

UNITED WE WIN



Rick Burton Branch Secretary

**TRANSPORT WORKERS UNION**

Western Australian Branch

3rd Floor, 82 Beaufort Street, Perth WA | PO Box 8497, Perth Business Centre, Perth WA 6849

Phone (08) 9328 7477 | Facsimile (08) 9227 8320 | ABN 37 494 080 681

**Certificate of Secretary or other Authorised Officer**  
**S268 of Fair Work (Registered Organisations) Act 2009**

I Richard Burton being the Secretary of the Transport Workers Union of Australia Western Australian Branch certify:

- That the documents lodged herewith are copies of the Full Report, and the Concise Report, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the Concise Report was provided to members on the 28<sup>th</sup> March 2013 and
- That the Full Report was presented to a 2<sup>nd</sup> meeting of the Branch Committee of Management on the 23<sup>rd</sup> April 2013; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signed:

A handwritten signature in black ink, appearing to read 'R Burton', is written over a horizontal line.

Richard Burton

Date: 24.4.2013

**TRANSPORT WORKERS' UNION OF AUSTRALIA**

**WESTERN AUSTRALIAN BRANCH**

**AUDITED GENERAL PURPOSE FINANCIAL REPORT**

**FOR THE YEAR ENDED  
31 DECEMBER 2012**

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012**

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## COMMITTEE OF MANAGEMENT STATEMENT

In accordance with the resolutions passed by the committee of management of the Transport Workers' Union of Australia - Western Australian Branch ("Branch"), the general purpose financial report of the WA Branch of the TWU for the financial year ended 31 December 2012 was passed at their meeting on 26 March 2013, and in the opinion of the committee of management:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) during the financial year ended 31 December 2012 and since the end of the 2012 year:
  - (i). meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a Branch concerned; and
  - (ii). the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of a Branch concerned; and
  - (iii). the financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
  - (iv). where the organisation consists of 2 or more Branch's, the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches of the organisation; and
  - (v). the information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar; and
  - (vi). there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) in relation to recovery of wages activity:
  - (i). the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii). the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Fair Work (Registered Organisations) Act 2009 all recovery of wages activity by the Branch in which revenues has been derived for the financial year in respect of such activity; and
  - (iii). no fees or reimbursements of expenses in relation to the recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv). that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v). no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

- (vi). that in accordance with Section 265(2) of the Fair Work (Registered Organisations) Act 2009 the Western Australian Branch of the TWU committee of management resolves that a concise report is to be provided to the members and should a member request a copy of the full report and auditor's report one is to be provided to them.

Signed

  
.....  
RICHARD BURTON  
BRANCH SECRETARY

Dated on 26 March 2013

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF TRANSPORT WORKERS' UNION OF  
AUSTRALIA - WESTERN AUSTRALIAN BRANCH**

Chartered  
Accountants



**BUTLER  
SETTINERI**

**Report on the Financial Report**

We have audited the accompanying financial report of Transport Workers' Union of Australia - Western Australian Branch, which comprises the statement of financial position as at 31 December 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's statement.

**Committee of Management's Responsibility for the Financial Report**

The members of the Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report which gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Unit 16, First Floor  
Spectrum Offices  
100 Railway Road  
(Cnr Hay Street)  
Subiaco WA 6008

**Locked Bag 18  
Subiaco WA 6904  
Australia**

Phone: **(08) 6389 5222**  
Fax: **(08) 6389 5255**  
mail@butlersettineri.com.au

[www.butlersettineri.com.au](http://www.butlersettineri.com.au)

**Butler Settineri  
(Audit) Pty Ltd**

ACN 112 942 373

Registered Company Auditor  
Number 289109

*Liability limited by a scheme  
approved under Professional  
Standards Legislation*

## **Independence**

In conducting our audit, we have complied with the independence requirements of the professional accounting bodies.

## **Auditor's Opinion**

In our opinion, the financial report of Transport Workers' Union of Australia - Western Australian Branch is in accordance with the requirements of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, including:

- a) giving a fair view of the entity's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
  
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

## **Report on the Recovery Wages Activity**

We have audited the Wage Recoupment Trust Account included on pages 22 to 24 of the entity's general purpose financial report for the year ended 31 December 2012.

The members of the Committee of Management are responsible for the preparation and presentation of the Wage Recoupment Trust Account in accordance with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Our responsibility is to express an opinion on the Wage Recoupment Trust Account, based on our audit conducted in accordance with Australian Auditing Standards.

## **Auditor's Opinion**

In our opinion the Wage Recoupment Trust Account report is in accordance with the reporting guidelines of the Industrial Registrar for the year ended 31 December 2012, including:

- a) presenting fairly and properly the Wage Recoupment Trust Account's financial position as at 31 December 2012 and its performance for the year ended on that date;
- b) all information required by the reporting guidelines of the Industrial Registrar, including:
  - any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity;
  - any donations or other contributions deducted from recovered money and

**BUTLER SETTINERI (AUDIT) PTY LTD**



**MARIUS VAN DER MERWE CA**  
Director

Perth

Date: 27 March 2013



**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
Revenue from operations	3	4,691,314	4,313,489
Depreciation and amortisation expense	4(a)	(199,876)	(156,373)
Loss on sale of fixed asset		(11,666)	736
Other expenses from ordinary activities	4(b)	(4,642,515)	(4,067,093)
<b>Operating (deficit)/surplus before income tax</b>	11	(162,743)	90,759
Income tax benefit		-	-
<b>Net operating (deficit)/surplus for the period</b>		(162,743)	90,759
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total comprehensive income attributable to members</b>		(162,743)	90,759

The accompanying notes form part of this financial report.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	14(a)	5,046,810	5,380,127
Trade and other receivables	5	114,530	119,693
Other current assets		97,526	33,565
<b>Total Current Assets</b>		<u>5,258,866</u>	<u>5,533,385</u>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	2,259,807	2,138,218
<b>Total Non Current Assets</b>		<u>2,259,807</u>	<u>2,138,218</u>
<b>TOTAL ASSETS</b>		<u>7,518,673</u>	<u>7,671,603</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	228,933	279,843
Provisions	10	537,161	464,524
<b>Total Current Liabilities</b>		<u>766,094</u>	<u>744,367</u>
<b>NON CURRENT LIABILITIES</b>			
Provisions	10	23,124	35,038
<b>Total Non Current Liabilities</b>		<u>23,124</u>	<u>35,038</u>
<b>TOTAL LIABILITIES</b>		<u>789,218</u>	<u>779,405</u>
<b>TOTAL NET ASSETS</b>		<u>6,729,455</u>	<u>6,892,198</u>
<b>MEMBERS' FUNDS &amp; RESERVES</b>			
Accumulated funds	11	5,518,763	5,681,506
Asset revaluation reserve	12	1,210,692	1,210,692
		<u>6,729,455</u>	<u>6,892,198</u>

The accompanying notes form part of this financial report.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>Retained earnings \$</b>	<b>Retained reserve \$</b>	<b>Total \$</b>
Total equity at the beginning of the year 1 January 2011	5,590,747	1,210,692	6,801,439
Total comprehensive income for the year	90,759	-	90,759
<b>Total equity at the end of the year 31 December 2011</b>	<u>5,681,506</u>	<u>1,210,692</u>	<u>6,892,198</u>
Total comprehensive income for the year	(162,743)	-	(162,743)
<b>Total equity at the end of the year 31 December 2012</b>	<u>5,518,763</u>	<u>1,210,692</u>	<u>6,729,455</u>

The accompanying notes form part of this financial report.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	NOTE	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Membership receipts		4,113,893	3,805,446
Interest received		227,199	257,536
Other income		353,392	335,027
Sustentation fees paid		(520,082)	(435,077)
Payments to suppliers and employees		(4,096,861)	(3,638,535)
<b>Net cash provided from operating activities</b>	14(b)	<u>77,541</u>	<u>324,397</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for plant & equipment		(427,431)	(213,972)
Proceeds on sale of plant & equipment		16,573	-
Proceeds on sale of investment property		-	602,347
<b>Net cash used in investing activities</b>		<u>(410,858)</u>	<u>388,375</u>
Net (decrease)/increase in cash held		(333,317)	712,772
Cash at the beginning of the financial year		5,380,127	4,667,355
<b>Cash at the end of the financial year</b>	14(a)	<u>5,046,810</u>	<u>5,380,127</u>

The accompanying notes form part of this financial report.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Transport Workers' Union of Australia – Western Australian Branch (“Branch”) is a trade union with a principal place of business located at 3<sup>rd</sup> floor, 82 Beaufort Street, Perth WA.

Transport Workers' Union of Australia (“the Federal Organisation”) are the registered proprietors and owners of the Branch’s office.

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, except for a modified revenue recognition policy.

The financial report has also been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities, certain classes of property, plant and equipment and investment property.

The committee of management evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and internally. There were no such key estimates or judgements made in these financial statements.

The Branch is a not-for-profit entity for the purposes of preparing Financial Statements.

The functional currency and the presentation currency is Australian dollars.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

The Branch is exempt from income tax under s 50-15 ITAA 1997 Act.

**(b) Revenue Recognition**

Interest due on term deposits is recognised as income on an accruals basis. Under s252(3) of the Fair Work (Registered Organisations) Act 2009, contributions receipted during the year have been recognised on a cash basis. This is to the discretion of the organisation and is accepted as the Transport Workers' Union of Australia’s revenue recognition policy.

**(c) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Cash and cash equivalents (continued)**

known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding overdrafts.

**(d) Trade and other receivables**

Trade and sundry debtors are initially recognised at fair value of the consideration to be received and subsequently measured net of provision for doubtful debts. Recovery of receivables is reviewed on a regular basis, and uncollectible balances are written off.

**(e) Property, plant and equipment**

Items of plant and equipment are carried at cost less accumulated depreciation.

Property is carried at valuation. Independent assessments of the fair value of land and buildings are obtained based on existing use and such assessments are used as a guide when revaluations are made. Revaluation increments are to be credited directly to the asset revaluation reserve. A revaluation decrement is recognised as an expense in the Statement of Comprehensive Income except to the extent that the decrement revises a revaluation increment previously credited to the revaluation reserve.

Depreciation is charged on a basis and at rates designed to write off the carrying value of assets over their estimated useful life to the Branch.

Property	2.5% straight line
Plant & equipment	7.5% - 40% reducing balance
Office refurbishments	10% - 37.5% reducing balance
Motor vehicles	18.75% reducing balance

**(f) Trade and other payables**

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed or not billed to the company.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Provision for employee benefits**

Liabilities for annual leave entitlements expected to be settled within 12 months of the reporting date are recognised as current liabilities and are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for long service leave are expected to be settled in more than 12 months of the reporting date and are recognised as noncurrent liabilities, to the extent that there is no present entitlement, otherwise they are reported as current liabilities. Entitlements are measured at the amounts expected to be paid with the liabilities are settled.

**(h) Impairment of assets**

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

**(i) Estimations of property, plant and equipment**

The basis of valuation of the premises and industrial unit is at fair market value based upon a market appraisal valuation from an independent firm of Real Estate Agents and Valuers.

**(j) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published but are not mandatory for 31 December 2012 reporting periods. The Branch's assessment is that these new pronouncements will have no impact on the amounts recognised in the financial statements but may affect their disclosure in future periods.

**NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections(1),(2)and (3) of Section 272.

**272(1) (Application for Information)** A member of a reporting unit, or a Registrar, 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.

**272(2) (Form of Application)** The application must be in writing and must specify the period within which, and the manner 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.

**272(3) (Compliance)** A reporting unit must comply with the application made under subsection (1).

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
<b>NOTE 3      REVENUE</b>		
Membership subscriptions	4,110,723	3,790,484
Initial entrance fees	-	14,962
Federal Committee expenses reimbursement	11,879	6,281
Super Fund Director reimbursement	226,071	170,859
Advertising and sponsorship	26,802	20,000
Interest received	227,199	257,536
Sundry income	88,640	53,367
Total operating revenue	<u>4,691,314</u>	<u>4,313,489</u>

**NOTE 4      EXPENDITURE**

(a) Depreciation

The total depreciation charge is made up as follows:

Buildings	41,540	41,563
Plant and equipment	147,629	106,302
Office refurbishments	10,707	8,508
	<u>199,876</u>	<u>156,373</u>
Impairment of property held for sale	<u>-</u>	<u>736</u>



**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>NOTE 4</b>	<b>EXPENDITURE (CONT'D)</b>	<b>NOTE</b>	<b>2012</b>	<b>2011</b>
			<b>\$</b>	<b>\$</b>
(b)	Other expenses is made up as follows:			
	Advertising		1,100	5,244
	Affiliation fees	4(c)	116,685	101,253
	Annual leave - Executive		27,783	62,175
	Audit and accountancy fees	21	19,965	19,361
	Bank charges		28,049	28,334
	Commission paid		9,545	9,318
	Compulsory levies to Federal Office levies		19,820	9,915
	Computer operating expenses		10,732	14,184
	Computer programming maintenance		36,658	18,513
	Consultancy fees		3,836	3,059
	Debt collection expenses		25,269	23,784
	Donations	4(d)	53,110	6,645
	Federal council expenses		-	51,282
	Freight & couriers		8,207	7,141
	Fringe benefits tax		26,718	20,761
	Funeral benefit		55,000	51,000
	General expenses		7,010	10,854
	Hire of equipment		192	1,183
	Insurance		74,156	62,345
	Lease expenses		7,681	5,589
	Litigation and other legal costs		131,911	145,981
	Long service - Executive		32,940	46,610
	Meeting expenses	4(e)	82,364	87,600
	Motor vehicle expenses		233,163	161,080
	Motor vehicle allowance		24,750	28,000
	Office refurbishment costs		4,104	-
	Organisers' expenses - country		44,070	26,786
	Payroll tax		86,499	76,144
	Presidential honorarium fees		11,000	11,000
	Printing, stationery and stamps		266,791	250,423
	Promotional products purchases		69,563	67,830
	Rent, rates and electricity		49,875	45,414
	Repairs and maintenance		9,069	3,565
	Staff amenities		1,440	1,440
	Staff/Delegates training		10,230	13,662
	Subscriptions		9,720	13,129
	Superannuation contributions		273,655	247,164
	Sustentation fees – Federal Office		520,082	435,077
	Telephone		109,701	105,023
	Travelling and accommodation		268,289	244,797
	Uniforms		6,682	4,099
	Wages - Executive		525,379	443,843
	Wages - Other		1,339,722	1,096,486
			<u>4,642,515</u>	<u>4,067,093</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>NOTE 4</b>	<b>EXPENDITURE (CONT'D)</b>	<b>2012</b>	<b>2011</b>
		<b>\$</b>	<b>\$</b>
(c)	Affiliation fees were paid as follows:		
	Australian Labour Party	57,304	38,231
	Trades and Labour Council	59,381	52,722
	AMWU Alliance	-	10,300
		<u>116,685</u>	<u>101,253</u>
(d)	Donations were made as follows:		
	Aid Abroad	80	-
	ALP Donation	-	2,000
	ALP Belmont	10,000	-
	ALP Bassendean	630	-
	ALP Morley	13,000	-
	ALP Mt Lawley	10,000	-
	ALP North West Central	500	-
	ALP Riverton	11,400	-
	ALP Collie	5,000	-
	Constable Care	-	500
	ECU Joondalup	1,500	-
	Lions Australia	-	545
	Member Donation	500	500
	Murdoch University	-	1,000
	PCYC	-	600
	Rotary Club	500	500
	Trades & Labor Council	-	500
	Variety Of Childrens Charity	-	500
		<u>53,110</u>	<u>6,645</u>
(e)	Meeting fees and expenses were paid as follows:		
	Branch Committee of Management	25,232	23,900
	Other meeting expenses	57,132	63,700
		<u>82,364</u>	<u>87,600</u>
<b>NOTE 5</b>	<b>TRADE AND OTHER RECEIVABLES</b>		
	Trade receivables	52,300	29,034
	Accrued interest	42,230	70,659
	Office holder loan	20,000	20,000
		<u>114,530</u>	<u>119,693</u>

The loan is a long service leave advance provided to the former Branch Secretary, Mr J McGiveron. The loan is an interest free loan that is repayable by Mr J McGiveron and recoverable by the Branch.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 6 FINANCIAL INSTRUMENTS**

**a) Interest Rate Risk**

All financial assets recognised in the Statement of Financial Position are carried at cost and are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes. The Branch's exposure to market interest rates relates primarily to the Branch's cash and cash equivalents.

<b>Financial instruments</b>	<b>Weighted average effective interest rate %</b>	<b>Floating interest rate \$</b>	<b>Non-interest bearing \$</b>	<b>Total \$</b>
<b>31 December 2012</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	4.36%	5,044,504	80,034	5,124,538
Trade and other receivables		-	114,530	114,530
		<u>5,044,504</u>	<u>194,564</u>	<u>5,239,068</u>
<i>Financial liabilities:</i>				
Trade and other payables		-	228,933	228,933
		<u>-</u>	<u>228,933</u>	<u>228,933</u>

<b>Financial instruments</b>	<b>Weighted average effective interest rate %</b>	<b>Floating interest rate \$</b>	<b>Non-interest bearing \$</b>	<b>Total \$</b>
<b>31 December 2011</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	5.13%	5,379,137	990	5,380,127
Trade and other receivables		-	119,693	119,693
		<u>5,379,137</u>	<u>120,683</u>	<u>5,499,820</u>
<i>Financial liabilities:</i>				
Trade and other payables		-	279,843	279,843
		<u>-</u>	<u>279,843</u>	<u>279,843</u>

The Branch's policy is to review bank products and ensure the maximum rate of interest is earned on at call deposits.

The following sensitivity analysis is based on the interest rate risk exposure in existence at the balance date.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 6 FINANCIAL INSTRUMENTS (CONT'D)**

At 31 December 2012, if interest rates had increased by 100 basis points , the 2012 profit and equity would have been \$53,426 higher (2011: \$53,791)

**b) Net Fair Values of Financial Assets and Liabilities**

The net fair value of financial assets and financial liabilities approximates the carrying amount of the financial assets and financial liabilities as indicated in the Statement of Financial Position. There are no unrecognised financial assets or financial liabilities as at 31 December 2012.

**c) Credit Risk Exposure**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk of financial assets of the Branch which have been recognised on the Statement of Financial Position is the carrying amount, net of any provision for doubtful debts. The Branch has limited exposure to credit risk due to its association with recognisable banking and financial institutions.

**d) Market Risk**

Market risk is the risk of changes in market prices, such as foreign exchange rate interest rates. The Branch has no exposure to foreign currency risk as activities are wholly performed within Australia. The Branch's exposure to interest rate risk is limited to the money held in the bank accounts. Interest benefiting assets are managed in such a way as to maximise results for external market forces.

**e) Liquidity Risk**

Liquidity risk is the risk that the Branch will not be able to meet its financial obligations as they fall due. The Branch has limited exposure to liquidity risk as there are few payables (as per Note 6a) and ample cash available to settle all payables as they fall due.

**f) Capital management**

The Branch's capital management goals are to ensure that it has sufficient funds to serve its members. The Branch's capital position at 31 December 2012 as follows:

	2012 \$	2011 \$
Cash and cash equivalents	5,124,538	5,380,127
Trade and other receivables	114,530	119,693
Trade and other payables	(228,933)	(279,843)
	<u>5,010,135</u>	<u>5,219,977</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 \$	2011 \$
<b>NOTE 7      PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings at valuation	1,662,500	1,662,500
Less: Accumulated depreciation	(83,125)	(41,585)
Plant and equipment at cost	1,082,153	840,974
Less: Accumulated depreciation	(509,063)	(382,423)
Office refurbishment at cost	197,886	132,925
Less: Accumulated depreciation	(90,544)	(79,837)
Library at valuation	-	5,664
	<u>2,259,807</u>	<u>2,138,218</u>

The Transport Workers' Union of Australia ("the Federal Organisation") are the registered proprietors and owners of the Branch's offices. The office property was acquired by the expenditure of the WA Branch funds and forms part of the assets of the Branch.

The basis of valuation of the Branch's office premises and industrial unit is fair market value based upon a market appraisal valuation carried out by Mr E Rogers, from an independent firm of Real Estate Agents and Valuers (Metway Real Estate) on the 21 January 2011.

	Land and Buildings \$	Plant & Equipment \$	Office Refurbishment \$	Library \$	Total \$
Balance at 1 Jan 2011	1,662,500	356,989	61,596	5,664	2,086,749
Additions	-	214,768	-	-	214,768
Disposals	-	(6,904)	-	-	(6,904)
Depreciation	(41,585)	(106,302)	(8,508)	-	(156,395)
Balance at 31 Dec 2011	<u>1,620,915</u>	<u>458,551</u>	<u>53,088</u>	<u>5,664</u>	<u>2,138,218</u>
Additions	-	284,743	64,961	-	349,704
Disposals	-	(22,575)	-	(5,664)	(28,239)
Depreciation	(41,540)	(147,629)	(10,707)	-	(199,876)
Balance at 31 Dec 2012	<u>1,579,375</u>	<u>573,090</u>	<u>107,342</u>	<u>-</u>	<u>2,259,807</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 8 ASSETS HELD FOR SALE**

	2012	2011
	\$	\$
Property held for sale at 1 January	-	680,000
Acquisitions of assets	-	-
Impairment loss recognised in profit and loss	-	-
Disposals	-	(602,347)
Loss on disposals	-	(77,653)
Property held for sale at 31 December	-	-

The property held for sale last year relates to a house in Karratha which was initially purchased for the use by travelling executives. Due to a change in strategy the property was put on the market. A sale and purchase agreement was entered into in November 2010 and was completed in February 2011. Consequently an impairment loss was recorded last year in the financial statements, for the excess of carrying amount over subsequent sale proceeds.

	2012	2011
	\$	\$
<b>NOTE 9 TRADE AND OTHER PAYABLES</b>		
Trade & Sundry creditors	96,454	151,377
GST payable (net)	55,906	68,437
Payroll liabilities	76,573	60,029
Balance at 31 December	228,933	279,843

**NOTE 10 PROVISIONS**

The amounts expected to be paid to fund employees for their pro rata entitlements to annual leave and long service leave are accrued annually at current salary rates. Sick leave has not been accrued, as any sick leave entitlements are considered contingent and non vesting.

	Annual Leave	Long Service Leave	Total
	\$	\$	\$
Balance at 1 January 2012	210,558	289,004	499,562
Net credit for the year	27,784	32,939	60,723
Balance at 31 December 2012	238,342	321,943	560,285
Current	238,342	298,819	537,161
Non Current	-	23,124	23,124
Balance at 31 December 2012	238,342	321,943	560,285

Employee benefits are payable as follows:

Benefits payable to Branch officeholders	280,009
Benefits payable to other employees (excluding officeholders)	280,276
	560,285

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 11 ACCUMULATED FUNDS**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Accumulated funds at the beginning of the year	5,681,506	5,590,747
Operating (deficit)/ surplus for the year	(162,743)	90,759
Accumulated funds at the end of the year	<u>5,518,763</u>	<u>5,681,506</u>

Accumulated funds relate to surplus's built over the years since commencement of operations.

**NOTE 12 ASSET REVALUATION RESERVE**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	1,210,692	1,210,692
Revaluation increment for the year	-	-
Balance carried forward at the end of the year	<u>1,210,692</u>	<u>1,210,692</u>

The revaluation reserve is a reserve that accumulates increments of fair value adjustments to assets being carried at fair value. Its purpose is to quantify movements in fair value to be able to establish unrealised gains on assets held.

**NOTE 13 CONTINGENT LIABILITIES**

No material contingent liabilities exist as at 31 December 2012.

**NOTE 14 NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, net of outstanding bank overdrafts, and short term money market balances. 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:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	2,306	990
Cash at bank	<u>5,044,504</u>	<u>5,379,137</u>
	<u>5,046,810</u>	<u>5,380,127</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 14 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)**

**(b) Reconciliation of net cash provided by operating activities to operating surplus**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Operating (deficit)/surplus	(162,743)	90,759
Non-cash flows in operating surplus/(deficit):		
Depreciation	199,876	156,373
Loss on sale of assets	11,666	83,784
Changes in assets and liabilities:		
(Increase) / Decrease in receivables	3,170	(35,667)
(Increase) / Decrease in prepayments	15,759	(16,294)
(Decrease) in accounts payable	(50,910)	(63,342)
Increase in provisions	60,723	108,784
Net cash provided by operating activities	<u>77,541</u>	<u>324,397</u>

**(c) Credit Standby Arrangements**

No bank overdraft or other facilities exist as at year end.

**NOTE 15 EMPLOYEE BENEFITS**

**(a) Employee benefits paid to office holders, who are the key management personnel, of the WA Branch were as follows:**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Motor vehicle and telephone expenses	37,824	50,346
Other fringe benefits – salary sacrifice	18,980	12,680
Superannuation	104,488	71,160
	<u>161,292</u>	<u>134,186</u>

**(b) Employee benefits paid to employees (excluding office holders) were as follows**

Motor vehicle and telephone expenses	42,101	44,745
Other fringe benefits – salary sacrifice	7,800	10,200
Superannuation	186,828	176,005
	<u>236,729</u>	<u>230,950</u>



**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 16 RELATED PARTY TRANSACTIONS**

Included in the current liabilities is an amount of \$59,305 (2011: \$59,583) owing to the Federal Office of the Transport Workers Union in relation to outstanding sustentation fees payable to 31 December 2012.

Included in trade and other receivables is an interest free loan of \$20,000 provided to the Former Branch Secretary, Mr J McGiveron. The loan is repayable by Mr J McGiveron and recoverable by the Branch.

**NOTE 17 POLITICAL AND SPONSORSHIP FUND**

The Branch maintains a separate account known as the "Political Fund and Sponsorship Account". Funds received from advertising and sponsorship revenue are deposited to this account. The account is then used to pay out political donations, sponsorships and affiliation fees.

The balance of the fund as at 31 December 2012 was \$38,451 (2011: \$44,477) with the funds being held in a separate Commonwealth Bank account, which is an interest bearing account. This forms part of the balance of the Branch cash and cash equivalents.

**NOTE 18 DIVIDENDS**

No dividends have been paid or proposed during the year.

**NOTE 19 COMMITMENTS**

There are no capital commitments, lease commitments or contractual obligations as at 31 December 2012.

**NOTE 20 SUBSEQUENT EVENTS**

On 22 October 2012, the Branch entered into an agreement to purchase a property at 5 Brolga Meander, Nickol WA 6714 for \$915,000. The property settlement was subsequently completed on 22 January 2013.

Other than the above, there has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the result of operations, or the state of affairs of the Branch in the future financial years.

**NOTE 21 AUDITOR'S REMUNERATION**

	2012 \$	2011 \$
Audit services	11,469	17,181
Non audit services:		
Accountancy work by related practice	8,496	2,180
	<u>19,965</u>	<u>19,361</u>

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**WAGE RECOUPMENT TRUST ACCOUNT**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2012**

<b>INCOME</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Trust receipts	3,000	-
	<u>3,000</u>	<u>-</u>
<b>EXPENSES</b>		
Trust payments, wages recovered & admin charges	3,000	-
	<u>3,000</u>	<u>-</u>
Operating surplus	-	-
<b>Other comprehensive income</b>		
Other comprehensive income	-	-
Total comprehensive income attributable to members	<u>-</u>	<u>-</u>

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

**ASSETS**

Cash at Bank	1,458	1,458
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**LIABILITIES**

Unclaimed monies	-	-
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**NET ASSETS**

	<u>1,458</u>	<u>1,458</u>
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**MEMBERS' FUNDS & RESERVES**

Accumulated funds at the beginning of the year	1,458	1,458
Deficiency of expenditure over income for the year	-	-
Accumulated funds at the end of the year	<u>1,458</u>	<u>1,458</u>

Cash funds are held in an interest bearing account at the Commonwealth Bank of Australia.

**STATEMENTS OF RECEIPTS AND PAYMENTS FOR  
RECOVERY OF WAGES ACTIVITY  
CASH BASIS  
FOR THE YEAR ENDED 31 DECEMBER 2012  
(Prepared on a Cash Basis)**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash assets in respect of recovered money at the beginning of the year</b>	1,458	1,458
<b>Receipts</b>		
Amounts recovered from employers	3,000	-
Interest received on recovered money	-	-
<b>Total receipts</b>	4,458	1,458
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions or donations or other contributions to accounts or funds of:		
- the Branch	-	-
- another Branch of the organisation	-	-
- name of other entity	-	-
Deductions of fees charged or expense reimbursements to Branch	3,000	-
Distributed to workers as recovered wages	-	-
<b>Total payments</b>	3,000	-
<b>Cash assets in respect of recovered money at the end of the year</b>	1,458	1,458

Wages recouped in the year \$3,000 (2011: Nil).

Aggregate recouped wages payable to workers but not yet distributed as at 31 December 2012 amount to \$NIL.

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
WESTERN AUSTRALIAN BRANCH**

**WAGE RECOUPMENT TRUST ACCOUNT**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of accounting**

This financial report is a special purpose financial report prepared for use by the Transport Workers' Union of Australia – Western Australian Branch ("Branch") administering the Wage Recoupment Trust Account ("Trust"). The Branch has determined that the Trust is not a reporting entity.

The financial report has been prepared in accordance with applicable Australian Accounting Standards.

No other Australian Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on a cash basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuation of non-current assets.

**OPERATING REPORT 2012**  
**TRANSPORT WORKERS UNION (WA BRANCH)**

**PRINCIPAL ACTIVITIES**

The Principal activities of the Transport Workers' Union (WA Branch) ("Union") during the reporting period were to provide industrial and organising services to the members consistent with the objects of the Branch and particularly the object of protecting and improving the interest of the members.

The Union's principal activities resulted in maintaining and improving the wages and conditions of employment of the membership, particularly for those members in collective enterprise agreements negotiated by the Union.

There were no significant changes in the nature of the Unions principal activities during the reporting period.

**FINANCIAL AFFAIRS**

There were no significant changes to the Union financial affairs during the reporting period.

**MEMBERSHIP OF THE UNION**

The number of persons that were, as of the 31<sup>st</sup> December 2012, recorded in the register as effective members was 10,037.

**EMPLOYEES OF THE UNION**

The number of persons who were, as of the 31<sup>st</sup> December 2012, employees of the Union, including both full-time employees and part-time employees was 17.

**RESIGNATION FROM UNION**

Clause 11 of the Union rules details the right of a member to resign from the Union:

11. Resignation from Membership

- (1) A Member may resign from Membership by notice in writing addressed and delivered to the Branch Secretary of the Branch in which the member is enrolled.
- (2) A notice of resignation from Membership takes effect:
  - (a) if the Member has ceased to be Eligible:
    - (i) on the day on which the noticed is received by the Union;
    - (ii) on the day specified in the notice;

whichever is later; or

(b) in any other case:

(i) at the end of 2 weeks after the notice is received by the Branch Secretary; or

(ii) on the day specified in the notice;

whichever is later.

- (3) Any Dues payable but not paid by a former Member, in relation to a period before the Member's resignation from the Union took effect, may be sued for and recovered in accordance with rule 81 as a debt to the Union.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by the Union when it was delivered.
- (5) A notice of resignation that has been received by the Union is not invalid only because it was not addressed and delivered in accordance with sub-rule (1).
- (6) A resignation from Membership is valid, even if it was not effected in accordance with this rule, if the Member is informed in writing by the Union that the resignation has been accepted.

#### **SUPERANNUATION FUND TRUSTEES OR DIRECTORS**

James Lawrence McGiveron is a Director of the TWU Superannuation Fund

#### **COMMITTEE OF MANAGEMENT**

The name of each person who was a member of the Committee of Management of the Branch during the financial year ended 31<sup>st</sup> December 2012, and the period for which he or she held such a position during that year is detailed as follows:

<b>Committee Member</b>	<b>Period Position Held</b>
Ray McMillan	01/01/12 – 31/12/12
Mark Bebich	01/01/12 – 31/12/12
Richard Burton	01/01/12 – 31/12/12
Robert Dunn (Deceased)	01/01/12 – 12/10/12
Paul Aslan	01/01/12 – 31/12/12
John Davis	01/01/12 – 31/12/12
Timothy Dawson	01/01/12 – 31/12/12
Michael Knowles (Resigned)	01/01/12 – 07/05/12
Jeff Williams	01/01/12 – 31/12/12
Daniel Cain (Resigned)	01/01/12 – 30/04/12
Kevin Starr	01/01/12 – 31/12/12
Deborah Dunbar	01/01/12 – 31/12/12
Bruce Spaul	01/01/12 – 31/12/12
Peter Elliott	01/01/12 – 31/12/12
Jessica Phillips	01/01/12 – 31/12/12

Signed:

A handwritten signature in black ink, appearing to read 'R. Burton', written in a cursive style.

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RICHARD BURTON  
(BRANCH SECRETARY)

Dated on 26 March 2013