

TWU VIC/TAS FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION For the year ended 31 December 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash on Hand		1,200	1,200
Cash at Bank		506,677	285,536
Accrued Interest		150,852	42,530
Accrued Memberships		365,434	382,692
Trade and Other Debtors	5	36,304	124,613
Prepayments		118,934	99,572
Prepaid TWU Sponsor Fees		13,636	-
Investments	6	5,953,237	5,916,500
Total Current Assets		7,146,274	6,852,643
NON CURRENT ASSETS			
Property, Plant & Equipment	7&7a	8,569,173	8,556,686
Total Non Current Assets		8,569,173	8,556,686
TOTAL ASSETS		15,715,447	15,409,328
CURRENT LIABILITIES			
Sundry Creditors	8	768,033	747,840
Prepaid Income	9	61,174	35,526
Employee Entitlements	10	1,117,378	1,228,108
Total Current Liabilities		1,946,585	2,011,474
NON-CURRENT LIABILITIES			
Employee Entitlements	10	40,289	39,304
Total Non Current Liabilities		40,289	39,304
TOTAL LIABILITIES		1,986,874	2,050,778
NET ASSETS		13,728,574	13,358,550
MEMBERS EQUITY			
Accumulated Funds		8,801,693	8,431,669
Revaluation Reserve		4,926,881	4,926,881
TOTAL MEMBER EQUITY		13,728,574	13,358,550

The statement of financial position is to be read in conjunction with the notes to the financial statements.

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2023

	Note	2023 \$	2022 \$
REVENUE FROM CONTRACTS WITH CUSTOMERS			
Membership subscriptions	4	6,891,738	6,759,446
Capitation fees and other revenue from another reporting unit	4a & 13(a)(i)	51,325	-
Levies	4b	-	-
Other operating revenue	4c	289,260	316,210
Revenue from recovery of wages activity	4d	-	-
Total Revenue From Contracts With Customers		7,232,323	7,075,656
INCOME FOR FURTHERING OBJECTIVES			
Grants and/or donations	4e	33,550	15,000
Income recognised from volunteer services	4f	-	-
Total Income For Furthering Objectives		33,550	15,000
OTHER INCOME			
Investment income	4g	234,482	61,091
Net gains from sale of assets	4h	5,454	-
Total Other Income		239,935	61,091
TOTAL INCOME		7,505,809	7,151,747
EXPENDITURE			
Employee Expenses			
Salaries		2,914,947	3,003,027

	Note	2023 \$	2022 \$
Superannuation		561,866	545,787
Leave Entitlements		286,396	502,658
Car Allowances		309,263	319,855
Total Employee Expenses	11	4,072,472	4,371,327
Other Expenses			
Administration & Rent (Country Office)		4,372	4,122
Affiliation Fees	14a(ii)	116,375	117,060
Auditor's Remuneration	14a(vii)	14,200	12,675
Bank Charges		15,611	16,506
Certificates & Awards		11,248	10,434
Clothing & Uniforms		6,085	20,417
Conference & Meeting Expenses	14a(vi)	81,393	200,187
Cleaning		49,351	45,159
Consultants Fees		-	22,470
Computer Costs		51,815	40,944
Delegates Commission		80,334	54,178
Delegate Meeting Expenses	14a(vi)	18,768	23,354
Depreciation		54,410	58,470
Donations	14a(iv)	2,909	39,968
Federal Office Training Fund	13a(ii)	5,797	6,116
Federal Office Capitation/Sustentation Fee	13a(ii)	1,215,703	1,189,037
Federal Council Expenses	13a(ii)	24,273	56,224
Federal IR Levy (ACTU)	14a(iii)	23,188	24,462
Finance Charge		3,504	3,213
Insurance		32,917	28,898
Lease & Hire of Equipment		20,243	16,310
Legal Expenses	14a(v)	95,180	74,416
Light, Power & Water		31,067	27,555
Marketing		5,663	7,297
Member Expenses		25,630	116,835
Mortuary Benefits		-	3,000
Motor Vehicle Expenses		61,786	53,306
Occupational Health & Safety Expense		16,037	18,143
Payroll Tax		157,229	127,128
Postage		61,529	75,964
Printing & Stationery		24,186	25,915
Publications, Awards & Subscriptions		9,178	6,031
Rates & Taxes		101,531	94,386
Repairs & Maintenance		44,261	28,295
Security Costs		1,193	2,101
Staff Amenities		8,696	8,891
Sundry Expenses		23,968	16,842
Telephone		93,758	100,530
Training Courses - Members		21,187	2,989
Training Courses - Staff		4,699	10,202
Travel & Accommodation		289,212	241,016
TWU News Editor		86,972	129,938
WorkCover		67,853	44,799
Total Other Expenses		3,063,313	3,205,784
Total Expenditure		7,135,785	7,577,111
OPERATING SURPLUS (DEFICIT) FOR THE YEAR		370,024	(425,363)
OTHER COMPREHENSIVE INCOME			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		370,024	(425,363)

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Contributions and Entrance Fees	7,616,003	7,378,362
Interest Received	89,423	42,348
Grants	36,905	16,500
Other Receipts	188,890	172,945
Payments		
Suppliers and Employees	[6,360,023]	[6,898,614]
Payments to TWU Federal Office	[1,268,961]	[1,275,838]
12(a)	302,237	[564,298]
NET CASH PROVIDED BY / (USED IN) OPERATING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease Payment	[19,654]	[13,929]
	[19,654]	[13,929]
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in Term Deposit	-	[6,500]
Purchase of Plant & Equipment	[66,898]	[9,884]
Proceeds from Sale of Plant & Equipment	5,455	-
12(a)	[61,443]	[16,384]
NET CASH PROVIDED BY / (USED IN) INVESTMENT ACTIVITIES		
NET INCREASE / (DECREASE) IN CASH HELD		
Cash at Beginning of Year	286,736	881,347
12(b)	507,876	286,736

The statement of cash flows is to be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN MEMBER EQUITY
For the year ended 31 December 2023

	Accumulated Funds \$	Revaluation Reserve \$	Total Member Equity \$
Balance at 31 December 2021	8,904,142	4,926,881	13,831,023
Changes in Accounting Policy	[47,110]	-	[47,110]
Operating Surplus (Deficit) for the year	[425,363]	-	[425,363]
Balance at 31 December 2022	8,431,669	4,926,881	13,358,550
Changes in Accounting Policy	-	-	-
Operating Surplus (Deficit) for the year	370,024	-	370,024
Balance at 31 December 2023	8,801,693	4,926,881	13,728,574

The statement of changes in equity is to be read in conjunction with the notes to the financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 31 December 2023

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and the Fair Work [Registered Organisations] Act 2009 ('the Act').

The reporting guidelines made under section 255 of the Act require all reporting units to apply the Tier 1 reporting requirements as per Australian Accounting Standard AASB 1053 *Application for Tiers of Australian Accounting Standards*. The Victorian/Tasmanian Branch of The Transport Workers Union has complied with the requirements of this standard and other accounting standards as are applicable to a not for profit entity.

BASIS OF PREPARATION

The financial report is for the Victorian/Tasmanian Branch ('the Branch') of the Transport Workers' Union of Australia ('the Union'). The Transport Workers' Union of Australia is an organisation registered under the Act. The Act dictates that the Branch is a reporting unit of the registered organisation.

In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on an accruals basis and in accordance with historical cost, except for certain assets and liabilities for which the fair value basis of accounting has been applied. The accounting policies have been consistently applied, unless otherwise stated.

Compliance with Australian Accounting Standards

The Branch has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Branch considers that there will be no material impact on the financial statements of these Standards and Interpretations and therefore there has been no material change to its accounting policies.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following is a summary of the significant accounting policies adopted by the Committee of Management of the Branch.

(a) Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, sponsorships, grants, and investment income. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue generally

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch only 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.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

The Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required. Accrued and prepaid membership income is accounted for at each year end to reflect the above.

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.

Other Income of the Union as a Not-for-Profit Entity

From time to time consideration is received by the Branch to enable the Branch to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received 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 Branch's recognition of the contribution does not give to any related liabilities.

(b) Property, Plant and Equipment

Land and buildings is recognised in the statement of financial position at market value. Market value is based on third party expert valuations commissioned by the branch every five years.

All other classes of property, plant and equipment are 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
Building Improvements	5% to 10%
Office Furniture and Equipment	20% to 67%
Motor Vehicles	12.5% to 25%

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

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

(c) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is 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.

(d) Leases

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

Right-of-use assets

The Branch 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 asset.

If ownership of the leased asset transfers to the Branch 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.

Lease liabilities

At the commencement date of the lease, the Branch 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 Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Lease payments on short-term leases and leases of low-value assets are expensed to profit and loss when incurred.

(e) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably. Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Branch in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

(f) Investments

All investments, other than financial assets, are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

(g) Financial instruments

(i) Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are initially measured at fair value.

Subsequent measurement of financial assets and financial liabilities are described below. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and subsequent measurement of financial assets

Financial assets are measured at amortised cost if the assets meet the following conditions [and are not designated as FVPL]:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Branch's trade and most other receivables fall into this category of financial instruments.

(iii) Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments held by the Branch within the scope of the requirements include related party loan receivables. The Branch considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. The Branch considers term deposits to be financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'). Therefore the '12 month expected credit losses' are determined as a probability.

(iv) Trade and other receivables

The Branch makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Branch uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

(v) Classification and measurement of financial liabilities

The Branch's financial liabilities include leases, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Branch designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance expense.

(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 balance sheet are shown inclusive of GST.

(i) Income Tax

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

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

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

3. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

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

- 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.
- The application must be in writing and must specify the period within which, and the matter in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- A reporting unit must comply with an application made under subsection (1).

4. REVENUE AND INCOME

Disaggregation of revenue from contracts with customers

A disaggregation of the reporting unit's revenue by type of arrangement 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:

	2023 \$	2022 \$
Type of customer		
Members	6,891,738	6,759,446
Other reporting units	51,325	-
Levies	-	-
Other parties	289,260	316,210
Total revenue from contracts with customers	7,232,323	7,075,656
(a) Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Secondment to Transport Workers' Union of Australia National Office	51,325	-
Other revenue from another reporting unit	-	-
	51,325	-
(b) Levies		
Compulsory or voluntary levies or appeals	-	-
	-	-
(c) Other operating revenue		
Occupational Health & Safety Course Fees	29,132	22,386
Events, exhibitions and sponsorships	72,273	111,818
Marketing and partnerships	111,982	107,313
Other operating revenue	75,874	74,693
	289,260	316,210

	2023 \$	2022 \$
(d) Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	-	-
(e) Grants and/or donations		
Grants	33,550	15,000
Donations	-	-
	33,550	15,000
(f) Income recognised from volunteer services		
Amount recognised from volunteer services	-	-
	-	-
(g) Investment income		
Interest on term deposits	234,482	61,091
	234,482	61,091
(h) Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Other	5,454	-
	5,454	-

5. SUNDRY DEBTORS

Trade & Other Debtors	36,304	124,613
	36,304	124,613

6. INVESTMENTS

Comprises the following Held to Maturity Financial Instruments:

Members Equity Bank Term Deposits	5,953,237	5,916,500
	5,953,237	5,916,500

7. PROPERTY, PLANT & EQUIPMENT

Land & Buildings – Rouse Street		
Land and Buildings at market valuation	8,400,000	8,400,000
	8,400,000	8,400,000
Fixtures & Fittings	17,115	12,933
Less: Accumulated Depreciation	[12,742]	[10,993]
	4,373	1,940
Office Furniture & Equipment (at cost)	1,582,180	1,675,444
Less: Accumulated Depreciation	[1,486,622]	[1,608,100]
	95,558	67,344
Right of Use Asset	102,826	102,826
Less: Accumulated Depreciation	[33,583]	[15,424]
	69,243	87,402
Motor Vehicles	28,401	57,851
Less: Accumulated Depreciation	[28,401]	[57,851]
	-	-
Total Property, Plant & Equipment	8,569,173	8,556,686
Reconciliation of Opening and Closing Balance of Property, Plant & Equipment		
Land & Buildings		
Opening	8,400,000	8,400,000
Movement – Revaluation	-	-
Closing	8,400,000	8,400,000

Furniture and Equipment

Opening	67,344	95,339
Additions	62,716	9,885
Depreciation	[34,502]	[37,880]
Closing	95,558	67,344

Fixtures and Fittings

Opening	1,940	4,527
Additions	4,182	-
Depreciation	[1,749]	[2,587]
Closing	4,373	1,940

Motor Vehicles

Opening	-	-
Disposals – cost	[29,450]	-
Disposals – accumulated depreciation	29,450	-
Closing	-	-

Right of Use Assets

Opening	87,402	102,826
Additions	-	-
Amortisation	[18,159]	[15,424]
Closing	69,243	87,402

The Union leases photocopiers under a non-cancelable lease for a term of 5 years. There are no options to extend this lease.

7a. VALUATION – LAND AND BUILDINGS

Land and Buildings is disclosed in the Statement of Financial Position at Fair Value and as one asset. The fair value of \$8,400,000 as disclosed above is based on a valuation carried out by Jones Lang Lasalle on the 31st of December 2020. The branch has recently adopted a policy of obtaining a valuation every five years, so the carrying value of the property will be reconsidered at 31 December 2025.

The Committee of Management have reviewed the Land and Buildings at 31 December 2023. And consider the carrying value to be materially consistent with current market values.

8. TRADE AND OTHER CREDITORS

	2023 \$	2022 \$
Current		
Trade Creditors	76,006	66,266
Federal Council	166,548	165,382
Accrued Expenses	15,550	15,867
Lease Liability	69,243	88,897
Delegate Commission	85,000	86,777
ATO Liabilities	73,449	73,714
Payroll Liabilities	263,276	242,471
Other Creditors	18,961	8,465
	768,033	747,840

9. PREPAID INCOME

Prepaid Memberships	39,724	21,890
TWU Director Fees	21,450	-
TWU Super Sponsorship Fees	-	13,636
	61,174	35,526

10. EMPLOYEE ENTITLEMENTS

	2023 \$	2022 \$
(i) As Per Financial Statements		
Current Liabilities		
Annual Leave	528,972	657,602
Long Service Leave	588,406	570,506
	1,117,378	1,228,108
Non Current Liabilities		
Long Service Leave	40,289	39,304
Total Liability	1,157,667	1,267,412
(ii) Liability by Employee Category		
Elected Officials		
Annual Leave	138,431	87,965
Long Service Leave	215,817	136,594
Other Employees		
Annual Leave	390,541	569,637
Long Service Leave	412,878	473,215
Total Liability	1,157,667	1,267,412

11. EMPLOYEE REMUNERATION

(a) Elected Officials		
Salary and Wages	596,716	478,091
Superannuation	125,219	93,458
Car Allowance	72,411	67,398
Leave and Other Entitlements	218,221	95,363
Total Elected Officials	1,012,567	734,310
(b) Other Employees		
Salary and Wages	2,318,231	2,524,936
Superannuation	436,648	452,329
Car Allowance	236,851	252,457
Leave and Other Entitlements	68,175	407,295
Total Other Employees	3,059,905	3,637,017
Total All Employees	4,072,472	4,371,327

12. CASH FLOW INFORMATION

(a) Reconciliation of cash flows from operations with operating surplus/(deficit) for the year.		
Operating Surplus/(Deficit)	370,024	(425,363)
Depreciation	54,410	58,470
Movement in working capital due to changes in accounting policy	-	(47,110)
Other non cash items	2,195	(2,580)
Changes in Assets and Liabilities		
(Increase)/decrease in receivables	(112,741)	1,449
(Increase)/decrease in accrued income	85,260	(49,907)
(Increase)/decrease in prepayments	(19,362)	20,366
Increase/(decrease) in payables	32,196	(171,495)
Increase/(decrease) in provisions	(109,746)	51,872
Cash Flows from Operations	302,237	(564,298)
(b) Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	1,200	1,200
Cash at Bank	506,677	285,536
Cash at End of Year	507,877	286,736

13. RELATED PARTY DISCLOSURES

	2023 \$	2022 \$
(a) Related Party Transactions for the Reporting Period		
(i) Income Received		
From the TWU Superannuation Fund		
Training Officer	111,982	107,313
Sponsorship	27,273	28,182
Director Fee	42,900	40,880
From the Transport Workers Union (TWU) of Aust. National Office		
Secondment to the TWU of Aust. National Office	51,325	-
(ii) Expenses Paid		
To the TWU National Council		
Sustentation Fees	1,215,703	1,189,037
Training Fund	5,797	6,116
Council Expenses	24,273	56,224
To the ALP VIC & TAS		
Affiliation fees and Levies	67,612	69,440
(iii) Balances		
TWU National Council		
Debtor	-	-
Creditor	166,548	165,382
TWU Superannuation Fund		
Prepaid Income	7,814	13,636
Debtor	26,126	25,815
(b) Key Management Personnel Remuneration for the Reporting Period		
Key management personnel includes the branch secretary and assistant branch secretary		
(i) Short term employees benefits		
Salaries	325,917	339,914
Annual Leave	52,019	145,411
Allowances	44,821	47,607
	422,757	532,932
(ii) Post employment benefits		
Superannuation	70,336	66,328
	70,336	66,328
(iii) Other long term benefits		
Long Service Leave	-	133,768
(iv) Termination Benefits		
	-	-
(v) Other Benefits		
	-	-
Total	493,093	733,028

14. ADDITIONAL PRESCRIBED DISCLOSURES

	2023 \$	2022 \$
(a) Expenses		
(i) Consideration paid to employers for payroll deductions	1,123	1,125
(ii) Affiliation Fees		
ALP Vic Branch	64,588	66,412
ALP Tas Branch	3,024	3,028
Ballarat Trades Hall	2,278	1,505
Bendigo Trades Hall Council	1,779	1,279
Geelong Trades Hall Council	6,611	6,235
Gippsland Trades & Labour Council Inc.	929	464
Goulburn Valley TLC	3,113	3,113
North East and Border TLC	1,504	1,011
South West TLC	1,308	1,226
Sunraysia Trades and Labour Council	236	236
Victorian Trades Hall Council	24,564	26,427
Unions Tasmania	6,441	6,124
As per Statement of Comprehensive Income	116,375	117,060
(iii) Compulsory Levies		
Paid to Federal Office for the ACTU	23,188	24,462
(iv) Donations paid		
Total Donations – less than \$1,000	2,909	2,818
Total Donations – greater than \$1,000	–	37,150
As per Statement of Comprehensive Income	2,909	39,968
(v) Legal Costs		
Other legal matters	95,180	74,416
As per Statement of Comprehensive Income	95,180	74,416
(vi) Expenses incurred in holding meetings or conferences of members, councils, committees, panels or other bodies etc. – as per Statement of Comprehensive Income		
Delegate Meetings	18,768	23,354
Other Meetings	81,393	200,187
	100,161	223,541
(vii) Auditors Remuneration		
Audit Services	14,200	12,675
Non Audit Services	–	–
As per Statement of Comprehensive Income	14,200	12,675

(b) Assets

Amounts receivable from another reporting entity unit have been disclosed at Note 13.

15. SPECIFIC ITEMS THAT HAVE NOT OCCURRED

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

Going Concern

- The Branch does not require financial support from another reporting unit
- The Branch has not agreed to provide financial support to another reporting unit to continue as a going concern.

Amalgamations and Restructures

The Branch has not acquired any asset or liability during the financial year as a result of an amalgamation or restructure or determination or revocation by the Commissioner.

Revenue

- Cash flows from another reporting unit and or controlled entity
- Capitation fees
- Compulsory levies
- Donations
- Financial support received from other reporting units
- Recovery of wages.

Expenses

- Fees or allowances paid to persons to attend a conferences or other meeting as a representative of the TWU Vic/Tas Branch
- Financial affairs administered by another entity
- Grants less than \$1,000
- Grants greater than \$1,000
- Payments made to a former related party
- Penalties imposed under the RO Act.

Liabilities

- Payables to employers as consideration for the employers making payroll deductions of membership fees.

Statement of Changes in Member Equity

- There is no separate fund or account operated in respect of compulsory levies raised by the union or voluntary contributions collected from members of the union
- No monies in respect of compulsory levies or voluntary contributions referred to above have been invested in any assets
- No separate fund or account required by the rules of the union
- No transfers and/or withdrawals to a fund, account or controlled entity kept for specific purposes by the union.

16. LEASE LIABILITIES

	2023 \$	2022 \$
Current Lease Liabilities	20,240	22,855
Non-current Lease Liabilities	49,003	66,002
Total	69,243	88,857

17. CONTINGENT LIABILITIES

There were no material contingent liabilities in existence at 31 December 2023.

18. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has affected, or may significantly affect, the operations of the branch, the result of operations, or the state of the branch in the future financial years.

19. FINANCIAL RISK MANAGEMENT
A. General objectives, policies and processes

Financial risk management entails devising strategies to manage potential adverse financial outcomes associated with financial instruments.

The committee of management is responsible for monitoring and managing the branch's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the branch in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements.

The main risks the union is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the branch is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

B. Categories of Financial Instruments

The following is an analysis of Financial Assets and Financial Liabilities included in the Statement of Financial Position as at 31 December 2023.

	2023 \$	2022 \$
Financial Assets		
Cash at Bank	506,677	285,536
Term Deposits	5,953,237	5,916,500
Trade and Other Debtors	36,304	124,613
Carrying amount of financial assets	6,496,218	6,326,649
Financial Liabilities		
Sundry Creditors	768,033	747,840
Carrying amount of financial liabilities	768,033	747,840

The fair value of the assets and liabilities at 31 December 2023 as listed above are the same as the carrying values. Refer to Note 20 below for further explanation and analysis.

C. Risk Analysis

(a) Credit Risk

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

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

The committee believe that cash at bank and the investments are held by high quality institutions and any loss is highly unlikely and all receivables are likely to be repaid within the expected terms.

	2023 \$	2022 \$
Credit quality of financial instruments		
Not past due and not impaired		
Cash at Bank	506,677	285,536
Term Deposits	5,953,237	5,916,500
Past due		
Trade and Other Debtors	36,304	124,613
Total	6,496,218	6,326,649
Ageing of financial assets that were past due but not impaired		
Trade and Other Debtors		
0 to 30 days	32,333	109,091
31 to 60 days	-	-
61 to 90 days	-	2,550
90+ days	3,971	12,972
Total	36,304	124,613

(b) Liquidity Risk

Liquidity risk is the risk that the Branch will not have the funds readily available to meet its financial obligations as and when they fall due.

At 31 December 2023 the branch had \$6,461,114 of cash and cash investments to pay \$768,033 creditors. It is considered that liquidity risk is low and acceptable.

	2023 \$	2022 \$
Financial liability and financial asset maturity analysis		
<i>(i) Financial Assets – cash flows realisable</i>		
– Within one year		
Cash at Bank	506,677	285,536
Term Deposits	5,953,237	5,916,500
Trade and Other Debtors	36,304	124,613
– One to five years	-	-
– More than five years	-	-
Total	6,496,218	6,326,649
<i>(i) Financial Liabilities due for payment:</i>		
– Within one year		
Trade and Other Creditors	768,033	747,840
– One to five years	-	-
– More than five years	-	-
Total	768,033	747,840

(c) Market Risk

(i) Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The branch's exposure to market interest rates relates primarily to cash at bank and term deposits.

(ii) Other Price Risks

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in prices that are inherent in such a market.

20. FAIR VALUE MEASUREMENTS

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (i.e. accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

The fair values disclosed above at Note19(b) have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
- (ii) In determining the fair values of the unlisted available-for-sale financial assets, the directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (iii) Fair values of held-to-maturity investments are based on quoted market prices at the end of the reporting period.
- (iv) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate debt will differ to the carrying amounts.

**REPORT REQUIRED UNDER SUBSECTION 255 (2A)
For the year ended 31 December 2023**

The Committee of Management presents the expenditure report as required under subsection 255(2A) for the year ended 31 December 2023.

Categories of expenditures	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses, in respect of employees	4,072,472	4,371,327
Advertising	-	-
Operating costs	2,911,814	3,032,930
Donations to political parties	-	32,318
Legal costs	95,180	74,416

Signature of designated officer



Name and title: Mem Suleyman
Acting Branch Secretary
Dated: 26 March 2024

**TRANSPORT WORKERS' UNION OF AUSTRALIA
VICTORIAN/TASMANIAN BRANCH
ABN 47 634 608 538**

COMMITTEE OF MANAGEMENT STATEMENT

On 26 March 2024 the Committee of Management of the Transport Workers' Union of Australia, Victorian Tasmanian Branch passed the following resolution in relation to the general purpose financial report [GPFR] for the financial year ended 31 December 2023.

- The Committee of Management declares that in its opinion:
- (a) the financial statements and notes comply with the Australian Accounting Standards;
 - (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
 - (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
 - (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
 - (e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each the other reporting units of the 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 committee of management.

Signature of designated officer



Name and title: Kevin Whelan, Branch Trustee

Signature of designated officer



Name and title: Dissio Markos, Branch Trustee

Dated: 26 March 2024

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE TRANSPORT WORKERS UNION VICTORIAN/TASMANIA BRANCH

Opinion

I have audited the financial report of Transport Workers' Union of Australia Victorian Tasmanian Branch (the Entity), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in member equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the subsection 255(2A) and the committee of management statement.

In my opinion, the accompanying financial report presents fairly, gives a true and fair view of the financial position of the Entity as at 31 December 2023, and performance and its cash flows for the year then ended in accordance with:

- a. the Australian Accounting Standards; and
- b. the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act).

In my opinion, the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Entity in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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. Other information also comprises the information included in the Entity's annual report for the year ended 31 December 2023, but does not include the financial report and my auditor's report thereon.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act), and for such internal control as management determines 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 Entity'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 management either

intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

The Committee of Management is responsible for overseeing the Entity's financial reporting process.

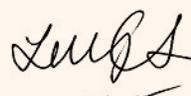
Auditor's Responsibilities for the Audit of the Financial Report

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.

A further description of my responsibilities for the audit of the financial report is included in Appendix A of this auditor's report. This description, which is located directly after the audit report, forms part of my auditor's report.

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

RYECROFTS PTY LTD



Terry Vail, Director

Registered Company Auditor – 305706

Registration number [as registered under the RO Act]: AA2022/31

Dated this 26th day of March 2024

Appendix A: Auditor's Responsibilities for the Audit of the Financial Report

As part of an audit in accordance with 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If 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 Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

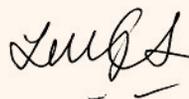
AUDITOR'S INDEPENDENCE DECLARATION

TO THE COMMITTEE OF MANAGEMENT OF TRANSPORT WORKERS' UNION OF AUSTRALIA VICTORIAN TASMANIAN BRANCH

As lead audit partner for the audit of the financial statements of Transport Workers' Union of Australia Victorian Tasmanian Branch for the year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- i) the auditor independence requirements as required by APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*; and
- ii) any applicable code of professional conduct in relation to the audit.

RYECROFTS PTY LTD



Terrence Vail, Director

Dated this 26th day of March 2024

OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Review of Principle Activities

The Union's principal activities are representing its members on industrial and safety issues, and training and supporting Delegates and Occupational Health and Safety Representatives in their duties. There have been no significant changes in the nature of these activities during the year.

Review of Financial Affairs

Overview

The operating profit for the year was \$370,024 (2022: deficit of \$425,363). Total comprehensive income for the year was in a deficit of \$370,024.

Membership

- A total of 2,046 persons joined the Union during 2023.
- A total of 2,126 persons resigned from the Union during 2023.
- Membership decreased by 370 persons. Income from members increased by 1.96% (2022: decreased by 1.41%) or increased by \$132,292 (2022: decreased by \$96,986).
- Income from conducting Training Courses amounted to \$29,132 (2022: \$22,386).

Members Right to Resign

Members are able to resign in writing at any time. Unless a date is specified, the resignation takes effect on receipt of the resignation if the member has ceased to be eligible for membership, or after two weeks for any other reason. The Union may sue former members for unpaid dues.

Trusteeships of Superannuation Entities

Michael McNess, was a director of the following trustee company associated with the TWU Superannuation Fund for:

- TWU Nominees Pty Ltd

There are no other officers or members of the reporting unit who are a trustee or a director of a company that is a trustee of a superannuation entity.

Prescribed Information

18,039 persons (2022: 18,409) were recorded in the register of members at 31 December 2023. 24 full-time equivalent persons (2022: 22) were employed at 31 December 2023.

Branch Committee of Management Members:	Period Position Held:
Michael McNess	All of 2023
Mehmet Suleyman	All of 2023
James Huges	All of 2023
Dissio Markos	All of 2023
Kevin Whelan	All of 2023
John Rowe	All of 2023
Clive Dennis	All of 2023
Ian Munro	All of 2023
Mandeep Baines	All of 2023
Anne McDowell	All of 2023
John Englehart	All of 2023
Maria Xenophontos	All of 2023
Greg Annett	All of 2023
James Scott	All of 2023
Anthony De Romeis	All of 2023
Imran Malik	All of 2023

For the Committee of Management

Signature of designated officer



Name and title: Mem Suleyman

Acting Branch Secretary

Dated: 26 March 2024