

**TRANSPORT WORKERS' UNION OF AUSTRALIA  
NATIONAL COUNCIL**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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## ANALYSIS OF FINANCIAL STATEMENTS

The Transport Workers' Union of Australia National Council (National Office) presents its report for the 2022 financial year.

### STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION:

#### REVENUE

Revenue earned from Sustentation Fees for the year was \$4,239,161 which when compared to the prior year has decreased by \$31,895 (2021: \$4,271,056).

The total income generated by the branch was \$5,408,578 a decrease of \$156,292 when compared to the prior year (2021: \$5,564,870).

#### EXPENDITURE

- (i) Employee Related Payments (ERP) for the year was \$2,970,477 which includes salary on costs, superannuation payments, FBT (2021: \$2,351,435).
- (ii) Operating Expenditure for the year was \$2,941,715 (2021: \$3,628,611). A decrease in expenditure of \$686,896.
- (iii) Cumulative Operating Expenditure which includes Employee Related payments for the year was \$5,912,192 (2021: \$5,980,046).

#### NET POSITION

2022 saw a growth in financial members of the TWU as the transport sector and in particular aviation started to recover from two years of Covid-19 uncertainty, particularly in the second half of the year. The Full Court of the Federal Court dismissed Qantas' appeal against the earlier Federal Court finding of its illegal outsourcing of nearly 2,000 TWU members. These continued legal appeals cost the Union \$364,193, in 2022 and the matter will now be heard by the High Court in around mid-2023. There were a number of wins in the aviation sector, including an Enterprise Agreement seeing dnata ground handlers having their wages increased by 17.2% over the next 18 months as well as standard setting Enterprise Agreements with Menzies and dnata catering. In road transport many members saw wage increases of over 6% in line with CPI as a result of the 2021 industry fight. There were significant costs associated with the move from Sussex Street to Kent Street and the merger with VIPA was officially completed in the second half of the year. Overall income was below budget due to receiving \$422,631 below budgeted sustentation income while expenditure was kept under control almost achieving budget. This overall resulted in a loss \$503,614, the vast bulk of which is attributable to Qantas ongoing attack on workers.

#### CASH FLOW STATEMENT

The cash flow of the National Office has been managed to ensure liabilities are met when they fall due. Cash at the end of the year amounted to \$3,608,694 which includes \$208,694 of physical cash and \$3,400,000 of term deposits (2021: \$365,791). The Branch continues to perform to expectations.



**Michael Kaine**  
NATIONAL SECRETARY

4 April 2023

**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Transport Workers Union of Australia presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2022.

Categories of expenditures	2022 \$	2021 \$
Remuneration and other employment-related costs and expenses - employees	2,970,477	2,351,436
Advertising	427	1,583
Operating costs	2,332,050	2,348,733
Donations to political parties	21,449	7,418
Legal costs	587,789	1,270,876

Signature of designated officer:



Name of designated officer:

Michael Kaine

Title of designated officer:

National Secretary

Dated:

4th April 2023

## OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The National Committee of Management presents its operating report of the Transport Workers Union of Australia, National Council for the financial year ended 31 December 2022.

1. The principal activity of National Council during the financial year was that of the governing body of the Transport Workers' Union of Australia. No significant changes in the nature of that activity occurred during the year.
2. There were no significant changes to National Council's financial affairs during the year.
3. National Council's principal activity resulted in a deficit for the year of \$503,614 (2021: deficit of \$415,176).
4. In accordance with Section 174(1) of the *Fair Work (Registered Organisations) Act 2009* a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
5. The following officers of the Transport Workers Union of Australia, National Council are directors of the TWU Superannuation fund: Mr Michael Kaine and Mr Nicholas McIntosh.
6. The number of members of the Transport Workers Union of Australia at 31 December 2022 was 55,760.
7. The number of persons who were employees of National Council on 31 December 2022 was 19 (2021: 17), where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.
8. The names of each person who were members of the National Committee of Management at any time during the financial year are as follows:

Name	Period Position Held
Michael Kaine	1st January - 31st December 2022
Nicholas McIntosh	1st January - 31st December 2022
Richard Olsen	1st January - 31st December 2022
Ian Smith	1st January - 31st December 2022
Tim Dawson	1st January - 31st December 2022
John Berger	1st - 28th January 2022
Mike McNess	29th January - 31st December 2022

Signed in accordance with a resolution of the National Committee of Management.



**Michael Kaine**  
NATIONAL SECRETARY  
4 April 2023



**Mike McNess**  
PRESIDENT  
4 April 2023

## **NATIONAL COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

On 4 April 2023 the National Committee of Management of Transport Workers Union of Australia, National Council passes the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2022.

The National Committee of Management declares in relation 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 ending 31 December 2022;
- (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 ending 31 December 2022 and since the end of the financial year:
  - (i) meetings of the National 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 unit 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 Commissioner of Registered Organisations Commission under section 272 of the RO Act, that information has been provided to the member of Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance;

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

For the National Committee of Management



**Michael Kaine**  
NATIONAL SECRETARY  
4 April 2023

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>4</b>		
Membership Subscriptions		-	-
Capitation Fees and Other Revenue from Another Reporting Unit	4A	4,239,161	4,271,056
TWU Pilots	4A	64,924	-
Levies		-	-
Other Sales of Goods or Services to Members		-	-
Revenue from recovery of wages activity		-	-
<b>TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		<b>4,304,085</b>	<b>4,271,056</b>
<b>INCOME FOR FURTHERING OBJECTIVES</b>	<b>4</b>		
Grants and/or Donations	4B	-	-
Income Recognised from Volunteer Services		-	-
Income Recognised from Transfers		-	-
<b>TOTAL INCOME FOR FURTHERING OBJECTIVES</b>		<b>-</b>	<b>-</b>
<b>OTHER INCOME</b>			
Net Gains from Sale of Assets		-	-
Revenue from Recovery of Wages Activity		-	-
Investment Income	4C	134,468	45,996
Rental Income	4D	15,004	30,131
Other Income	4E	955,021	1,217,687
<b>TOTAL OTHER INCOME</b>		<b>1,104,493</b>	<b>1,293,814</b>
<b>TOTAL INCOME</b>		<b>5,408,578</b>	<b>5,564,870</b>
<b>EXPENDITURE</b>			
Loss on Sale of Property, Plant and Equipment		-	-
<b>DEPRECIATION EXPENSES</b>			
Intangible Asset Amortisation		3,536	7,247
Right-of-use Asset Depreciation		24,864	227,636
Property, Plant and Equipment Depreciation		54,993	53,427
		<b>83,393</b>	<b>288,310</b>
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Accrued Annual Leave	5(e,f)	(34,659)	39,412
Accrued LSL	5(e,f)	(12,616)	13,489
Fringe Benefits Tax	5(e,f)	23,184	17,243
Salaries	5(e,f)	2,623,512	2,006,395
Superannuation	5(e,f)	371,056	274,896
		<b>2,970,477</b>	<b>2,351,435</b>
<b>OTHER EXPENSES</b>			
Securing the Future for Aviation Workers (includes advertising, legal and professional fees, preparation of IHB on behalf of all Qantas workers)	5(a)	364,193	1,160,114
Advertising		3,177	1,508
Affiliation Fees	5(b)	392,135	385,643
Accommodation		55,129	18,172
ACTU Growth & Campaign Levy	5(c)	140,792	139,202
Auditors' Remuneration		29,500	28,500
Bank Charges		3,460	2,945
Building Expenses		67,170	27,829
Campaign Expenses		193,866	145,890
Carried Forward		<b>1,249,421</b>	<b>1,909,803</b>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

		<b>2022</b>	<b>2021</b>
	<b>Notes</b>	<b>\$</b>	<b>\$</b>
<b>Brought Forward</b>		1,249,421	1,909,803
Medical Expenses		2,331	521
Computer Maintenance		25,585	35,280
Donations	5(d)	21,449	7,418
Gifts		4,526	419
Functions		19,405	12,392
National Council		133,584	150,427
National Committee of Management Expenses		90,813	99,805
General Expenses		1,954	27
Insurance		15,669	16,415
Legal and Professional Fees	5(g)	218,970	330,017
Meeting Expense		34,068	2,486
Merchandise		398	2,841
Motor Vehicle Expenses		52,056	36,592
Payroll Tax		100,507	85,087
Postage & Freight		868	1,486
Printing and Stationery		22,409	7,802
Publications & Subscriptions		56,120	59,865
Temporary Staff Costs		85,358	74,201
Records Storage		1,048	411
Repairs and Maintenance		-	360
Rent		360,360	123,166
Secondment		55,765	222,807
Staff Amenities		6,159	6,459
Telephone and Faxes		33,134	26,963
Training		7,889	5,233
Travelling Expenses		183,140	57,996
Workers Compensation		34,154	20,546
NT Expenses		39,921	39,921
Interest Expense on Right-of-use Asset		1,261	3,555
<b>TOTAL OTHER EXPENSES</b>		<u>2,858,322</u>	<u>3,340,301</u>
<b>TOTAL EXPENDITURE</b>		<u>5,912,192</u>	<u>5,980,046</u>
<b>DEFICIT FOR THE YEAR</b>		<u>(503,614)</u>	<u>(415,176)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
(Loss)/gain on revaluation of equity instruments at fair value through other comprehensive income, net of tax		<u>(48,193)</u>	<u>84,682</u>
<b>OTHER COMPREHENSIVE (LOSS)/GAIN FOR THE YEAR</b>		<u>(48,193)</u>	<u>84,682</u>
<b>TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR</b>		<u>(551,807)</u>	<u>(330,494)</u>

(The accompanying notes form part of this financial report)



**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents*	9	3,608,694	365,791
Receivables	10	596,407	559,047
Other Financial Assets*	9	-	3,900,000
Financial Asset at Fair Value	11	<u>713,967</u>	<u>680,516</u>
<b>TOTAL CURRENT ASSETS</b>		<u>4,919,068</u>	<u>5,505,354</u>
<b>NON-CURRENT ASSETS</b>			
Intangible Assets	12	-	3,863
Property, Plant and Equipment	13	142,825	70,766
Right-of-use Asset	14	<u>31,085</u>	<u>55,949</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>173,910</u>	<u>130,578</u>
<b>TOTAL ASSETS</b>		<u>5,092,978</u>	<u>5,635,932</u>
<b>CURRENT LIABILITIES</b>			
Payables	15	(589,774)	(578,082)
Contract Liabilities	10	(170,380)	(110,880)
Provision for Annual Leave	6	(291,784)	(320,144)
Provision for Long Service Leave	6	(195,338)	(174,108)
Lease Liabilities	16	<u>(30,894)</u>	<u>(25,711)</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>(1,278,170)</u>	<u>(1,208,925)</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for Long Service Leave	6	(49,776)	(83,622)
Lease Liabilities	16	<u>(6,797)</u>	<u>(33,343)</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>(56,573)</u>	<u>(116,965)</u>
<b>TOTAL LIABILITIES</b>		<u>(1,334,743)</u>	<u>(1,325,890)</u>
<b>NET ASSETS</b>		<u>3,758,235</u>	<u>4,310,042</u>
Accumulated Funds		3,852,889	4,356,503
Available for Sale Reserve		<u>(94,654)</u>	<u>(46,461)</u>
<b>TOTAL EQUITY</b>		<u>3,758,235</u>	<u>4,310,042</u>

(The accompanying notes form part of this financial report)

\*Cash and cash equivalents includes \$208,694 of physical cash and \$3,400,000 of term deposits. Term deposits have been reclassified as cash and cash equivalents in the current year.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Accumulated Funds \$	Reserves \$	Total Equity \$
<b>Balance as at 1 January 2021</b>	4,771,679	(131,143)	4,640,536
Deficit for the year	(415,176)	-	(415,176)
<i>Other comprehensive income</i>			
Other comprehensive income for the year, net of tax	-	84,682	84,682
Total comprehensive loss for the year	(415,176)	84,682	(330,494)
<b>Balance as at 31 December 2021</b>	4,356,503	(46,461)	4,310,042
Deficit for the year	(503,614)	-	(503,614)
<i>Other comprehensive income</i>			
Other comprehensive loss for the year, net of tax	-	(48,193)	(48,193)
Total comprehensive loss for the year	(503,614)	(48,193)	(551,807)
<b>Balance as at 31 December 2022</b>	3,852,889	(94,654)	3,758,235

(The accompanying notes form part of this financial report)

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 \$	2021 \$
<b>OPERATING ACTIVITIES</b>			
Sustentation Fees		4,269,667	4,254,604
TWU Pilots		64,924	-
Interest and Distribution Received		134,468	45,996
Branch Reimbursement		434,161	489,508
Rental Income		15,004	30,131
Director Fees		81,760	80,000
Other Income		382,696	603,180
OnDemand Campaign Contribution		56,404	64,508
ACTU		(325,234)	(442,758)
International Transport Workers Federation		(80,761)	(82,087)
Payment to Suppliers and Employees		<u>(5,459,193)</u>	<u>(4,913,009)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	17(b)	(426,104)	130,073
<b>INVESTING ACTIVITIES</b>			
Payment for Property, Plant & Equipment		(127,052)	(31,084)
Proceeds from Disposals of Shares		582	-
Redemption of Term Deposits		500,000	-
Transfer from Term Deposits to Cash		3,400,000	-
Payment for Financial Assets		(81,899)	(30,985)
<b>NET CASH PROVIDED IN BY INVESTING ACTIVITIES</b>		<u>3,691,631</u>	<u>(62,069)</u>
<b>FINANCING ACTIVITIES</b>			
Payment for Lease Liabilities		<u>(22,624)</u>	<u>(234,761)</u>
<b>NET CASH USED IN BY INVESTING ACTIVITIES</b>		(22,624)	(234,761)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		3,242,903	(166,757)
Cash at Beginning of Year		365,791	532,548
<b>CASH AT END OF THE YEAR*</b>	17(a)	<u>3,608,694</u>	<u>365,791</u>

(The accompanying notes form part of this financial report)

\*Cash at end of the year includes \$208,694 of physical cash and \$3,400,000 of term deposits. Term deposits have been reclassified as cash and cash equivalents in the current year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Board (AASB), other authoritative pronouncements of the Australian Standards Board, and the *Fair Work (Registered Organisations) Act 2009*.

The reporting guidelines made under section 255 of the *Fair Work (Registered Organisations) Act 2009 (the RO Act)* require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 *Application for Tiers of Australian Accounting Standards*. As such the National Council of the Transport Workers' Union of Australia have prepared a full set of financial statements with all disclosures requirements. For the purpose of preparing the general purpose financial statements the Union is a not-for profit entity.

The financial statements were authorised for issue in accordance with a resolution of the committee of management on the 4 April 2023.

**BASIS OF PREPARATION**

The Financial report is for the National Council of the Transport Workers' Union of Australia, and in accordance with the Fair Work (Registered Organisations) Act 2009 the National Council is a reporting unit. The Transport Workers' Union of Australia is an organisation registered under the Fair Work (Registered Organisations) Act 2009. The National Council is a reporting unit of the registered organisation. In accordance with the Act the Union and National Council are not subject to the Corporations Act 2001.

The financial report is a general purpose financial report (GPFR) and has been prepared on the basis of historical costs, except for financial assets that have been measured at fair value. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the National Council in the preparation of the financial report.

**(a) Comparative Amounts**

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

**(b) Revenue**

The National Council enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

**Revenue from contracts with customers**

Where the National Council has a contract with a customer, the National Council recognises revenue when or as it transfers control of goods or services to the customer. The National Council accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(b) Revenue (continued)**

**Capitation fees**

Where the National Council's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the National Council recognises the capitation fees promised under that arrangement when or as it transfers the National Council to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the National Council will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

**Income of the National Council as a Not-for-Profit Entity**

Consideration is received by the National Council to enable the entity to further its objectives. The National Council recognises each of these amounts of consideration as income when the consideration is received (which is when the National Council obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and

During the year, the National Council received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- donations and voluntary contribution from members (including whip arounds); and
- government grants.

**Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

**Interest income**

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

**Rental income**

Leases in which the National Council as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(b) Revenue (continued)**

**Levies**

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the National Council transfers the the goods or services.

In circumstances where the criteria for a contract with a customer are not met, the National Council will recognise levies as income upon receipt (as specified in the income recognition policy).

**(c) Income Tax**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

**(d) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost less where applicable, any accumulated depreciation and any impairment in value.

*Depreciation*

The depreciable amounts of all fixed assets are depreciated on a straight-line basis over their estimated useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	Depreciation Rate
Office Furniture and Equipment	5 - 40 %
Library Computer Equipment	5 - 40 %
Motor Vehicles	15 - 20%

The asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the statement of comprehensive income in the year of disposal.

**(e) Impairment**

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

**(f) Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(f) Employee Benefits (continued)**

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

**(g) Financial Assets**

***(i) Classification***

***Investments***

The National Council classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the National Council's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the National Council has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The National Council reclassifies debt investments when and only when its business model for managing those assets changes.

***Trade and other receivables***

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

***(ii) Recognition and derecognition***

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the National Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the National Council has transferred substantially all the risks and rewards of ownership.

***(iii) Measurement***

At initial recognition, the National Council measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(g) Financial Assets (continued)**

***(iv) Impairment***

The National Council assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the National Council applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(h) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

**(i) 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.

**(j) Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Transport Workers Union of Australia intangible assets are:

Website	1-3 years
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An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**(k) Fair Value Measurement**

The National Council measures financial instruments, such as, financial assets 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 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:



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(k) Fair Value Measurement (continued)**

- In the principal market for the asset or liability, or
- In 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 National Council. 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 National Council 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 National Council 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 Union 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.

**(l) Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**(m) Leases**

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

The National Council applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The National Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(m) Leases (continued)**

**i) Right-of-use assets**

The National Council recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings: 3 years

IT equipment: 3 years

If ownership of the leased asset transfers to the National Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment.

**ii) Lease liabilities**

At the commencement date of the lease, the National Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the National Council and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the National Council uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**iii) Short-term leases and leases of low-value assets**

The National Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(n) Current versus Non-current Classification**

The National Council presents assets and liabilities in the statement of financial based on current/non-current classification.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(n) Current versus Non-current Classification (continued)**

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The National Council classifies all other liabilities as non-current.

**(o) Going Concern**

The National Council ability to continue as a going concern is reliant on the on-going sustentation fees paid by the State branches.

The terms and conditions are as follows:

- i. The state branches must pay the National Council 17.64% (NSW 12.69%) of the total fees received by the State branches as Entrance fees and Annual Fees in each calendar month;
- ii. The payment must be made to the National Council within 21 days of the last day of the month in which the dues are received by the State Branches;
- iii. The payments of Sustentation Fees must not be used by Branches for any other purpose.

**(p) Going Concern Support**

The National Council has not agreed to provide financial support to any other reporting units to ensure they can continue on a going concern basis.

**(q) Amalgamations and Restructures**

There have been no amalgamations or restructures in the financial year and previous financial year. No assets or liabilities have been acquired as a result of any amalgamations or restructures.

**(r) Business Combinations**

There have been no business combinations during the financial year and previous financial year. No assets or liabilities have been acquired as a result of any business combinations.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**(s) Liabilities relating to contracts with customers**

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the union performs under the contract (i.e. transfers control of the related goods or services to the customer).

**(t) 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.

**(u) New Australian Accounting Standards**

The Union has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 31 December 2022. The Union has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**(v) Administration by a third party**

The National Council was not administered by a third party.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. ACCOUNTING ESTIMATES AND JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**(b) Critical judgements in applying the Union's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the *Fair Work (Registered Organisations) Act 2009* which reads as follows:

- (1) A member of a reporting unit, or the Registered Organisations Commission and 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).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. REVENUE AND INCOME**

**Disaggregation of revenue from contracts with customers**

A disaggregation of the Union's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sustentation fees received from branches	4,239,161	4,271,056
TWU Pilots	64,924	
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with customers</b>	<b>4,304,085</b>	<b>4,271,056</b>

**Disaggregation of income for furthering activities**

A disaggregation of the Union's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

**Income funding sources**

Members	-	-
Other reporting units	-	-
Grants and/or donations	-	-
Other parties	-	-
<b>Total income for furthering activities</b>	<b>-</b>	<b>-</b>

**Note 4A: Sustentation and other revenue**

Sustentation:		
NSW (State)	1,246,645	1,214,925
VIC & TAS	1,189,037	1,209,475
Interim Governance Branch	917,725	479,102
QLD	-	445,479
WA	599,755	639,080
SA	285,999	282,995
	<b>4,239,161</b>	<b>4,271,056</b>
TWU Pilots	64,924	-
Other Revenue from Another Reporting Unit	-	-
<b>Total sustentation and other revenue from another reporting unit</b>	<b>4,304,085</b>	<b>4,271,056</b>

**Note 4B: Grants and/or donations**

Grants	-	-
Donations	-	-
<b>Total Grants and/or donations</b>	<b>-</b>	<b>-</b>

**Note 4C: Investment income**

Interest		
Deposits	52,239	14,987
Loans	-	-
Debt instruments at fair value through OCI	82,229	30,985
Dividends	-	24
<b>Total investment income</b>	<b>134,468</b>	<b>45,996</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**4. REVENUE AND INCOME (CONTINUED)**

**Note 4D: Rental income**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Properties	15,004	30,131
<b>Total rental income</b>	<b>15,004</b>	<b>30,131</b>

**Note 4E: Other income**

Branch reimbursement	434,161	489,508
Ondemand campaign contributions	56,404	64,508
TWU superannuation director fee	81,760	80,000
International Transport Workers' Federation contributions	35,000	30,500
Sundry income	317,696	526,080
Event sponsorship	30,000	27,091
<b>Total revenue from other income</b>	<b>955,021</b>	<b>1,217,687</b>

*Other income that have not occurred in the reporting period*

The following revenue items are prescribed under the reporting guidelines of the Fair Work (Registered Organisation) Act, 2009, have not occurred in the reporting period:

- a. No levies were received
- b. No revenue from recovery of wages activity arose

**5. EXPENSES**

- (a) Securing the future for aviation workers (includes advertising, legal and professional fees, preparation of IHB on behalf of all Qantas workers)

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Campaign Advertising	-	-
Legal and Professional Fees	368,819	1,137,405
Other Campaign Costs	(4,626)	22,709
	<b>364,193*</b>	<b>1,160,114</b>

\*This does not include branch contributions of \$250,000, which has been recorded in revenue.  
The net cost being \$114,193 in FY22.

- (b) Fees and periodic subscriptions are paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Affiliation Fee</b>		
ACTU	311,374	303,556
International Transport Workers Federation (ITF)	80,761	82,087
	<b>392,135</b>	<b>385,643</b>

- (c) Compulsory Levies

ACTU Growth & Campaign Levy	140,792	139,202
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The levy is imposed by ACTU as a fee for affiliation with the peak union body.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. EXPENSES (continued)**

(d) Donations

**2022**

**Non-reportable donations less than or equal to \$1,000 (Incl. GST)**

Details to whom payment made	Purpose	\$
Australian Labor Party (NSW)	Fundraiser	1,000
Candish Whaites	Donation	999
Australian Labor Party (NSW)	Fundraiser	750
Australian Labor Party	Contribution Calendar	1,000
<b>TOTAL</b>		<b>3,749</b>

**Reportable donations exceeding \$1,000 (Incl. GST)**

Details to whom payment made	Purpose	\$
Australian Labor Party	Fundaising Lunch	1,500
Australian Labor Party	Fundaising Dinner	1,200
Australian Labor Party	Donation	10,000
Australian Labor Party	Staff Assigned to Political Campaign	12,392
National Road Frieghters Association	Donation	5,000
<b>TOTAL</b>		<b>30,092</b>

**2021**

**Non-reportable donations less than or equal to \$1,000 (Incl. GST)**

Details to whom payment made	Purpose	\$
Australian Labor Party (NSW Branch)	State Fundraiser	600
<b>TOTAL</b>		<b>600</b>

**Reportable donations exceeding \$1,000 (Incl. GST)**

Details to whom payment made	Purpose	\$
Australian Labor Party	Contribution Spence Campaign	5,000
Australian Labor Party	Federal ALP Fundraiser	1,818
<b>TOTAL</b>		<b>6,818</b>

(e) Employee expenses related to holders of office

	<b>2022</b>	<b>2021</b>
	\$	\$
Wages and Salaries	364,881	345,832
Superannuation	50,604	48,684
Leave and other entitlements	(2,082)	20,787
Separation and redundancies	-	-
Other employee expenses	13,911	10,001
	<b>427,314</b>	<b>425,304</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. EXPENSES (continued)**

- (f) Employee expenses related to employees (other than holders of office)

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Wages and Salaries	2,258,631	1,660,563
Superannuation	320,452	226,213
Leave and other entitlements	(45,193)	32,113
Separation and redundancies	-	-
Other employee expenses	9,274	7,242
	<u>2,543,163</u>	<u>1,926,131</u>

- (g) Legal costs

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Legal costs - Other	214,970	215,355
Legal costs - Litigation (i)	372,819	1,055,522
	<u>587,789</u>	<u>1,270,877</u>

- (i) Includes legal fees incurred in securing the future of aviation workers. Please refer to note 5(a).

- (h) Other expenses

The following expense items are prescribed under the reporting guidelines of the Fair Work (Registered Organisation) Act, 2009, have not occurred in the reporting period:

- a. Payments to employers for payroll deduction activity
- b. Capitation fee payments and other expenses to other reporting units
- c. Fees or allowances paid to persons in respect of their attendance as representatives of the Union at conferences or other meetings
- d. Expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible
- e. No amount paid in grants that were equal to or less than \$1,000 or in excess of \$1,000

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION**

- (a) Amounts receivable/payable to/from other reporting units of the Union

Amounts receivable and payable in respect of the State Branches have been disclosed in Note 10 and Note 15 respectively. A breakdown of amounts due from Branches is disclosed in Note 18.

- (b) Legal costs payable

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Legal costs - other	58,581	216,772
Legal costs - Litigation	-	-
	<u>58,581</u>	<u>216,772</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**6. DISCLOSURES IN RESPECT OF STATEMENT OF FINANCIAL POSITION (continued)**

(c) Employee provisions related to holders of office

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Annual leave	68,492	69,024
Long service leave	136,337	127,686
Separation and redundancies	-	-
Other employee provisions	-	-
	<b>204,829</b>	<b>196,710</b>

(d) Employee provisions related to employees (other than holders of offices)

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Employees provisions</b>		
Annual leave	223,291	251,120
Long service leave	108,777	130,045
Separation and redundancies	-	-
Other employee provisions	-	-
	<b>332,068</b>	<b>381,165</b>

(e) Items noted above as prescribed under the reporting guidelines of the *Fair Work (Registered Organisations) Act, 2009* which have not occurred in the reporting period do not have respective balances at year-end and therefore not disclosed. These include:

- (i) Payables to employers are consideration for the employers making payroll deductions of membership subscription

**7. DISCLOSURES IN RESPECT OF STATEMENT OF CHANGES IN EQUITY**

The following equity items as prescribed under the reporting guidelines of the *Fair Work (Registered Organisations) Act, 2009*, have not occurred in the reporting period:

- a. No separate fund or account operated in respect of compulsory levies raised by the union or voluntary contributions collected from members of the Union.
- b. No monies in respect of compulsory levies raised or voluntary contributions collected from members of the Union have been invested in any assets.
- c. No separate fund or account which is required by the rules of the Union or rules of a Branch of the Union.
- d. No transfer(s) and/or withdrawal(s) to a fund account or controlled entity, when any of these are kept for a specific purpose(s) by the Union.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. DISCLOSURES IN RESPECT OF STATEMENT OF CASH FLOWS**

(a) Amounts received/paid to/from other reporting units of the Union

Amounts received and paid in respect of the State Branches have been incorporated as part of the Statement of Cash Flows and detailed below. A breakdown of amounts received can be found at Note 18.

		<b>2022</b>	<b>2021</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Cash inflows from State Branches	18	5,129,874	5,281,955
Cash outflows to State Branches	18	(386,390)	(348,526)

<b>9. CASH AND CASH EQUIVALENTS</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash at Bank	208,217	365,291
Cash in Hand	477	500
Term Deposits*	3,400,000	-
	<u>3,608,694</u>	<u>365,791</u>

\*Term deposits have been reclassified as cash and cash equivalents in the current year

**OTHER FINANCIAL ASSETS**

Term Deposits*	-	3,900,000
	<u>-</u>	<u>3,900,000</u>

<b>10. Trade and Other Receivables</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Receivables</b>		
Accrued Interest & Distributions	-	-
<b>Debtors - Branches</b>		
Interim Governance Branch	80,689	74,179
TWU of Australia SA Branch	30,402	34,019
TWU of Australia VIC/TAS Branch	165,382	163,080
TWU of Australia WA Branch	69,151	122,529
TWU of Australia NSW (State)	108,188	96,107
ITF House	80,000	-
TWU Super Fund	-	968
Prepayments	62,095	68,165
Provision for doubtful debtors	-	-
Refundable Security Deposit	500	-
	<u>596,407</u>	<u>559,047</u>
<b>Other Contract Liabilities</b>		
Contract Liabilities - current	(170,380)	(110,880)
	<u>(170,380)</u>	<u>(110,880)</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Coles Share Holding – Fair Value	203	215
Wesfarmers Share Holding – Fair Value	551	712
Tyndall Investment – Fair Value	713,213	679,007
Sydney Airport Share Holding – Fair Value	-	582
<b>TOTAL</b>	<b>713,967</b>	<b>680,516</b>

Fair value of the unlisted share fund was based on the market value of the investment in accordance to the statement as at 31 December 2022 provided by the investment management institution. Fair value increments have been recognised in other comprehensive income as a separate component of equity.

<b>Movement Schedule</b>	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<u>Coles Share Holding</u>		
Opening January	215	218
Revaluations	(12)	(3)
Closing December	<u>203</u>	<u>215</u>
<u>Wesfarmers Share Holding</u>		
Opening January	712	615
Revaluations	(161)	97
Closing December	<u>551</u>	<u>712</u>
<u>Tyndall Investment - Share Fund</u>		
Opening January	679,007	563,587
Additions	81,899	30,984
Revaluations	(47,693)	84,436
Closing December	<u>713,213</u>	<u>679,007</u>
<u>Sydney Airport Share Holding</u>		
Opening January	582	429
Disposals	(582)	-
Revaluations	-	153
Closing December	<u>-</u>	<u>582</u>

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets, financial liabilities and available-for-sale financial assets at fair value through other comprehensive income (FVTOCI).
- The Union has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

**(a) Fair value hierarchy**

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and;
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)**

**(i) Recognised fair value measurements**

The following table presents the Union's assets and liabilities measured and recognised at fair value at 31 December 2022 and 2021:

<b>At 31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Coles Share Holding – Fair Value	203	-	-	203
Westfarmers Share Holding – Fair Value	551	-	-	551
Tyndall Investment – Fair Value	713,213	-	-	713,213
Sydney Airport Share Holding - Fair Value	-	-	-	-
<b>Total Financial Assets</b>	<b>713,967</b>	<b>-</b>	<b>-</b>	<b>713,967</b>

<b>At 31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Coles Share Holding – Fair Value	215	-	-	215
Wesfarmers Share Holding – Fair Value	712	-	-	712
Tyndall Investment – Fair Value	679,007	-	-	679,007
Sydney Airport Share Holding - Fair Value	582	-	-	582
<b>Total Financial Assets</b>	<b>680,516</b>	<b>-</b>	<b>-</b>	<b>680,516</b>

There were no transfers between levels for recurring fair value measurements during the year. The unions policy is to recognise transfers out of fair value hierarchy levels as at the end of the reporting period.

**(ii) Disclosed fair values**

For all financial instruments other than those measured at fair value, their carrying value approximates fair value.

The carrying amounts of receivables and payables are assumed to approximate their fair values due to their short-term nature.

**12. INTANGIBLE ASSETS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Website	22,020	22,020
Accumulated amortisation	(22,020)	(18,157)
	<b>-</b>	<b>3,863</b>

	<b>Website</b>
	<b>\$</b>
1 January 2022	3,863
Amortisation	(3,863)
31 December 2022	<b>-</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>		
Office Furniture and Equipment – At Cost	290,822	290,822
Less: Accumulated Depreciation	(285,969)	(282,924)
	<u>4,853</u>	<u>7,898</u>
Computer Equipment – At Cost	613,952	605,690
Less: Accumulated Depreciation	(605,107)	(579,579)
	<u>8,845</u>	<u>26,111</u>
Motor Vehicles – At Cost	113,586	113,586
Less: Accumulated Depreciation	(95,314)	(76,829)
	<u>18,272</u>	<u>36,757</u>
Leasehold Improvements – At Cost	125,495	6,305
Less: Accumulated Depreciation	(14,640)	(6,305)
	<u>110,855</u>	<u>-</u>
<b>Total Property, Plant and Equipment</b>	<u>142,825</u>	<u>70,766</u>

	<b>Office Furniture and Equipment</b>	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Leasehold Improvements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
1 January 2022	7,898	26,111	36,757	-	70,766
Additions	-	7,862	-	119,190	127,052
Depreciation	(3,045)	(25,128)	(18,485)	(8,335)	(54,993)
31 December 2022	<u>4,853</u>	<u>8,845</u>	<u>18,272</u>	<u>110,855</u>	<u>142,825</u>

	<b>Office Furniture and Equipment</b>	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Leasehold Improvements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
1 January 2021	10,944	20,754	61,411	-	93,109
Additions	-	31,084	-	-	31,084
Depreciation	(3,046)	(25,727)	(24,654)	-	(53,427)
31 December 2021	<u>7,898</u>	<u>26,111</u>	<u>36,757</u>	<u>-</u>	<u>70,766</u>

**14. RIGHT-OF-USE ASSET**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Office Buildings - right-of-use-lease	843,739	843,739
Accumulated Depreciation - Office Buildings	(843,739)	(843,739)
	<u>-</u>	<u>-</u>
IT Equipment - right-of-use-lease	240,717	240,717
Accumulated Depreciation - IT Equipment	(209,632)	(184,768)
	<u>31,085</u>	<u>55,949</u>
<b>Total Right-of-use Asset</b>	<u>31,085</u>	<u>55,949</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**14. RIGHT-OF-USE ASSET (continued)**

The Union leases buildings and IT equipment under a non-cancelable lease with 3 years, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

	Office Buildings \$	IT Equipment \$	Total \$
1 January 2021	190,531	18,458	208,989
Additions	-	74,597	74,597
Depreciation	(190,531)	(37,106)	(227,637)
1 January 2022	-	55,949	55,949
Additions	-	-	-
Depreciation	-	(24,864)	(24,864)
31 December 2022	-	31,085	31,085

**15. PAYABLES**

	2022 \$	2021 \$
Creditors – Other	589,490	578,082
<b>Creditors – Branches</b>		
TWU NSW (State)	-	-
TWU SA/NT Branch	-	-
TWU QLD Branch	-	-
TWU VIC/TAS Branch	-	-
TWU WA Branch	284	-
	<u>589,774</u>	<u>578,082</u>

**16. LEASE LIABILITIES**

	2022 \$	2021 \$
Current Lease Liabilities	30,894	25,711
Non-current Lease Liabilities	6,797	33,343
	<u>37,691</u>	<u>59,054</u>

	Lease Liability \$
1 January 2022	59,054
Additions	-
Accretion of interest	-
Payments	(21,363)
31 December 2022	<u>37,691</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**17. CASH FLOW INFORMATION**

(a) Cash includes:	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
For the purpose of the statement of cash flows, cash includes:		
Cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts.		
Cash at Bank	208,217	365,291
Cash in Hand	477	500
Term Deposits*	3,400,000	-
	<u>3,608,694</u>	<u>365,791</u>

\*Term deposits have been reclassified as cash and cash equivalents in the current year

(b) Reconciliation of cash flow from operations with operating result	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Deficit</b>	(503,614)	(415,176)
<b>Non Cash Flows in Operating Result</b>		
Amortisation	3,536	7,247
Depreciation of Property, Plant and Equipment	54,993	53,427
Depreciation of Right-of-use Asset	24,864	227,636
Lease Interests	1,261	3,555
Changes in Assets and Liabilities		
Increase in Payables	71,192	220,473
Decrease/(Increase) in Receivables	(37,360)	(43,663)
(Decrease)/Increase in Employees Entitlements	(40,976)	76,574
<b>CASH FLOWS FROM OPERATIONS</b>	<u>(426,104)</u>	<u>130,073</u>

(c) Changes in liabilities arising from financing activities	<b>Lease Liability</b>
	<b>\$</b>
Balance as at 1 January 2022	59,054
Net cash used in financing activities	(21,363)
Acquisition of leases	-
Balance as at 31 December 2022	<u>37,691</u>
Balance as at 1 January 2021	215,664
Net cash used in financing activities	(231,207)
Acquisition of leases	74,597
Balance as at 31 December 2021	<u>59,054</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. AMOUNTS DUE FROM BRANCHES**

	NSW (State)	VIC/TAS	SA	Interim Governance Branch *	WA	TOTAL
<b>AMOUNTS DUE FROM BRANCHES AT 1 JANUARY 2022 (EXC GST)</b>						
Sustentation Fees	87,370	148,255	30,403	67,434	111,010	444,472
NT Contribution	-	-	(3,327)	-	-	(3,327)
Legal Recharge	-	-	4,235	-	-	4,235
Other Recharge	-	-	-	-	380	380
Contribution Attack on Aviation Workers	-	-	-	-	-	-
Campaign Levy	-	-	-	-	-	-
Training Fund	-	-	-	-	-	-
	<u>87,370</u>	<u>148,255</u>	<u>31,311</u>	<u>67,434</u>	<u>111,390</u>	<u>445,761</u>

**AMOUNTS CHARGED TO BRANCHES (EXC GST)**

Sustentation Fees	1,246,645	1,189,037	285,999	917,725	599,755	4,239,161
NT Contribution			(39,921)			(39,921)
Legal Recharge						-
Other Recharge	15,649	11,470	11,470	11,470	11,470	61,529
Contribution Attack on Aviation Workers	50,000	50,000	50,000	50,000	50,000	250,000
Campaign Levy	34,152	24,462	5,694	18,712	12,926	95,946
Training Fund	8,538	6,116	1,424	4,678	3,232	23,987
	<u>1,354,984</u>	<u>1,281,084</u>	<u>314,665</u>	<u>1,002,585</u>	<u>677,383</u>	<u>4,630,701</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**18. AMOUNTS DUE FROM BRANCHES (CONTINUED)**

**AMOUNTS RECEIVED FROM BRANCHES (EXC GST)**

	NSW	VIC/TAS	SA	Interim Governance Branch *	WA	TOTAL
Sustentation Fees	1,237,579	1,186,944	285,436	911,806	647,901	4,269,667
NT Contribution			(39,921)			(39,921)
Legal Recharge			4,235			4,235
Other Recharge	13,733	11,470	11,470	11,470	11,850	59,993
Contribution Attack on Aviation Workers	50,000	50,000	50,000	50,000	50,000	250,000
Campaign Levy	34,152	24,462	5,694	18,712	12,926	95,946
Training Fund	8,538	6,116	1,424	4,678	3,232	23,987
	<u>1,344,002</u>	<u>1,278,992</u>	<u>318,338</u>	<u>996,666</u>	<u>725,909</u>	<u>4,663,906</u>

**AMOUNTS DUE FROM BRANCHES AT 31 DECEMBER 2022 (EXC GST)**

Sustentation Fees	96,436	150,347	30,966	73,353	62,865	413,967
NT Contribution	-	-	(3,327)	-	-	(3,327)
Legal Recharge	-	-	-	-	-	-
Other Recharge	1,916	-	-	-	-	1,916
Contribution Attack on	-	-	-	-	-	-
Campaign Levy	-	-	-	-	-	-
Training Fund	-	-	-	-	-	-
	<u>98,352</u>	<u>150,347</u>	<u>27,639</u>	<u>73,353</u>	<u>62,865</u>	<u>412,556</u>

\*Interim Governance Branch effective from 23rd July 2021

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. RELATED PARTY DISCLOSURES**

**(a) Related party transactions**

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless otherwise stated.

- (i) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Financial Report (Note 5 (e)).
- (ii) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officers was \$50,604 (2021: \$48,684).
- (iii) There have been no other transactions between the officers and the National Council other than those relating to their membership of National Council and the reimbursement by National Council in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (iv) National Council of the Transport Workers' Union of Australia is a member of Transport Education Audit Compliance Health Organisation (TEACHO) Limited. There were no transactions between this entity and the National Council of the Transport Workers' Union of Australia during the year.
- (v) Sustentation Fees received from and administration fees paid to the Transport Workers' Union State Branches are disclosed as income and expenses respectively in the Statement of Comprehensive Income and as cash received and cash paid respectively in Note 8(a).
- (vi) Amounts receivable from and payable to the Transport Workers' of Australia State Branches at balance date are disclosed at Note 10 and Note 15 of the accounts respectively.
- (vii) Other than the receivables and payables noted at 19 (a)(v), there are no outstanding balances from related parties at the end of the financial year, including loans.
- (viii) There are no doubtful debt provisions raised against any related party balances at the end of the financial year.
- (ix) There have been no payments made during the reporting period to a former related party.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**19. RELATED PARTY DISCLOSURES (Continued)**

**(b) Key management personnel remuneration**

Key management persons are those persons having authority and responsibility for planning, directing and controlling the activities of the Union, directly or indirectly, including any member of the National Committee of Management. Key management personnel remuneration includes the following expenses:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Wages and Salaries	364,881	345,832
Annual Leave	(2,082)	20,787
Other employee expenses	-	-
<b>Post-employment benefits</b>		
Superannuation	50,604	48,684
<b>Other long-term employee benefits</b>		
Long service leave	-	-
<b>Total</b>	<u>413,403</u>	<u>415,303</u>

**20. SUPERANNUATION**

Employees of National Council are entitled to benefits from a superannuation plan on retirement, disability or death. National Council participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. National Council's liability is limited to paying the contributions to the plan.

**21. FINANCIAL RISK MANAGEMENT**

**(a) General objectives, policies and processes**

The National Council is exposed to risks that arise from its use of financial instruments. This note describes the National Council's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the National Council's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The National Council's financial instruments consist mainly of deposits with banks and receivables. The main risks the National Council is exposed to through its financial instruments are interest rate risk (see section (e (i)) below), liquidity risk and credit risk.

The National Committee of Management and the National Secretary have overall responsibility for the determination of the Branch's risk management objectives and policies.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. FINANCIAL RISK MANAGEMENT (continued)**

*(b) Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the National Council incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the National Council.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents*	3,608,694	365,791

\*Cash and cash equivalents includes \$208,694 of physical cash and \$3,400,000 of term deposits

The cash and cash equivalents are held in a high quality Australian financial institution.

Debtors - Branches	453,812	490,882
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There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

*(c) Liquidity Risk*

Liquidity risk is the risk that the National Council may encounter difficulties raising funds to meet commitments associated with financial instruments.

The National Council is not significantly exposed to this risk. As at 31 December 2022 it had \$3,608,694 (2021: \$365,791) of cash and cash equivalents which comprise of \$208,694 of physical cash and \$3,400,000 of term deposits and \$0 (2021: \$3,900,000) of other financial assets (term deposits) to meet these obligations as they fall due. Financial liabilities at 31 December 2022 totalled \$760,154 (2021: \$688,962). The National Council manages liquidity risk by monitoring cash flows.

*Remaining contractual maturities*

The following tables detail the The National Committee's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	<b>Weighted Average Interest Rate</b>		<b>1 year or Less</b>		<b>Between 1 and 2 Years</b>		<b>Remaining Contractual Maturities</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	-	-	760,154	688,962	-	-	760,154	688,962
Lease liability	3.42	4.00	30,894	25,711	6,797	33,343	37,691	59,054
Total	-	-	791,048	714,673	6,797	33,343	797,845	748,016

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. FINANCIAL RISK MANAGEMENT (continued)**

*(d) Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

*(e) Interest Rate Risk*

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

<b>31 December 2022</b>	<b>Fixed Interest Rate</b>	<b>Floating Interest Rate</b>	<b>Non-interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	-	3,608,217	477	3,608,694
Held- to maturity investments	-	-	-	-
Financial assets at fair value	713,967	-	-	713,967
Receivables	-	-	533,812	533,812
Total financial assets	713,967	3,608,217	534,289	4,856,473
Weighted average Interest rate	3.1%	0.05%	-	
<b>Financial Liabilities</b>				
Payables	-	-	(760,154)	(760,154)
Lease liabilities	(37,691)	-	-	(37,691)
Total financial liabilities	(37,691)	-	(760,154)	(797,845)
Weighted average Interest rate	4.0%	-	-	
<b>Net Financial Assets</b>	<b>676,276</b>	<b>3,608,217</b>	<b>(225,865)</b>	<b>4,058,628</b>

<b>31 December 2021</b>	<b>Fixed Interest Rate</b>	<b>Floating Interest Rate</b>	<b>Non-interest Bearing</b>	<b>Total</b>
<b>Financial Assets</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	-	365,291	500	365,791
Held- to maturity investments	3,900,000	-	-	3,900,000
Financial assets at fair value	680,516	-	-	680,516
Receivables	-	-	490,882	490,882
Total financial assets	4,580,516	365,291	491,382	5,437,189
Weighted average Interest rate	3.1%	0.05%	-	
<b>Financial Liabilities</b>				
Payables	-	-	(688,962)	(688,962)
Lease liabilities	(59,054)	-	-	(59,054)
Total financial liabilities	(59,054)	-	(688,962)	(748,016)
Weighted average Interest rate	4.0%	-	-	
<b>Net Financial Assets</b>	<b>4,521,462</b>	<b>365,291</b>	<b>(197,580)</b>	<b>4,689,173</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**21. FINANCIAL RISK MANAGEMENT (continued)**

*(e) Interest rate risk (continued)*

<b>2022</b>	<b>Carry Amount \$</b>	<b>+0.5% (50 basis points) Profit \$</b>	<b>+0.5% (50 basis points) Loss \$</b>
Cash Assets	3,608,694	18,043	(18,043)
<b>2021</b>			
Cash Assets	365,791	1,829	(1,829)

*(f) Other Price Risks*

The National Council manages risks arising from share price fluctuations as deemed appropriate.

*(g) Foreign Exchange Risk*

The National Council is not directly exposed to foreign exchange rate fluctuations.

**22. AUDITOR'S REMUNERATION**

	<b>2022 \$</b>	<b>2021 \$</b>
Audit Fees	26,700	24,250
Audit Other Fees	4,800	4,250
	<u>31,500</u>	<u>28,500</u>

**23. CONTINGENCIES**

The Union did not have any contingencies as at 31 December 2022.

**24. COMMITMENTS**

The National Council did not have any commitments as at 31 December 2022 (31 December 2021: nil).

**25. EVENTS AFTER THE REPORTING PERIOD**

There remains the continuing threat of the impact of the Covid-19 pandemic and uncertainty surrounding its evolution and future government responses, it is difficult to reasonably estimate the financial effects of the pandemic on the future financial performance and financial position of the Union.

**26. UNION DETAILS**

The registered office and the principal place of business of the Union is:

Level 9, 447 Kent Street  
Sydney, NSW 2000

**RSM Australia Pty Ltd**

Level 13, 60 Castlereagh Street Sydney NSW 2000  
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500  
F +61(0) 2 8226 4501

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

## INDEPENDENT AUDITOR'S REPORT

To the Members of Transport Workers' Union of Australia National Council

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Transport Workers' Union of Australia National Council, ('the Reporting Unit'), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the National Committee of Management 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 National Council as at 31 December 2022, and its financial performance and its cash flows for the year then ended 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 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 our 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 the Committee of Management for the Financial Report**

The Committee of Management of the Reporting Unit is responsible for the preparation 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 gives a true and fair view and 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 the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

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

I communicate with 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 I identify during my audit.

I declare that I am an auditor registered under the RO Act.

#### **Auditor's Responsibilities for the Audit of the Financial Report**

The National Committee of Management Statement reflects that the Branch has not undertaken any recovery of wages activity during the reporting period ended 31 December 2022. As such no opinion is provided in relation to recovery of wages activities.



**RSM AUSTRALIA PTY LTD**



**Peter Kanellis**

Director

Registered Auditor Number AA2021/43

Sydney, NSW

Dated: 4 April 2023

**OFFICER DECLARATION STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

I, Michael Kaine, being the National Secretary of the Transport Workers Union of Australia, declare that the following activities did not occur during the reporting period ending 31 December 2022.

The reporting unit did not:

- Receive revenue from undertaking recovery of wages activity
- Pay a penalty imposed under the RO Act or the Fair Work Act 2009
- 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:

4th April 2023