



30 April 2018

Mr Timothy Dawson
Secretary, Western Australian Branch
Transport Workers' Union of Australia

Sent via email

Dear Mr Dawson

Re: – Transport Workers' Union of Australia, Western Australian Branch - financial report for year ending 31 December 2017 (FR2017/299)

I refer to the financial report of the Western Australian Branch of the Transport Workers' Union of Australia. The documents were lodged with the Registered Organisations Commission ('the ROC') on 3 April 2018.

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

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist when preparing the next report. Please note the report for year ending 31 December 2018 may be subject to an advanced compliance review.

Certificate required by section 268

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

I note that two certificates were signed: the first, included in the .pdf document entitled "Audited General Purpose Financial Report", was signed on 1 March 2018, following the first meeting of the committee of management held on that day. This certificate pre-dated the provision of the full report to the members on 2 March, and presentation to the second meeting of the committee on 28 March. Consequently, this certificate did not, and could not, provide the information required by section 268. This certificate was therefore unnecessary.

The second, received as a separate .pdf document, was signed on 28 March 2018 and certified that the full report was provided to the members on 2 March, and presented to the committee on 28 March. It is this certificate that complies with section 268 and provides the information required.

The potential confusion that could arise from the inclusion of two certificates, each purporting to be made in accordance with, or in reference to, section 268 but containing different information, was raised in last year's correspondence (as attached).

In future years, please include only a certificate that is signed after the events which it certifies, that is, after the full report has been provided to the members and presented to the second meeting held for the purposes of section 266.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission



Tim Dawson 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

Fair Work (Registered Organisations) Act 2009, s.268

Certificate of Secretary
for the period ended 31 December 2017

I Timothy Dawson being the Secretary of the Transport Workers' Union of Australia, Western Australian Branch hereby certify:

- a. That the document lodged herewith is a copy of the full audited general purpose financial report for the Transport Workers' Union of Australia, Western Australian Branch for the period ended 31 December 2017 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- b. That the full audited general purpose financial report was provided to members of the Transport Workers' Union of Australia, Western Australian Branch) on 02 March 2018 by posting the report on the TWU WA Branch web site; and
- c. That the full audited general purpose financial report was presented to a meeting of the Branch Committee of Management, of the Transport Workers' Union of Australia, Western Australian Branch on 28 March 2018, in accordance with s.266(3) of the *Fair Work (Registered Organisations) Act 2009*.

Timothy Dawson
Secretary
Transport Workers' Union of Australia
Western Australian Branch.

Dated: 28 March 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

AUDITED GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2017

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

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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

Auditor's Opinion on the Financial Report

We have audited the accompanying financial report of Transport Workers' Union of Australia – Western Australian Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of Australia – Western Australian Branch as at 31 December 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting Unit 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management of the Reporting Unit 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.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our 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 we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, 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.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objective is 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 our 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 the financial report.

As part of an audit in accordance with the Australia Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee 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 Reporting Unit'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 Reporting Unit 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.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on the Recovery of Wages Activity

Opinion

The scope of our work extended to the recovery of wages activity and we have audited the recovery of wages activity financial report for the year ended 31 December 2017.

In our opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity, and
- b) any donations or other contributions deducted from recovered money.

Responsibilities of Committee of Management for the Recovery of Wages Activity

The Committee of Management is responsible for the preparation and presentation of the Recovery of Wages Activity in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the Recovery of Wages Activity, based on our audit conducted in accordance with Australian Auditing Standards.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director

Perth
1 March 2018

Registration number: AA2017/19

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

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2017**

I Timothy Dawson being The Branch secretary of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") certify:

- that the documents lodged herewith are copies of the full report for The Branch for the year ended 31 December 2017 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was presented to a meeting of the committee of management of The Branch on 01 March 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Timothy Dawson

Branch Secretary

Dated: 01 March 2018

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

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

The committee presents its report on The Branch for the financial year ended 31 December 2017.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The Principal activities of the Transport Workers' Union – Western Australian Branch ("Branch") 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 Branch'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 Branch.

There were no significant changes in the nature of The Branch's principal activities during the reporting period.

Significant changes in financial affairs

There were no significant changes to The Branch's financial affairs during the reporting period.

Right of members to resign

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

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 notice 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.

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

- (3) Any dues payable but not paid by a former member, in relation to a period before the member's resignation from The Branch took effect, may be sued for and recovered in accordance with rule 81 as a debt to The Branch.
- (4) A notice delivered in accordance with sub-rule (1) is deemed to have been received by The Branch when it was delivered.
- (5) A notice of resignation that has been received by The Branch 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 Branch that the resignation has been accepted.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

Timothy Dawson is a Director of the TWU Superannuation Fund.

Number of members

The number of persons that were, as at 31 December 2017, recorded in the register as members was 8,400.

Number of employees

The number of persons who were, as at 31 December 2017, employees of The Branch, including both full-time employees and part-time employees was 18.

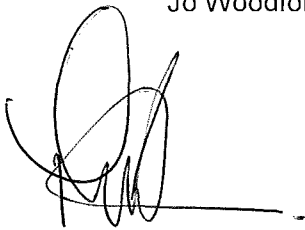
Names of Committee of Management members and period positions held during the financial year

The name of each person who was a member of the Committee of Management of The Branch during the financial year ended 31 December 2017, and the period for which he or she held such a position during that year is detailed as follows:

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

Committee Member Period Position Held

Ray McMillan	01/01/17 – 31/12/17
Mark Bebich	01/01/17 – 13/06/17
Paul Aslan	01/01/17 – 10/04/17
John Davis	01/01/17 – 31/12/17
Timothy Dawson	01/01/17 – 31/12/17
Michael Cook	01/01/17 – 31/12/17
Michael Lawson	01/01/17 – 31/12/17
Deborah Dunbar	01/01/17 – 31/12/17
Bruce Spaul	01/01/17 – 31/12/17
Peter Elliott	01/01/17 – 31/12/17
Ralph Roth	01/01/17 – 31/12/17
William Nuttal	01/01/17 – 31/12/17
Andrew Payne	01/01/17 – 31/12/17
Charlie Nichols	10/04/17 – 31/12/17
Jo Woodford	13/06/17 – 31/12/17



Timothy Dawson

Branch Secretary

Dated: 01 March 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

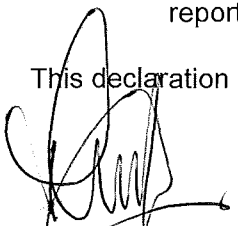
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

On the 01 March 2018, the committee of management of the Transport Workers' Union of Australia – Western Australian Branch ("Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2017:

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 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 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 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 RO Act; and
 - (iv) where the organisation consists of two or more The Branch's, the financial records of The Branch have been kept, as far as practicable, in a consistent manner with each of the other The Branch's of the organisation; and
 - (v) where information has been sought in any request by a member of The Branch or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.



Timothy Dawson

Branch Secretary

Dated: 01 March 2018

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 \$	2016 \$
Revenue			
Membership subscriptions		4,154,803	4,498,230
Capitation fees	3A	-	-
Levies	3B	-	-
Interest received	3C	54,375	58,735
Other revenue	3D	296,709	268,159
Total revenue		4,505,887	4,825,124
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	33,224	-
Total other income		33,224	-
Total income		4,539,111	4,825,124
Expenses			
Employee expenses	4A	2,064,665	2,374,983
Capitation fees	4B	732,907	793,458
Affiliation fees	4C	191,678	166,906
Audit and accountancy fees	15	31,334	37,559
Administration expenses	4D	142,517	141,985
Grants and donations	4E	28,530	65,010
Depreciation and amortisation	4F	212,697	205,656
Legal costs	4G	69,253	50,555
Fair value adjustment assets	4H	50,000	-
Net loss from sale of assets	4I	-	1,778
Other expenses	4J	1,159,697	1,314,812
Total expenses		4,683,278	5,152,702
Surplus (deficit) for the year before income tax		(144,167)	(327,578)
Income tax benefit		-	-
Surplus (deficit for the year after income tax)		(144,167)	(327,578)
Other comprehensive income			
Revaluation of land and buildings		-	(135,119)
Total comprehensive income for the year		(144,167)	(462,697)

The above statement should be read in conjunction with the notes.

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017	2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	5A	2,748,082	2,711,420
Trade and other receivables	5B	18,442	15,474
Other current assets	5C	35,997	21,704
Non-current asset held for sale	6B	285,000	335,000
Total current assets		3,087,521	3,083,598
Non-current assets			
Land and buildings	6A	2,163,143	2,218,608
Plant and equipment	6A	473,565	529,002
Office refurbishment	6A	43,780	52,196
Total non-current assets		2,680,488	2,799,806
Total assets		5,768,009	5,883,404
LIABILITIES			
Current liabilities			
Trade payables	7A	277,459	244,018
Employee provisions	8A	396,183	400,852
Total current liabilities		673,642	644,870
Non-current liabilities			
Employee provisions	8A	-	-
Total non-current liabilities		-	-
Total liabilities		673,642	644,870
Net assets		5,094,367	5,238,534
EQUITY			
Accumulated funds	9A	4,143,002	4,287,169
Asset revaluation reserve	9B	951,365	951,365
Total equity		5,094,367	5,238,534

The above statement should be read in conjunction with the notes.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	Accumulated funds \$	Asset revaluation reserve \$	Total equity \$
Balance as at 1 January 2016		4,614,747	1,086,484	5,701,231
Loss for the year after income tax		(327,578)	-	(327,578)
Transfer (from)/to reserve		-	-	-
Other comprehensive income for the year		-	(135,119)	(135,119)
Closing balance as at 31 December 2016		4,287,169	951,365	5,238,534
Loss for the year after income tax		(144,167)	-	(144,167)
Transfer (from)/to reserve		-	-	-
Other comprehensive income for the year		-	-	-
Closing balance as at 31 December 2017		4,143,002	951,365	5,094,367

The above statement should be read in conjunction with the notes.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Membership receipts		4,151,835	4,592,997
Reimbursements from Transport Workers Union – National Office		20,575	18,729
Interest received		54,375	62,321
Other receipts		276,134	249,430
Cash used			
Sustentation fees paid to Transport Workers Union – National Office		(927,968)	(988,519)
Payment to suppliers and employees		(3,478,134)	(4,230,792)
Net cash from/ (used in) operating activities	10A	96,817	(295,834)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		89,090	-
Cash used			
Purchase of fixed assets		(149,245)	(157,491)
Purchase of land and buildings			(333,608)
Net cash used in investing activities		(60,155)	(491,099)
Net increase/(decrease) in cash held		36,662	(786,933)
Cash & cash equivalents at the beginning of the reporting period		2,711,420	3,498,353
Cash & cash equivalents at the end of the reporting period	5A	2,748,082	2,711,420

The above statement should be read in conjunction with the notes.

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

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Monies transferred to account	500	-
Total receipts	500	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The Branch::		
name of account	-	-
name of fund	-	-
Name of other Branch of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Payments of account fees	30	-
Total payments	30	-
Cash asset's in respect of recovered money as at end of year	470	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
Wage Recoupment Trust Account	-	-

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Note 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

Transport Workers' Union of Australia – Western Australian Branch (“Branch”) is a trade union with a principal place of business located at 3rd 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.

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, The Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Fair value is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1.3 New Australian Accounting Standards

1.3a Adoption of New Australian Accounting Standards

The Branch has applied a number of new and revised standards which have become effective for the first time in their annual reporting period commencing 1 January 2017. Information on the more significant standard(s) is presented below:

AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

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

Note 1 Summary of Significant Accounting Policies

1.3a Adoption of New Australian Accounting Standards (continued)

AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle

1.3b New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which The Branch has decided not to early adopt. A discussion of those future requirements and their impact on The Branch follows:

Reference	Title	Summary
AASB 9	Financial Instruments	<p>AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement.</p> <p>Except for certain trade receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.</p> <p>Debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instruments are held.</p> <p>There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.</p> <p>Equity instruments are generally measured at FVTPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) without subsequent reclassification to profit or loss.</p> <p>For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI.</p>

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Note 1 Summary of Significant Accounting Policies (continued)

1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 9	Financial Instruments (continued)	<p>The remainder of the change in fair value is presented in profit or loss, unless presentation in OCI of the fair value change in respect of the liability's credit risk would create or enlarge an accounting mismatch in profit or loss.</p> <p>All other AASB 139 classification and measurement requirements for financial liabilities have been carried forward into AASB 9, including the embedded derivative separation rules and the criteria for using the FVO.</p> <p>The incurred credit loss model in AASB 139 has been replaced with an expected credit loss model in AASB 9. The requirements for hedge accounting have been amended to more closely align hedge accounting with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies in the hedge accounting model in AASB 139.</p> <p>Effective for periods commencing 1 January 2018.</p> <p>This amendment is not anticipated to significantly impact The Branch.</p>
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.</p>

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Note 1 Summary of Significant Accounting Policies (continued)

1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 15	Revenue from Contracts with Customers (continued)	<p>An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"> ▶ Step 1: Identify the contract(s) with a customer. ▶ Step 2: Identify the performance obligations in the contract. ▶ Step 3: Determine the transaction price. ▶ Step 4: Allocate the transaction price to the performance obligations in the contract. ▶ Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. <p>Effective for periods commencing 1 January 2019.</p> <p>This amendment is not anticipated to significantly impact The Branch.</p>
AASB 16	Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees –leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).</p> <p>At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p>

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Note 1 Summary of Significant Accounting Policies (continued)

1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 16	Leases (continued)	<p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p> <p>Effective for periods commencing 1 January 2019.</p> <p>Based on the current number of operating leases held by The Branch, the impact is not expected to be significant.</p>
AASB Interpretation 22	Foreign Currency Transactions and Advance Consideration	<p>The Interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.</p> <p>If there are multiple payments or receipts in advance, then the entity must determine a date of the transaction for each payment or receipt of advance consideration.</p> <p>Effective for periods commencing 1 January 2018.</p> <p>This amendment is not anticipated to significantly impact The Branch.</p>
AASB 1058 AASB 2016-8	Income of Not-for-Profit Entities Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities	<p>AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately.</p> <p>The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p>

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Note 1 Summary of Significant Accounting Policies (continued)

1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB 1058 AASB 2016-8	Income of Not-for-Profit Entities Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities (continued)	Consequently AASB 1004 Contributions is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context. Effective for periods commencing 1 January 2019. This amendment is not anticipated to significantly impact The Branch.
Not yet issued by the AASB	Annual Improvements to IFRS Standards 2015 - 2017 Cycle	The amendments clarify certain requirements in: ▶ IFRS 3 Business Combinations and IFRS 11 Joint Arrangements - previously held interest in a joint operation ▶ IAS 12 Income Taxes - income tax consequences of payments on financial instruments classified as equity ▶ IAS 23 Borrowing Costs - borrowing costs eligible for capitalisation. Effective for periods commencing 1 January 2019. This amendment is not anticipated to significantly impact The Branch.
AASB Interpretation 23 and relevant amending standards	Uncertainty over Income Tax Treatments	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 Income Taxes when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ▶ Whether an entity considers uncertain tax treatments separately ▶ The assumptions an entity makes about the examination of tax treatments by taxation authorities ▶ How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

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Note 1 Summary of Significant Accounting Policies (continued)

1.3b New Accounting Standards for application in future periods (continued)

Reference	Title	Summary
AASB Interpretation 23 and relevant amending standards	Uncertainty over Income Tax Treatments (continued)	<p>► How an entity considers changes in facts and circumstances.</p> <p>Effective for periods commencing 1 January 2019.</p> <p>This amendment is not anticipated to significantly impact The Branch.</p>

The Branch does not anticipate early adoption of any of the above Australian Accounting Standards.

1.4 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.5 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

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Note 1 Summary of Significant Accounting Policies (continued)

1.6 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by The Branch in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.8 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

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Note 1 Summary of Significant Accounting Policies (continued)

1.8 Leases (continued)

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.9 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

1.11 Financial instruments

Financial assets and financial liabilities are recognised when a Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12.a Fair value through profit or loss (continued)

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that The Branch manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with The Branch's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income.

1.12.b Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that The Branch has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

1.12.c Available-for-sale

Listed shares and listed redeemable notes held by The Branch that are traded in an active market are classified as available-for-sale and are stated at fair value. Should The Branch also have investments in unlisted shares that are not traded in an active market but are also classified as available-for-sale financial assets they are stated at fair value.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12.c Available-for-sale (continued)

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when The Branch's right to receive the dividends is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

1.12.d Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Membership receivables have not been accounted for as there is significant uncertainty as to the recoverability thereof and we therefore do not have reasonable information to measure the future economic benefit of the asset.

1.12.e Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

1.12.f Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12.f Impairment of financial assets (continued)

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include The Branch's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss.

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Note 1 Summary of Significant Accounting Policies (continued)

1.12.f Impairment of financial assets (continued)

Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

1.12.g Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

1.13.a Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that The Branch manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with The Branch's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

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Note 1 Summary of Significant Accounting Policies (continued)

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of profit or loss and other comprehensive income.

1.13.b Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.13.c Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, The Branch's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Buildings, Plant and Equipment

1.15.a Asset Recognition Threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

1.15.b Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses.

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Note 1 Summary of Significant Accounting Policies (continued)

1.15.b Revaluations—Land and Buildings (continued)

Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit.

Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

1.15.c Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using the straight line or reducing balance method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are as follows:

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

1.15.d Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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Note 1 Summary of Significant Accounting Policies (continued)

1.15.e Non-current assets held for sale

This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.16 Taxation

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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Note 1 Summary of Significant Accounting Policies (continued)

1.17 Fair value measurement (continued)

The principal or the most advantageous market must be accessible by The Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, The Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.18 Going concern

The Branch is not reliant on the agreed financial support of another Branch to continue on a going concern basis.

The Branch has not agreed to provide financial support to another Branch to ensure they can continue on a going concern basis.

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FOR THE YEAR ENDED 31 DECEMBER 2017**

2017 2016
\$ \$

Note 2 Events after the Reporting Period

There were no events that occurred after 31 December 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Branch.

Note 3 Income

Note 3A: Capitation fees

Capitation fees	-	-
Total capitation fees	-	-

Note 3B: Levies

Levies	-	-
Total levies	-	-

Note 3C: Interest

Deposits	54,375	58,735
Total interest	54,375	58,735

Note 3D: Other Revenue

Federal committee expenses reimbursement	20,575	18,729
Super fund director reimbursement	197,687	201,084
Advertising and sponsorship	33,636	20,000
Sundry income	44,811	28,346
Total other revenue	296,709	268,159

Note 3E: Grants or donations

Grants	-	-
Donations	-	-
Total grants or donations	-	-

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	2017	2016
	\$	\$
Note 3 Income (continued)		
Note 3F: Net gains from sale of assets		
Plant and equipment	33,224	
Total net gain from sale of assets	33,224	
 Note 4 Expenses		
Note 4A: Employee expenses		
 Holders of Office:		
Wages & Salaries	157,810	340,909
Superannuation	32,168	46,585
Leave and other entitlements	10,362	71,206
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	200,340	458,700
 Employees other than office holders:		
Wages & Salaries	1,343,790	1,328,406
Superannuation	246,655	232,241
Leave and other entitlements	199,407	245,453
Separation and redundancies	-	27,293
Other employee expenses	74,473	82,890
Subtotal employee expenses employees other than office holders	1,864,325	1,916,283
Total employee expenses	2,064,665	2,374,983
 Note 4B: Capitation fees		
Compulsory levies to Federal Office levies	732,907	793,458
Total capitation fees	732,907	793,458
 Note 4C: Affiliation fees		
Australian Labour Party	88,105	107,116
Trades and Labour Council	103,573	59,790
Total affiliation fees/subscriptions	191,678	166,906

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	2017	2016
	\$	\$
Note 4 Expenses (continued)		
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies to Federal Office levies	22,648	48,131
Fees/allowances - meeting and conferences	30,400	32,525
Conference and meeting expenses	89,649	61,329
Total meeting expenses	142,517	141,985
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,030	3,910
Total paid that exceeded \$1,000	27,500	61,100
Total grants or donations	28,530	65,010
Note 4F: Depreciation and amortisation		
Depreciation		
Buildings	55,465	57,482
Plant and equipment	148,816	137,904
Office refurbishment	8,416	10,270
Total depreciation and amortisation	212,697	205,656
	6A	
Note 4G: Legal costs		
Litigation	52,371	40,527
Other legal matters	16,882	10,028
Total legal costs	69,253	50,555
4H: Fair value adjustment assets		
Land and Buildings held for sale	50,000	-
Total fair value adjustment assets	50,000	-

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
4I: Net loss from sale of assets		
Plant and equipment	-	(1,778)
Total net loss from sale of assets	-	(1,778)
Note 4J: Other expenses		
Advertising	7,285	1,252
Bank charges	41,925	29,984
Cleaning expenses	1,105	1,095
Computer operating expenses	43,359	25,467
Computer programming maintenance	67,525	64,051
Consultancy fees	4,125	5,000
Debt collection expenses	3,958	24,553
Fringe benefits tax	12,848	15,381
Funeral benefit	66,500	81,000
General expenses	66,080	16,404
Hire of equipment	-	260
Insurance	103,959	93,330
Lease expenses	-	233
Motor vehicle expenses	144,590	149,228
Organisers' expenses - country	15,937	16,407
Payroll tax	68,888	104,943
Penalties - via RO Act or RO Regulations	-	-
Presidential honorarium fees	10,700	7,000
Printing, stationery and stamps	215,035	226,479
Promotional products purchases	30,121	139,917
Rent, rates and electricity	65,035	74,513
Repairs and maintenance	3,196	9,424
Staff amenities	1,664	1,584
Staff/Delegates training	8,503	4,606
Subscriptions	14,137	10,181
Telephone	38,770	51,940
Travelling and accommodation	123,221	154,860
Uniforms	1,231	5,720
Total other expenses	1,159,697	1,314,812

There were no expenses other than the above-mentioned that related to compulsory levies, grants, fees / allowances paid to persons in respect of their attendances as representatives at conferences or other meetings, wholly or partly responsible, during the year.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	681,923	696,171
Cash on hand	2,570	2,657
Short term deposits	2,063,589	2,012,592
Total cash and cash equivalents	2,748,082	2,711,420
 Note 5B: Trade and other receivables		
Receivables from other Branch(s)		
Debtors	-	-
Total receivables from other Branch(s)	-	-
 Less provision for doubtful debts		
Doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other Branch(s) (net)	-	-
 Other receivables:		
Accrued interest	18,442	15,474
Total other receivables	18,442	15,474
Total trade and other receivables (net)	18,442	15,474
 Note 5C: Other Current Assets		
Prepaid expenses	35,997	21,704
Total other current assets	35,997	21,704

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2017	2016
	\$	\$
Note 6 Non-current assets		
Note 6A: Property, plant and equipment		
Land and buildings at valuation	2,218,608	2,218,608
Less: Accumulated depreciation	(55,465)	-
	2,163,143	2,218,608
Plant and equipment at cost	1,396,244	1,440,263
Less: Accumulated depreciation	(922,679)	(911,261)
	473,565	529,002
Office refurbishment at cost	199,286	199,286
Less: Accumulated depreciation	(155,506)	(147,090)
	43,780	52,196
Total property, plant and equipment	2,680,488	2,799,806

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 market appraisal valuations carried out by independent firms of real estate agents and valuers effective at 31 December 2016.

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

	Land & buildings	Plant & equipment	Office refurbishment	Total
	\$	\$	\$	\$
Balance at 1 Jan 2016	2,412,601	511,193	62,466	2,986,260
Additions	333,608	157,491	-	491,099
Disposals	-	(1,778)	-	(1,778)
Revaluation	(135,119)	-	-	(135,119)
Depreciation	(57,482)	(137,904)	(10,270)	(205,656)
Non-current asset held for sale	(335,000)	-	-	(335,000)
Balance at 31 Dec 2016	2,218,608	529,002	52,196	2,799,806
Additions	-	149,246	-	149,246
Disposals	-	(55,867)	-	(5,867)
Revaluation	-	-	-	-
Depreciation	(55,465)	(148,816)	(8,416)	(212,697)
Non-current asset held for sale	-	-	-	-
Balance at 31 Dec 2017	2,163,143	473,565	43,780	2,680,488

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	2017	2016
	\$	\$

Note 6 Non-current assets (continued)

Note 6B: Non Current Assets Held for Sale

Land and Buildings	285,000	335,000
Total assets held for sale	285,000	335,000

Unit 5/16 Dellamarta Road, Wangara, was classified as a non current asset held for sale. A selling agreement was entered into on 7 December 2016 and the sale is expected to be settled within the next twelve months.

At 31 December 2017 the property is carried at fair value less costs to sell of \$285,000 as this is considered a reasonable estimation of realisable value.

Note 7 Current liabilities

Note 7A: Trade payables

Trade creditors and accruals	212,840	196,108
GST payable (net)	62,244	45,130
Payroll liabilities	2,375	2,780
Total trade payables	277,459	244,018

Payables to other Branch(s)

Creditors	-	-
Total payables to other Branch(s)	-	-

Settlement is usually made within 30 days.

Note 7B: Other payables

Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Litigation	-	-
Other legal matters	-	-
Total other payables	-	-

Note 8 Provisions

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

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	2017	2016
	\$	\$
Note 8 Provisions (continued)		
Note 8A: Employee provisions		
Office Holders:		
Annual leave	30,541	31,526
Long service leave	98,265	92,044
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	128,806	123,570
Employees other than office holders:		
Annual leave	105,384	132,217
Long service leave	161,993	145,065
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	267,377	277,282
Total employee provisions	396,183	400,852
Current	396,183	400,852
Non-current	-	-
Total employee provisions	396,183	400,852

Note 9 Equity

Note 9A: Accumulated funds

Balance as at start of year	4,287,169	4,614,747
Loss for the year	(144,167)	(327,578)
Transfer from reserves	-	-
Balance as at end of year	4,143,002	4,287,169

Accumulated funds relate to surpluses built over the years since commencement of operations.

Note 9B: Asset revaluation reserve

Balance as at start of year	951,365	1,086,484
Revaluation decrement for the year	-	(135,119)
Transfer to reserves	-	-
Balance as at end of year	951,365	951,365

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	2017	2016
	\$	\$

Note 9 Equity

Note 9B: Asset revaluation reserve (continued)

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 9C: Other Specific disclosures – Funds

Compulsory levy/voluntary contribution fund – if invested in assets

Fund	-	-
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Other fund(s) required by rules

Fund		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2017	2016
	\$	\$
Note 10 Notes to the Statement of Cash Flows		
Note 10A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cash Flows:		
Cash and cash equivalents as per:		
Statement of Cash Flows	2,748,082	2,711,420
Statement of Financial Position	2,748,082	2,711,420
Difference	<u>-</u>	<u>-</u>
Reconciliation of (deficit) to net cash from operating activities:		
Deficit for the year	(144,167)	(327,578)
Adjustments for non-cash items		
Depreciation/amortisation	212,697	205,656
Loss on disposal of assets	-	1,778
Profit on disposal of assets	(33,224)	-
Fair value adjustment of assets	50,000	-
Changes in assets/liabilities		
(Increase)/Decrease in trade and other receivables	(2,968)	98,353
(Increase) in prepayments	(14,293)	(1,502)
Increase/(Decrease) in trade payables	33,441	(166,618)
(Decrease) in employee provisions	(4,669)	(105,923)
Net from/(used in) operating activities	<u>96,817</u>	<u>(295,834)</u>
Note 10B: Cash Flow Information		
Cash inflows		
Reporting entity/controlled entity	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
Reporting entity/controlled entity	-	-
Total cash outflows	<u>-</u>	<u>-</u>

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2017	2016
\$	\$

Note 11 Contingent liabilities and assets

The Branch is currently involved in disputes relating to adverse actions from former employees.

This could result in a possible liability, which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within control of the Branch.

Due to the nature of the dispute, no further disclosure is made as this could prejudice the position of the Branch.

No other material contingent liabilities and assets exist as at 31 December 2017.

Note 12 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 2017 was \$109,586 (2016: \$90,560) 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 13 Commitments

There are no capital commitments, lease commitments or contractual obligations as at 31 December 2017.

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	2017	2016
	\$	\$

Note 14 Related Party Disclosures

Note 14A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from Transport Workers Union – Superannuation Fund includes the following:

Expense reimbursement	197,687	201,084
	197,687	201,084

Expenses paid to Australian Labour Party includes the following:

Donation	25,500	58,510
Affiliation	88,105	107,116
	113,605	165,626

Expenses paid to Unions WA includes the following:

Affiliation	103,574	59,790
	103,574	59,790

Expenses paid to Transport Workers Union – National Office includes the following:

Sustentation	732,907	793,458
	732,907	793,458

Expenses paid to Transport Workers Union – Superannuation Fund includes the following:

Expense reimbursement	-	-
	-	-

Amounts owed to Transport Workers Union – National Office include the following:

Sustentation	89,559	102,657
	89,559	102,657

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	2017	2016
	\$	\$
Note 14B: Key Management Personnel Remuneration for the Reporting Period		
Short-term employee benefits		
Salary (including annual leave taken)	168,172	442,496
Annual leave accrued	(30,541)	(26,272)
Total short-term employee benefits	137,631	416,224
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	-	-
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total	137,631	416,224

Note 14C: Transactions with key management personnel and their close family members

There were no transactions with key management personnel and their close family members.

Note 15 Remuneration of Auditors

Audit services	17,584	24,114
Agreed-upon procedures	-	-
Non-audit services:		
Accountancy work by related practice	13,750	13,445
Total audit and accountancy fees	31,334	37,559

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FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	\$	\$

Note 16 Financial Instruments

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

Note 16A: Categories of Financial Instruments

Financial Assets

Loans and receivables:

Cash and cash equivalents	2,748,082	2,711,420
Trade and other receivables	18,442	15,474

Total	2,766,524	2,726,894
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<i>Carrying amount of financial assets</i>	2,766,524	2,726,894
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Financial Liabilities

Fair value through profit or loss:

Trade and other payables	277,459	244,018
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Total	277,459	244,018
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<i>Carrying amount of financial liabilities</i>	277,459	244,018
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Note 16B: Credit Risk

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.

Note 16C: 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 7A) and ample cash available to settle all payables as they fall due.

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FOR THE YEAR ENDED 31 DECEMBER 2017**

Note 16 Financial Instruments (continued)

Note 16D: 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.

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.

Sensitivity analysis of the risk that the entity is exposed to for financial year ended 31 December 2017

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	2,748,082	1.00	27,481	27,481

Sensitivity analysis of the risk that the entity is exposed to for financial year ended 31 December 2016

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	2,711,420	1.00	27,114	27,114

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 17 Fair Value Measurement

Note 17A: Fair Value Measurement – Land and buildings

Land and buildings are valued by independent valuation, at fair value hierarchy level 2. Input used is the sales comparison approach (market data).

The following table contains the carrying amounts and related fair values for the Transport Workers Union of Australia's land and buildings:

Note 17B: Fair Value Hierarchy

Fair value hierarchy – 31 December 2017

	Effective Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	31/12/2017		2,163,143	
Total		-	2,163,143	-

Fair value hierarchy – 31 December 2016

	Effective Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	31/12/2016		2,218,608	
Total		-	2,218,608	

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of The Branch, or the General Manager of Fair Work Australia, may apply to The Branch for specified prescribed information in relation to The Branch 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 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 Branch.
- (3) The Branch must comply with an application made under subsection (1).