649
Donations to political parties	19,489	29,800
Legal costs	6,407	49,088

Signature of designated officer: 

Name of designated officer: John Berger

Title of designated officer: Branch Secretary

Dated: 24/3/2020

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

**OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 164,414 (2018: \$134,506). Total comprehensive income for the year was \$164,414.

Membership:

- A total of 2098 persons joined the Union during 2019.
- A total of 1549 persons resigned from the Union during 2019.
- Membership increased by 549 persons. Income from members increased by 4.66% (2018: increased by 0.38%) or increased by \$325,077 (2018: increased by \$26,055).
- Income from conducting Training Courses amounted to \$36,336 (2018: \$30,636).

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 2019**

Trusteeship 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

24,489 persons (2018: 24,306) were recorded in the register of members at 31 December 2019.
29 full-time equivalent persons (2018: 31) were employed at 31 December 2019.

Branch Committee of Management Members:	Period Position Held
John Berger	All of 2019
Chris Fennell	All of 2019
James Huges	All of 2019
Dissio Markos	All of 2019
Kevin Whelan	All of 2019
Michael McNese	All of 2019
John Rowe	All of 2019
Kevin Hoey	All of 2019
Clive Dennis	All of 2019
Ian Munro	All of 2019
Dean Sloan	All of 2019
Darren McColley	All of 2019
Mandeep Baines	All of 2019
Mary Blandford	All of 2019
Graeme Grant	All of 2019
Anne McDowell	All of 2019

For the Committee of Management


.....

John Berger

Dated .. 29/3/2020

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
CURRENT ASSETS			
Cash on Hand		1,200	1,200
Cash at Bank		356,248	600,526
Accrued interest		89,483	87,269
Accrued Memberships	1(a)	418,935	398,289
Sundry Debtors	4	86,511	19,688
Prepayments		78,317	130,026
Investments	5	5,201,243	4,871,005
Total Current Assets		6,241,936	6,108,004
NON CURRENT ASSETS			
Property, Plant & Equipment	6 & 7	8,512,832	8,508,939
Total Non Current Assets		8,512,832	8,508,939
TOTAL ASSETS		14,754,768	14,616,943
CURRENT LIABILITIES			
Sundry Creditors	8	580,267	598,079
Prepaid Income	9	67,784	132,783
Employee Entitlements	10	1,067,542	992,642
Total Current Liabilities		1,685,593	1,723,504
NON-CURRENT LIABILITIES			
Sundry Creditors	8	24,980	-
Employee Entitlements	10	25,365	39,022
Total Non Current Liabilities		50,345	39,022
TOTAL LIABILITIES		1,735,937	1,762,526
NET ASSETS		13,018,831	12,854,417
MEMBERS EQUITY			
Accumulated Funds		8,141,950	7,977,536
Revaluation Reserve		4,876,881	4,876,881
TOTAL MEMBER EQUITY		13,018,831	12,854,417

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 2019

	Note	2019	2018
		\$	\$
INCOME			
Contributions and Entrance Fees	1(a)	7,298,399	6,973,322
Investment Income - Interest		137,289	136,301
Sundry Income		117,629	104,068
Occupational Health & Safety Course Fees		36,336	30,636
TWU Superannuation Training Officer		106,364	88,898
TWU Superannuation Director Fee		30,000	30,000
Total Income		7,726,017	7,363,225
EXPENDITURE			
Employee Expenses	11		
Salaries		2,933,885	2,814,289
Superannuation		596,048	582,950
Leave Entitlements		399,120	369,420
Car Allowances		346,065	255,162
Separation and Redundancy		-	40,000
Total Employee Expenses		4,275,118	4,061,821
Other Expenses			
Administration & Rent (Country Office)		3,812	3,734
Affiliation Fees	14a(ii)	111,793	111,696
Auditor's Remuneration	14a(vii)	8,950	8,750
Bank Charges		16,415	16,453
Certificates & Awards		4,418	4,556
Clothing & Uniforms		8,631	4,667
Conference & Meeting Expenses	14a(vi)	192,297	116,831
Cleaning		42,760	42,456
Computer Costs		77,852	49,820
Delegates Commission		106,951	54,984
Delegate Meeting Expenses	14a(vi)	10,349	24,863
Depreciation		80,506	74,387
Donations	14a(iv)	30,607	37,402
Federal Office Training Fund	13a(ii)	6,567	6,706
Federal Office Capitation/Sustentation Fee	13a(ii)	1,287,438	1,228,241
Federal Council Expenses	13a(ii)	30,941	3,099
Federal IR Levy (ACTU)	14a(iii)	26,268	26,824
Finance Charge		3,060	
Fringe Benefits Tax		2,918	(14,292)
Insurance		14,172	14,348
Lease & Hire of Equipment		16,045	40,869
Legal Expenses	14a(v)	6,407	49,088
Light, Power & Water		34,617	29,693
Loss on Sale of Non-current Assets		3,665	
Marketing		35,771	43,958
Member Expenses		54,251	140,551

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
Mortuary Benefits		6,000	10,227
Motor Vehicle Expenses		29,278	60,685
Occupational Health & Safety Expense		23,904	24,594
Payroll Tax		158,685	152,613
Postage		109,195	92,531
Printing & Stationery		64,601	58,447
Publications, Awards & Subscriptions		5,537	13,965
Rates & Taxes		118,622	92,079
Repairs & Maintenance		19,325	19,238
Schoolbook Scholarship		614	955
Security Costs		11,678	11,264
Staff Amenities		9,274	7,838
Sundry Expenses		15,074	12,436
Telephone		70,880	76,216
Training Courses - Members		28,829	27,006
Training Courses - Staff		35,553	6,220
Travel & Accommodation		263,309	272,327
TWU News Editor		66,617	78,050
WorkCover		32,050	30,518
Total Other Expenses		<u>3,286,485</u>	<u>3,166,896</u>
Total Expenditure		<u>7,561,603</u>	<u>7,228,718</u>
OPERATING SURPLUS FOR THE YEAR		164,414	134,506
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>164,414</u></u>	<u><u>134,506</u></u>

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

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
- Contributions and Entrance Fees		7,277,753	6,953,518
- Interest Received		135,075	151,774
- Other Receipts		265,215	216,909
<i>Payments</i>			
- Suppliers and Employees		(6,237,378)	(5,844,955)
- Payments to TWU Federal Office		(1,312,401)	(1,249,912)
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES	12	<u>128,264</u>	<u>227,334</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
- Lease Payment		(25,740)	-
		<u>(25,740)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
- Investment in Term Deposit		(330,238)	(132,310)
- Purchase of Plant & Equipment		(20,928)	(31,763)
- Sale of Motor Vehicles		4,364	-
NET CASH PROVIDED BY / (USED IN) INVESTMENT ACTIVITIES		<u>(346,802)</u>	<u>(164,073)</u>
NET INCREASE / (DECREASE) IN CASH HELD		(244,278)	63,261
Cash at Beginning of Year		601,726	538,465
CASH AT END OF YEAR	12	<u>357,448</u>	<u>601,726</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 2019**

	Accumulated Funds	Revaluation Reserve	Total Member Equity
	\$		\$
Balance at 31 December 2017	7,843,030	4,876,881	12,719,911
Operating Surplus for the year	134,506	-	134,506
Balance at 31 December 2018	<u>7,977,536</u>	<u>4,876,881</u>	<u>12,854,417</u>
Operating Surplus for the year	164,414	-	164,414
Balance at 31 December 2019	<u>8,141,950</u>	<u>4,876,881</u>	<u>13,018,831</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 2019**

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) 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.

All other classes of property, plant and equipment are carried at cost less where applicable, any accumulated depreciation and any impairment in value.

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN/TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 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.

(c) 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.

(d) Leases

The union has adopted the accounting policies stipulated by the *Accounting Standard AASB16 Leases* for the first time in the 2019 financial year. This has meant that leases other than those considered "low value" have been capitalized on the balance sheet as Right of Use assets. Correspondingly a liability has been taken up to reflect the amount owed at year end recognizing a principle and interest component in the lease payments made during the year. The expense taken up in the Profit and Loss Statement is a combination of interest implicit in the lease and depreciation of the asset. The amounts paid as lease installments are no longer expensed. The effect on the operating result for 2019 because of this change is a reduction in the surplus of \$1,834.

The union has decided to apply the standard retrospectively, with the cumulative effect of initially applying the standard at the date of application being the beginning of the year. The amount recognized as the initial lease liability represents the discounted value of the outstanding lease installments at the beginning of the financial year. The amount taken up as the asset is the same as the lease liability.

Leases for which the underlying asset is considered low value continue to be treated as in previous years where the lease amounts paid are expensed.

(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.

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN/TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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.

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.

(i) 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.

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.

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN/TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

(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 2019

	Notes	2019 \$	2018 \$
4 SUNDRY DEBTORS			
Trade & Other Debtors		96,511	19,688
		<u>96,511</u>	<u>19,688</u>
5 INVESTMENTS			
Comprises the following Held to Maturity Financial Instruments :-			
Bendigo Bank Term Deposits		1,191,243	1,161,005
ME Bank Term Deposits		4,010,000	3,710,000
		<u>5,201,243</u>	<u>4,871,005</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>
Fixtures & Fittings		12,139	11,542
Less: Accumulated Depreciation		(3,464)	(1,046)
		<u>8,675</u>	<u>10,495</u>
Motor Vehicles (at cost)		52,267	106,374
Less: Accumulated Depreciation		(52,267)	(96,794)
		<u>-</u>	<u>9,580</u>
Office Furniture & Equipment (at cost)		1,598,056	1,577,726
Less: Accumulated Depreciation		(1,490,885)	(1,438,863)
		<u>107,171</u>	<u>138,864</u>
Right of Use Asset		71,500	-
Less: Accumulated Depreciation		(24,514)	-
		<u>46,986</u>	<u>-</u>
Total Property, Plant & Equipment		<u>8,512,832</u>	<u>8,508,939</u>
Reconciliation of Opening and Closing Balance of Property, Plant & Equipment			
Land & Buildings			
Opening		8,350,000	8,350,000
Movements		-	-
Closing		<u>8,350,000</u>	<u>8,350,000</u>
Motor Vehicles			
Opening		9,580	17,233
Additions		-	-
Disposals		(8,028)	-
Depreciation		(1,552)	(7,653)
Closing		<u>-</u>	<u>9,580</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		\$	\$
6 PROPERTY, PLANT & EQUIPMENT (continued)			
Furniture and Equipment			
Opening		138,864	184,331
Additions		20,330	20,221
Disposals		-	-
Depreciation		(52,023)	(65,688)
Closing		<u>107,171</u>	<u>138,864</u>
Fixtures and Fittings			
Opening		10,495	-
Additions		598	11,542
Disposals		-	-
Depreciation		(2,418)	(1,046)
Closing		<u>8,675</u>	<u>10,495</u>
Right of Use Assets			
Opening			
Additions		71,500	-
Depreciation		(24,514)	-
Closing		<u>46,986</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

	2019	2018
	\$	\$
Current		
Trade Creditors	49,700	75,544
Federal Council	179,699	167,154
Accrued Expenses	12,320	11,206
Lease Liability	23,840	-
Delegate Commission	51,000	35,129
ATO Liabilities	149,510	158,972
Payroll Liabilities	79,095	144,279
Other Creditors	15,103	5,795
	<u>580,267</u>	<u>598,079</u>
Non Current		
Lease Liability	24,980	-
	<u>24,980</u>	<u>-</u>

9 PREPAID INCOME

Prepaid Memberships	1(a)	40,056	105,056
TWU Director Fees		15,000	15,000
TWU Super Sponsorship Fees		12,727	12,727
		<u>67,783</u>	<u>132,783</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		\$	\$
10 EMPLOYEE ENTITLEMENTS			
(i) As Per Financial Statements			
Current Liabilities			
Annual Leave		464,888	469,002
Long Service Leave		592,654	523,639
Separation and Redundancies		-	-
Other		-	-
		<u>1,057,542</u>	<u>992,642</u>
Non Current Liabilities			
Long Service Leave		25,385	39,022
		<u>1,082,907</u>	<u>1,031,663</u>
(ii) Liability by Employee Category			
Elected Officials			
Annual Leave		114,172	110,394
Long Service Leave		215,954	183,584
Separation and Redundancies		-	-
Other		-	-
Other Employees			
Annual Leave		350,716	358,608
Long Service Leave		402,064	379,077
Separation and Redundancies		-	-
Other		-	-
		<u>1,082,907</u>	<u>1,031,663</u>
11 EMPLOYEE REMUNERATION			
(a) Elected Officials			
Salary and Wages		540,670	604,793
Superannuation		114,342	122,414
Car Allowance		88,371	89,661
Leave and Other Entitlements		105,351	71,881
Separation and Redundancy		-	-
Other Employee Expenses		-	-
		<u>848,733</u>	<u>888,749</u>
(b) Other Employees			
Salary and Wages		2,393,215	2,209,496
Superannuation		481,706	480,536
Car Allowance		257,695	165,501
Leave and Other Entitlements		293,769	297,539
Separation and Redundancy		-	40,000
Other Employee Expenses		-	-
		<u>3,426,385</u>	<u>3,173,072</u>
		<u>4,275,118</u>	<u>4,061,821</u>

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		\$	\$
12 CASH FLOW INFORMATION			
(a) Reconciliation of cash flows from operations with operating surplus/(deficit) for the year.			
Operating Surplus/(Deficit)		164,414	134,506
Depreciation		80,506	74,387
Loss on sale of assets		3,665	
Finance Charge		3,060	
Changes in Assets and Liabilities			
(Increase)/decrease in receivables		(76,823)	(14,588)
(Increase)/decrease in accrued income		(22,860)	10,682
(Increase)/decrease in prepayments		51,709	(45,469)
Increase/(decrease) in payables		(126,651)	(32,680)
Increase/(decrease) in provisions		51,244	100,496
Cash Flows from Operations		<u>128,264</u>	<u>227,334</u>
(b) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		1,200	1,200
Cash at Bank		356,248	600,526
Cash at End of Year		<u>357,448</u>	<u>601,726</u>
13 RELATED PARTY DISCLOSURES			
(a) Related Party Transactions for the Reporting Period			
(i) Income Received			
From the TWU Superannuation Fund			
Training Officer		106,364	88,898
Sponsorship		25,455	25,455
Director Fee		30,000	30,000
(ii) Expenses Paid			
To the TWU National Council			
Sustentation Fees		1,287,438	1,228,241
Training Fund		6,567	6,706
Council Expenses		30,941	3,089
To the ALP VIC & TAS			
Affiliation fees and Levies		71,524	72,331
(iii) Balances			
TWU National Council			
Debtor		-	737
Creditor		179,699	167,154
TWU Superannuation Fund			
Prepaid Income		27,727	27,727
Debtor		63,500	90
TWU Queensland - Creditor			
		-	-

TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		\$	\$
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		298,535	322,359
Annual Leave		34,842	8,691
Allowances		46,023	42,828
		<u>379,400</u>	<u>373,878</u>
(ii) Post employment benefits			
Superannuation		63,534	62,654
		<u>63,534</u>	<u>62,654</u>
(iii) Other long term benefits			
Long Service Leave		6,203	-
(iv) Termination Benefits			
(v) Other Benefits			
		-	-
		-	-
Total		<u>449,138</u>	<u>436,532</u>
14. ADDITIONAL PRESCRIBED DISCLOSURES			
(a) Expenses			
(i) Consideration paid to employers for payroll deductions		9,192	10,384
(ii) Affiliation Fees			
ALP Vic Branch		68,852	69,948
ALP Tas Branch		2,672	2,383
Ballarat Trades Hall		1,400	1,400
Bendigo Trades Hall Council		1,112	1,112
Geelong Trades Hall Council		5,798	5,693
Gippsland Trades & Labour Council Inc		464	348
Goulburn Valley TLC		3,097	2,739
North East and Border TLC		940	940
South West TLC		981	981
Sunraysia Trades and Labour Council		301	195
Victorian Trades Hall Council		22,095	21,891
Unions Tasmania		4,081	4,067
		<u>111,793</u>	<u>111,696</u>
As per Statement of Comprehensive Income			
(iii) Compulsory Levies			
Paid to Federal Office for the ACTU		26,268	26,842
(iv) Donations paid			
Total Donations - less than \$1,000		916	3,500
Total Donations - greater than \$1,000		29,691	33,902
		<u>30,607</u>	<u>37,402</u>
As per Statement of Comprehensive Income			

**TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
14. ADDITIONAL PRESCRIBED DISCLOSURES (Continued)			
(v) Legal Costs			
Litigation		-	-
Other legal matters		6,407	49,088
As per Statement of Comprehensive Income		6,407	49,088
(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		10,349	24,863
Other Meetings		192,297	116,831
(vii) Auditors Remuneration			
Audit Services		8,950	8,750
Non Audit Services		-	-
As per Statement of Comprehensive Income		8,950	8,750
(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 2019**

	Notes	2019	2018
		\$	\$

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

	2019	2018
	\$	\$
Non cancellable operating lease contracted for but not capitalised in the financial statements		
Payable in next 12 months	3,328	35,724
Payable after 12 months but less than 60 months	11,371	51,480
Total	14,699	87,204

17 CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at 31 December 2019

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 2019**

	Notes	2019	2018
		\$	\$

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 2019.

Financial Assets

Cash at Bank	356,248	600,526
Term Deposits	5,201,243	4,871,005
Sundry Debtors	96,511	19,688
Carrying amount of financial assets	5,654,001	5,491,220

Financial Liabilities

Sundry Creditors	585,247	598,079
Carrying amount of financial liabilities	585,247	598,079

The fair value of the assets and liabilities at 31 December 2019 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	356,248	600,526
Term Deposits	5,201,243	4,871,005

Past due or impaired

Sundry Debtors	96,511	19,688
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Total	5,654,001	5,491,220
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TRANSPORT WORKERS' UNION OF AUSTRALIA (VICTORIAN TASMANIAN BRANCH)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		\$	\$
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		34,150	6,800
61 to 90 days		-	-
90+ days		62,361	8,490
Total		<u>96,511</u>	<u>19,688</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 2019 the branch had \$5,557,490 of cash and cash equivalents to pay for \$536,427 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		356,248	600,526
Term Deposits		5,201,243	4,871,006
Sundry Debtors		96,511	19,688
- One to Five years		-	-
- More than five years		-	-
Total		<u>5,654,001</u>	<u>5,491,220</u>

(i) Financial Liabilities due for payment :-

- Within one year			
Sundry Creditors		580,267	598,079
- One to Five years		24,980	-
- More than five years		-	-
Total		<u>585,247</u>	<u>598,079</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 2019**

Notes	2019	2018
	\$	\$

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.

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

COMMITTEE OF MANAGEMENT STATEMENT

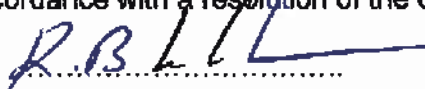
On 24 March 2020 the Committee of Management of the Transport Workers' Union of Australia, Victorian Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 December 2019:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)*;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 RO Act; 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. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management

Signature of designated officer



Name and title: Kevin Whelan, Branch Trustee

Signature of designated officer



Name and title: Dissio Markos, Branch Trustee

Dated: 24.3.2020



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**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 2019, 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, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration 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 2019, 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.

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

Information other than the Financial Report and Auditors Report

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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 of the financial report that gives a true and fair view in accordance with Australian Accounting standards and 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.

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

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

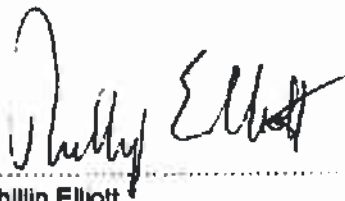
In conducting my audit, I have complied with the Independence requirements of Australian professional ethical pronouncements.

Auditor Status

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants and hold a current Public Practice Certificate. I am registered with the Registered Organisations Commission. My registered auditor number is AA2017/245.

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, 3 April 2020

* Liability limited by a scheme approved under Professional Standards Legislation