

TRANSPORT WORKERS' UNION OF AUSTRALIA

WESTERN AUSTRALIAN BRANCH

AUDITED GENERAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2019

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

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 2019 and the statement of other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's statement, the subsection 255(2A) report and the Officer Declaration 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 2019, 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.

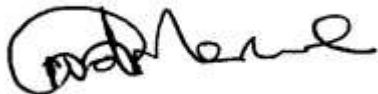
I declare that I am an auditor registered under the RO Act, a member of Chartered Accountants Australia & New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

We have nothing to report in this regard.

BUTLER SETTINERI (AUDIT) PTY LTD



MARIUS VAN DER MERWE CA
Director
Perth

12 March 2020

Registration Number : AA2017/19

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of reporting unit on 16 March 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on _____ in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

TIMOTHY DAWSON

NATIONAL BRANCH SECRETARY

Dated:

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

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	2,300,232	2,293,458
Advertising	2,028	330
Operating costs	1,085,243	1,254,606
Donations to political parties	62,900	18,650
Legal costs	67,887	86,520



Timothy Dawson

National Branch Secretary

Dated: 12/03/2020

TRANSPORT WORKERS' UNION OF AUSTRALIA
WESTERN AUSTRALIAN BRANCH

OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2019.

Principal activities

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.

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- (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.

Details of officers or members who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or officer of a registered organisation

Timothy Dawson is a Director of the TWU Superannuation Fund.

Number of members

The number of persons that were, as at 31 December 2019, recorded in the register as members was 7,402 (2018: 8,010).

Number of employees

The number of persons who were, as at 31 December 2019, employees of The Branch, including both full-time employees and part-time employees was 19 (2018: 19).

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 2019, and the period for which he or she held such a position during that year is detailed as follows:

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Committee Member Period Position Held

<u>Position</u>	<u>Name</u>	<u>Period</u>
National Branch Secretary	Timothy Dawson	01/01/19 – 31/12/19
National Representative	Ray McMillan	01/01/19 – 31/12/19
National Representative	John Davis	01/01/19 – 31/12/19
National Representative	Michael Lawson	01/01/19 – 31/12/19
National Representative	Deborah Dunbar	01/01/19 – 09/01/19
National Representative	Bruce Spaul	01/01/19 – 31/12/19
National Representative	Peter Elliott	01/01/19 – 09/01/19
National Representative	Ralph Roth	01/01/19 – 31/12/19
National Representative	William Nuttal	01/01/19 – 09/01/19
National Representative	Andrew Payne	01/01/19 – 31/12/19
National Representative	Charlie Nichols	01/01/19 – 09/01/19
National Representative	Jo Woodford	01/01/19 – 31/12/19
National Representative	Tony Fleming	10/01/19 – 31/12/19
National Representative	Lee Pattison	10/01/19 – 31/12/19
National Representative	Jim Morrison	10/01/19 – 31/12/19
National Representative	Travis Leacock	10/01/19 – 31/12/19
National Representative	Patricia Bushby	10/01/19 – 31/12/19

For and on behalf of the Committee of Management



TIMOHTY DAWSON

NATIONAL BRANCH SECRETARY

Dated: 12/03/2020

TRANSPORT WORKERS' UNION OF AUSTRALIA
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COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

On the 12 March 2020, the Branch 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) of the Branch for the year ended 31 December 2019:

The Branch Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 31 December 2019;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



TIMOTHY DAWSON
NATIONAL BRANCH SECRETARY

Dated: 12/03/2020

TRANSPORT WORKERS' UNION OF AUSTRALIA
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	Restated 2018 \$
Revenue			
Membership subscriptions		3,988,015	4,064,627
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Interest received	3C	37,661	65,363
Other revenue	3D	254,891	227,732
Total revenue		4,280,567	4,357,722
Other Income			
Grants and/or donations	3E	-	-
Revenue from recovery of wages activity	3F	-	-
Total other income		-	-
Total income		4,280,567	4,357,722
Expenses			
Employee expenses	4A	2,300,232	2,293,458
Capitation fees and other expense to another reporting unit	4B	699,924	717,000
Affiliation fees	4C	144,173	139,433
Administration expenses	4D	108,226	128,225
Grants and donations	4E	62,900	18,650
Depreciation and amortisation	4F	172,487	192,162
Legal costs	4G	67,887	86,520
Audit and accountancy fees	15	41,030	31,428
Net loss from sale of assets	4H	5,486	27,415
Other expenses	4I	1,087,271	1,254,936
Total expenses		4,689,616	4,889,227
Result for the year		(409,049)	(531,505)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		(287,212)	-
Other comprehensive income for the year		(287,212)	-
Total comprehensive income for the year		(696,261)	(531,505)

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

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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	Dec 2019 \$	Dec 2018 (restated) \$	01 Jan 2018 \$
ASSETS				
Current assets				
Cash and cash equivalents	5A	1,500,060	2,785,001	2,748,082
Trade and other receivables	5B	106,642	82,906	18,442
Other current assets	5C	24,783	23,435	35,997
Other financial assets at amortised cost	5D	1,000,000	-	-
Total current assets		<u>2,631,485</u>	<u>2,891,342</u>	<u>2,802,521</u>
Non-current assets				
Land and buildings	6A	1,765,000	2,107,677	2,163,143
Plant and equipment	6B	312,801	343,919	473,565
Office refurbishment	6C	16,259	36,861	43,780
Non-current asset held for sale		-	-	285,000
Total non-current assets		<u>2,094,060</u>	<u>2,488,457</u>	<u>2,965,488</u>
Total assets		<u>4,725,545</u>	<u>5,379,799</u>	<u>5,768,009</u>
LIABILITIES				
Current liabilities				
Trade payables	7A	299,422	313,242	277,459
Other payables	7B	-	5,682	-
Employee provisions	8A	891,942	830,433	728,603
Total current liabilities		<u>1,191,364</u>	<u>1,149,357</u>	<u>1,006,062</u>
Non-current liabilities				
Employee provisions	8A	-	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>1,191,364</u>	<u>1,149,357</u>	<u>1,006,062</u>
Net assets		<u>3,534,181</u>	<u>4,230,442</u>	<u>4,761,947</u>
EQUITY				
General funds	9A	664,153	951,365	951,365
Retained earnings		2,870,028	3,279,077	3,810,582
Total equity		<u>3,534,181</u>	<u>4,230,442</u>	<u>4,761,947</u>

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2017		951,365	4,287,169	5,238,534
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Result		-	(144,167)	(144,167)
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2017		951,365	4,143,002	5,094,367
Adjustment for omitted severance pay provision	18	-	(332,420)	(332,420)
Restated Closing balance as at 31 December 2017		951,365	3,810,582	4,761,947
Adjustment for changes in accounting policies		-	-	-
Result		-	(531,505)	(531,505)
Other comprehensive income		-	-	-
Transfer to/from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2018		951,365	3,279,077	4,230,442
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Result		-	(409,049)	(409,049)
Other comprehensive income for the year		(287,212)	-	(287,212)
Transfer from general fund	9A	-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2019		664,153	2,870,028	3,534,181

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

**TRANSPORT WORKERS' UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	10B	59,139	13,636
Membership receipts		3,964,282	4,000,166
Interest received		37,661	65,363
Other receipts		195,752	214,096
Cash used			
Payment to other reporting units	10B	(655,493)	(672,569)
Payment to suppliers and employees		(3,815,492)	(3,841,224)
Net cash used by operating activities	10A	<u>(214,151)</u>	<u>(220,532)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		47,725	53,788
Proceeds from sale of land and buildings		-	285,000
Cash used			
Purchase of plant and equipment		(118,515)	(81,337)
Term deposits		(1,000,000)	-
Net cash (used by) / from investing activities		<u>(1,070,790)</u>	<u>257,451</u>
Net (decrease) / increase in cash held		<u>(1,284,941)</u>	<u>36,919</u>
Cash & cash equivalents at the beginning of the reporting period		<u>2,785,001</u>	<u>2,748,082</u>
Cash & cash equivalents at the end of the reporting period	5A	<u>1,500,060</u>	<u>2,785,001</u>

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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.

This financial report is a general purpose financial report that has 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 requirements of 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. Comparative amounts have also been restated as described in note 18.

1.3 Significant accounting judgements and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

There are no accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

1.4a Adoption of New or Amended 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 2019.

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

Note 1 Summary of Significant Accounting Policies (continued)

1.4a Adoption of New or Amended Australian Accounting Standards (continued)

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year. Information on the more significant standard(s) is presented below:

AASB 15 – Revenue from Contracts with Customers

The Branch has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition.

The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies.

This adoption of this standard has not resulted in changes in recognition, measurement and disclosure of revenue for The Branch.

No change to comparative information was required given the adoption of *AASB15: Revenue from Contract with Customers*.

AASB 16 – Leases

The Branch has adopted AASB 16 from 1 January 2019. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term lease with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 16: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of that lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of Significant Accounting Policies (continued)

1.4a Adoption of New or Amended Australian Accounting Standards (continued)

AASB 16 – Leases (continued)

This adoption of this standard has not resulted in significant changes as The Branch's current operating lease ends shortly after year end. The standard will be applied to the operating lease going forward.

AASB 1058 – Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities

The Branch has adopted AASB 1058 and AASB 2016-8 from 1 January 2019.

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.

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.

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.

This adoption does not have a significant impact on the financial statements therefore no disclosures have not been made.

1.4b 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. A discussion of those future requirements and their impact on The Branch follows:

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of Significant Accounting Policies (continued)

1.4b New Accounting Standards for application in future periods (continued)

Standard Name	Effective date for entity	Requirements	Impact
2018-6 Definition of a Business	01 January 2020	The Standard amends AASB 3 to clarify the definition of a business, assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments: (a) clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; (b) remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; (c) add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; (d) narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; and (e) add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.	The impact will be assessed should the Branch undertake such a transaction.
2018-7 Definition of Material	01 January 2020	The Standard principally amends AASB 101 and AASB 108. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.	The impact will be assessed in the future.

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

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Note 1 Summary of Significant Accounting Policies (continued)

1.5 Revenue

Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Revenue from Membership contributions is accounted for on an accruals basis and recorded in the year to which it relates and to the extent that the amounts are due and considered receivable.

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.

1.6 Gains

Sale of assets

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

1.7 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.

1.8 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.

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Note 1 Summary of Significant Accounting Policies (continued)

1.8 Employee benefits (continued)

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 reporting unit 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.

1.9 Leases

At inception of a contract, The Branch assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, The Branch assesses whether:

- the contract involves the use of an identified asset;
- The Branch has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Branch has the right to direct the use of the asset i.e. when The Branch has the decision-making rights that are most relevant to changing how the asset is used.

The Branch recognises a right-of-use asset and a lease liability at the lease commencement date. The **right-of-use asset** is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The **lease liability** is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, The Branch's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

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Note 1 Summary of Significant Accounting Policies (continued)

1.9 Leases (continued)

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that The Branch is reasonably certain to exercise, lease payments in an optional renewal period if The Branch is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless The Branch is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in The Branch's estimate of the amount expected to be payable under a residual value guarantee, or if The Branch changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

1.10 Borrowing costs

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

1.11 Cash and cash equivalents

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.

1.12 Financial instruments

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

1.13 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and The Branch's business model for managing them.

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Note 1 Summary of Significant Accounting Policies (continued)

1.13 Financial assets (continued)

With the exception of trade receivables that do not contain a significant financing component, The Branch 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.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that The Branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Branch's financial assets at amortised cost include term deposits.

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Note 1 Summary of Significant Accounting Policies (continued)

1.13 Financial assets (continued)

Financial assets at fair value through profit or loss

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.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) The Branch has transferred substantially all the risks and rewards of the asset, or
 - b) The Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When The Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Note 1 Summary of Significant Accounting Policies (continued)

1.13 Financial assets (continued)

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, The Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, The Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, The Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that The Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, The Branch may also consider a financial asset to be in default when internal or external information indicates that The Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of Significant Accounting Policies (continued)

1.14 Financial liabilities (continued)

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of Significant Accounting Policies (continued)

1.15 Contingent Liabilities and Contingent Assets (continued)

Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Land, Buildings, Plant and Equipment

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.

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.

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.

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

Depreciation (continued)

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

Asset Class	2019	2018
Buildings	40 years	40 years
Plant & equipment	2 to 10 years	2 to 10 years
Office refurbishments	2 to 10 years	2 to 10 years
Motor vehicles	3 to 5 years	3 to 5 years

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.

1.17 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if The Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 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.

1.19 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).

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.19 Taxation (continued)

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.

1.20 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each reporting 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

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.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 1 Summary of Significant Accounting Policies (continued)

1.20 Fair value measurement (continued)

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.

1.21 Going concern

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

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

Note 2 Events after the Reporting Period

The Branch placed an offer on a property in late December 2019 which is yet to settle.

There were no events that occurred after 31 December 2019, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of The Branch.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 3 Income		
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees:		
Transport Workers Union – National Office	-	-
Subtotal capitation fees	-	-
Other revenue from another reporting unit:		
Transport Workers Union – National Office	-	-
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and another revenue from other reporting unit	-	-
Note 3B: Levies		
Levies	-	-
Total levies	-	-
Note 3C: Interest		
Term Deposits	37,661	65,363
Total interest	37,661	65,363
Note 3D: Other Revenue		
Federal committee expenses reimbursement	59,139	13,636
Super fund director reimbursement	170,336	186,852
Advertising and sponsorship	18,182	10,990
Sundry income	7,234	16,254
Total other revenue	254,891	227,732
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 3 Income (continued)		
Note 3F: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of Office:		
Wages & Salaries	160,954	174,068
Superannuation	40,934	32,663
Leave and other entitlements	9,953	(4,085)
Separation and redundancies	-	-
Other employee expenses – severance pay	9,200	6,388
Subtotal employee expenses holders of office	221,041	209,034
Employees other than office holders:		
Wages & Salaries	1,733,427	1,735,875
Superannuation	257,822	249,023
Leave and other entitlements	36,527	88,287
Separation and redundancies	35,633	-
Other employee expenses – severance pay	15,782	11,239
Subtotal employee expenses employees other than office holders	2,079,191	2,084,424
Total employee expenses	2,300,232	2,293,458
Note 4B: Capitation fees and other expense to another reporting unit		
Sustentation fees		
Transport Workers Union – National Office	699,924	717,000
Subtotal sustentation fees	699,924	717,000
Other expense to another reporting unit:		
Transport Workers Union – National Office	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	699,924	717,000

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 4 Expenses (continued)		
Note 4C: Affiliation fees		
Australian Labour Party	78,217	71,253
Trades and Labour Council	65,956	68,180
Total affiliation fees/subscriptions	144,173	139,433
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies to Federal Office levies	19,138	20,053
Fees/allowances - meeting and conferences	28,750	30,900
Conference and meeting expenses	60,338	77,272
Total administration expenses	108,226	128,225
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	900	1,150
Total paid that exceeded \$1,000	62,000	17,500
Total grants or donations	62,900	18,650
Note 4F: Depreciation and amortisation		
Depreciation		
Buildings	55,465	55,465
Plant and equipment	111,286	129,757
Office refurbishment	5,736	6,940
Total depreciation and amortisation	172,487	192,162
Note 4G: Legal costs		
Litigation	-	60,579
Other legal matters	67,887	25,941
Total legal costs	67,887	86,520

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 4 Expenses (continued)		
4H: Net loss from sale of assets		
Plant and equipment	5,486	27,415
Total net loss from sale of assets	5,486	27,415
Note 4I: Other expenses		
Advertising	2,028	330
Bank charges	46,609	42,229
Cleaning expenses	1,250	1,386
Computer operating expenses	90,242	97,815
Computer programming maintenance	15,544	38,082
Consultancy fees	-	-
Debt collection expenses	16,844	210
Fringe benefits tax	20,560	10,490
Funeral benefit	60,000	65,000
General expenses	16,125	12,566
Insurance	103,387	99,622
Motor vehicle expenses	122,806	151,216
Office refurbishment costs	-	31,324
Organisers' expenses - country	20,558	26,103
Payroll tax	80,498	85,720
Penalties - via the Fair Work Act 2009	-	20,000
Presidential honorarium fees	11,700	11,700
Printing, stationery and stamps	171,856	173,325
Promotional products purchases	63,020	85,146
Rent, rates and electricity	58,373	68,653
Repairs and maintenance	5,097	4,732
Staff amenities	1,664	1,664
Staff/Delegates training	4,227	15,129
Subscriptions	16,837	14,875
Telephone	40,695	50,268
Travelling and accommodation	112,341	145,698
Uniforms	5,010	1,653
Total other expenses	1,087,271	1,254,936

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 5 Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	988,841	665,335
Cash on hand	1,652	3,479
Short term deposits	509,567	2,116,187
Total cash and cash equivalents	1,500,060	2,785,001
Note 5B: Trade and other receivables		
Receivables from other Branch(s)		
Transport Workers Union – National Office	1,028	-
Total receivables from other Branch(s)	1,028	-
Less allowance for expected credit losses		
Transport Workers Union – National Office	-	-
Total allowance for expected credit losses	-	-
Receivable from other Branch(s) (net)	1,028	-
Other receivables:		
Other trade receivables	93,882	51,698
Accrued interest	11,732	31,208
Total other receivables	105,614	82,906
Total trade and other receivables (net)	106,642	82,906
Note 5C: Other Current Assets		
Prepaid expenses	24,783	23,432
Total other current assets	24,783	23,432
Note 5D: Other financial assets		
Current assets		
Term Deposit	1,000,000	-
Non-current assets		
Other financial assets at amortised cost	-	-
Total other financial assets	1,000,000	-

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2019 2018
 \$ \$

Note 5D: Other financial assets (continued)

The term deposit has a maturity date of six months after year end and it has been determined that the monies will be re-invested back into the term deposit.

Note 6 Non-current assets

Note 6A: Land and buildings

Land and buildings:

fair value	1,765,000	2,218,608
accumulated depreciation	-	(110,931)
Total land and buildings	1,765,000	2,107,677

Reconciliation of opening and closing balances of land and buildings

As at 1 January		
Gross book value	2,218,608	2,218,608
Accumulated depreciation and impairment	(110,931)	(55,465)
Net book value 1 January	2,107,677	2,163,143
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	(287,212)	-
Impairments	-	-
Depreciation expense	(55,465)	(55,466)
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	1,765,000	2,107,677
Net book value as of 31 December represented by:		
Gross book value	1,765,000	2,218,608
Accumulated depreciation and impairment	-	(110,931)
Net book value 31 December	1,765,000	2,107,677

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 2019.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	838,746	906,669
accumulated depreciation	(525,945)	(562,750)
Total plant and equipment	<u>312,801</u>	<u>343,919</u>

Reconciliation of opening and closing balances of plant and equipment

As at 1 January		
Gross book value	906,669	1,396,244
Accumulated depreciation and impairment	(562,750)	(922,679)
Net book value 1 January	<u>343,919</u>	<u>473,565</u>
Additions:		
By purchase	118,515	81,336
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(111,286)	(129,757)
Disposals:	(38,347)	(81,225)
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	<u>312,801</u>	<u>343,919</u>
Net book value as of 31 December represented by:		
Gross book value	838,746	906,669
Accumulated depreciation and impairment	(525,945)	(562,750)
Net book value 31 December	<u>312,801</u>	<u>343,919</u>

Note 6C: Office refurbishment

Office refurbishment:		
at cost	91,815	199,286
accumulated depreciation	(75,556)	(162,425)
Total office refurbishment	<u>16,259</u>	<u>36,861</u>

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	2019	2018
	\$	\$
Note 6C: Office refurbishment (continued)		
<i>Reconciliation of opening and closing balances of office refurbishment</i>		
<hr/>		
As at 1 January		
Gross book value	199,286	199,286
Accumulated depreciation and impairment	(162,425)	(155,506)
Net book value 1 January	36,861	43,780
<hr/>		
Additions:		
By purchase		
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(5,736)	(6,939)
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	(14,866)	20
Net book value 31 December	16,259	36,861
<hr/>		
Net book value as of 31 December represented by:		
Gross book value	91,815	199,286
Accumulated depreciation and impairment	(75,556)	(162,425)
Net book value 31 December	16,259	36,681

Note 7 Current liabilities

Note 7A: Trade payables

Trade creditors and accruals	66,110	127,515
GST payable (net)	99,994	49,348
Payroll liabilities	2,820	2,380
Subtotal trade payables	168,924	179,243
<hr/>		
Payables to other Branch(s)		
Transport Workers Union – National Office	130,498	133,999
Subtotal payables to other Branch(s)	130,498	133,999
<hr/>		
Total trade payables	299,422	313,242

Settlement is usually made within 30 days.

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

	2019	2018
	\$	\$
Note 7B: Other payables		
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Litigation	-	-
Other legal matters	-	5,682
Total other payables	-	5,682
Total other payables are expected to be settled in:		
No more than 12 months	-	5,682
More than 12 months	-	-
Total other payables	-	5,682

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.

The amounts expected to be paid to office holders in relation to severance pay is calculated on the period of continuous service as specified by the appropriate WA award. The calculation is based on the applicable number of weeks severance multiplied by ordinary time earnings.

Note 8A: Employee provisions

Office Holders:

Annual leave	18,254	12,266
Long service leave	115,990	107,052
Separations and redundancies	-	-
Other – Severance pay	143,359	134,159
Subtotal employee provisions—office holders	277,603	253,477
Employees other than office holders:		
Annual leave	135,238	138,516
Long service leave	247,431	222,552
Separations and redundancies	-	-
Other – Severance pay	231,670	215,888
Subtotal employee provisions—employees other than office holders	614,339	576,956
Total employee provisions	891,942	830,433
Current	891,942	830,433
Non-current	-	-
Total employee provisions	891,942	830,433

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 9 Equity		
Note 9A: Funds		
Revaluation Reserve		
Balance as at start of year	951,365	951,365
Transferred to reserve	-	-
Transferred out of reserve	(287,212)	-
Balance as at end of year	664,153	951,365
Total Reserves	664,153	951,365

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 9B: 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	-	-

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:		
Cash flow statement	1,500,060	2,785,001
Balance sheet	1,500,060	2,785,001
Difference	-	-

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 10A: Cash Flow Reconciliation (continued)		
Reconciliation of (deficit) to net cash from operating activities:		
Deficit for the year	(409,049)	(531,505)
Adjustments for non-cash items		
Depreciation/amortisation	172,487	192,162
Loss on disposal of assets	5,486	27,415
Profit on disposal of assets	-	-
Fair value adjustment of assets	-	-
Changes in assets/liabilities		
(Increase)/Decrease in trade and other receivables	(23,736)	(64,464)
(Increase)/Decrease in prepayments	(1,348)	12,565
(Decrease)/ Increase in trade payables	(19,500)	41,465
Increase/(Decrease) in employee provisions	61,509	101,830
Net from/(used in) operating activities	(214,151)	(220,532)

Note 10B: Cash Flow Information

Cash inflows		
Transport Workers Union – National Office	59,139	13,636
Total cash inflows	59,139	13,636
Cash outflows		
Transport Workers Union – National Office	(655,493)	(672,569)
Total cash outflows	(655,493)	(672,569)

Note 11 Contingent liabilities and assets

Operating lease commitments—as lessee

The Branch had the following lease commitments for Plant and Equipment as at 31 December 2019.

Future minimum rentals payable under non-cancellable operating leases as at 31 December are:

Within one year	7,665	13,140
After one year but not more than five years	-	7,665
More than five years	-	-
	7,665	20,805

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Note 11 Contingent liabilities and assets (continued)

During the 2019 financial year The Branch was involved in disputes relating to adverse actions from former employees. This was settled during the year in favour of The Branch.

Thus no further material contingent liabilities and assets exist as at 31 December 2019.

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 2019 was \$53,488 (2018: \$97,925) 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 2019.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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2019 **2018**
\$ \$

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	170,336	186,852
	170,336	186,582

Expenses paid to Australian Labour Party includes the following:

Donation	60,000	10,000
Affiliation	78,216	71,254
	138,216	81,254

Expenses paid to Unions WA includes the following:

Affiliation	65,956	68,180
	65,956	68,180

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

Sustentation	699,924	717,000
	699,924	717,000

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	130,498	133,999
	130,498	133,999

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2019 2018
 \$ \$

Note 14A: Related party transactions for the reporting period (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 31 December 2019, The Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 14B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	170,907	174,068
Annual leave accrued	14,645	14,153
Total short-term employee benefits	185,552	188,221

Post-employment benefits:

Superannuation	40,934	32,663
Total post-employment benefits	40,934	32,663

Other long-term benefits:

Long-service leave	8,937	8,632
Severance Pay	9,200	6,388
Total other long-term benefits	18,137	15,020

Termination benefits

	-	-
Total	244,623	235,904

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.

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	2019	2018
	\$	\$
Note 15 Remuneration of Auditors		
Financial statement audit services	23,253	20,073
Other services	-	-
Non-audit services:		
Accountancy work by related practice	17,777	11,355
Total audit and accountancy fees	41,030	31,428

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 at amortised cost:

Loans and receivables:		
Cash and cash equivalents	1,500,060	2,785,001
Trade and other receivables	106,642	82,906
Other financial asset – Term deposit	1,000,000	-
Total	2,606,702	2,867,907
<i>Carrying amount of financial assets at amortised cost</i>	2,606,702	2,867,907

Financial Liabilities

Fair value through profit or loss:		
Trade and other payables	299,421	318,241
Total	299,421	318,241
<i>Carrying amount of financial liabilities</i>	299,421	318,241

Note 16B: Net income and expense from financial assets

Other financial assets at amortised cost		
Interest revenue	37,661	65,363
Exchange gains/(loss)	-	-
Impairment	-	-

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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	2019	2018
	\$	\$
Note 16B: Net income and expense from financial assets (continued)		
Gain/loss on disposal	-	-
Net gain/(loss) held-to-maturity	37,661	65,363
Sub-total net income/(expense) from financial assets	37,661	65,363
Total financial assets at fair value through other comprehensive income	-	-
Net income/(expense) from financial assets	37,661	65,363

Note 16C: Net income and expense from financial liabilities

At amortised cost

Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Fair value through profit and loss		
Held for trading:		
Change in fair value	-	-
Interest expense	-	-
Total held for trading	-	-
Designated as fair value through profit and loss:		
Change in fair value	-	-
Interest expense	-	-
Total designated as fair value through profit and loss	-	-
Net gain/(loss) at fair value through profit and loss	-	-
Net gain/(loss) from financial liabilities	-	-

Note 16D: 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 allowance for expected credit losses. The Branch has limited exposure to credit risk due to its association with recognisable banking and financial institutions.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

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	2019	2018
	\$	\$
Note 16D: Credit Risk (continued)		
Financial assets		
Trade and other receivables	106,642	82,906
Total	106,642	82,906
Financial liabilities		
Trade and other payables	299,421	318,241
Total	299,421	318,241

In relation to the entity's gross credit risk the following collateral is held \$nil.

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2019	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-
31 December 2018	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-0%	-0%	-0%	-0%	-0%	-0%
Estimate total gross carrying amount at default			-	-	-	-
Expected credit loss			-	-	-	-

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in Note 16D.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 16E: 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.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	94,900	-	-	-	94,900
Other payables	-	204,521	-	-	-	204,521
Total	-	299,421	-	-	-	299,421

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	161,840	-	-	-	161,840
Other payables	-	156,401	-	-	-	156,401
Total	-	318,241	-	-	-	318,241

Note 16F: 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 2019

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	1,500,060	1.00	15,001	15,001

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
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Note 16F: Market Risk (continued)

Sensitivity analysis of the risk that the entity is exposed to for financial year ended 31 December 2018

	Risk variable	Change in risk variable %	Effect on Profit and loss \$	Equity \$
Interest rate risk	2,785,001	1.00	27,850	27,850

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 2019

	Effective Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	31/12/2019	-	1,765,000	-
Total		-	1,765,000	-

Fair value hierarchy – 31 December 2018

	Effective Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and buildings	31/12/2018	-	2,107,677	-
Total		-	2,107,677	-

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Note 18 Prior Period Adjustments

Disclosure of the nature and amount of correction of prior year omission in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The Branch did not recognise the liability to certain employees in relation to the severance pay policy. This policy has been in place in previous year and therefore the comparative amounts have been restated as follows:

	31 December 2018			31 December 2017		
	As Previously Reported	Re-Stated	Adjustment	As Previously Reported	Re-Stated	Adjustment
Statement of Financial Position						
Employee provisions	480,386	830,433	(350,047)	396,183	728,603	(332,420)
Retained earnings	3,629,124	3,279,077	350,047	4,143,002	3,810,582	332,420

Statement of Comprehensive Income			
Employee expenses	2,275,831	2,293,458	(17,627)
Deficit for the year	(513,878)	(531,505)	17,627
Effect on profit and loss			(17,627)

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Note 19 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 Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the 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.
- 3) A reporting unit must comply with an application made under subsection (1).

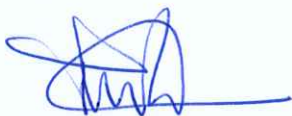
TRANSPORT WORKERS' UNION OF AUSTRALIA
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OFFICER DECLARATION STATEMENT

I, Timothy Dawson, being the Branch Secretary of the Transport Workers' Union of Australia – Western Australian Branch, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Signed by the officer:

Dated: 12 March 2020