

**TRANSPORT WORKERS UNION OF AUSTRALIA
NSW/QLD (INTERIM GOVERNANCE) BRANCH**

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TRANSPORT WORKERS UNION OF AUSTRALIA
NSW/QLD (INTERIM GOVERNANCE) BRANCH**

Opinion

We have audited the financial report of Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion the accompanying financial report of the Reporting Unit, presents fairly, in all material respects, the reporting unit's financial position as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with:

- a) Australian Accounting Standards and;
- b) any other requirement 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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

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

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

A handwritten signature in blue ink that reads "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink that reads "Steve Stavrou".

STEVE STAVROU
Partner

Brisbane, Queensland
Dated: 28 March 2023

Registration number (as registered by the Commissioner under the RO Act): AA2021/37

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 December 2022

The Committee of Management 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	3,379,697	1,690,590
Advertising	55,806	89,532
Operating costs	4,403,278	3,105,814
Donations to political parties	1,628	2,940
Legal costs	94,583	114,295

Signature of designated officer: 

Name of designated officer: Richard Olsen

Title of designated officer: NSW/QLD (Interim Governance) Branch Secretary

Dated: 10 March 2023

Operating report

for the year ended 31 December 2022

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2022.

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

The principal activities of the Union during the financial year were the provision of industrial, professional and managerial services to the members consistent with the objects and rules of the Union and in particular, protecting and improving the interests of members. The Branch produced a range of publications for its members. There were no significant changes in the nature of the Union's principal activities during the financial year.

Significant changes in financial affairs

There were no significant changes in financial affairs during the financial year.

Right of members to resign

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with rule 11 of the Branch.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

The following officers of the Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch were officeholders of TWU Nominees Pty Ltd, which is trustee of the TWU Superannuation Fund:

Mr Richard Olsen

Number of members

Total membership of the Branch as at 31 December 2022 was 27,161 (NSW 17,463, ACT 1,718 and QLD 7,980). Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

Number of employees

At 31 December 2022, there were 28 persons employed by the Branch.

Names of committee of management members and period positions held during the financial year

The persons who held office as members of the Committee of Management at any time during the financial year were:

Name	Period in Office this year
Richard Olsen	1 January 2022 - 31 December 2022
Anthony Matthews	1 January 2022 - 31 December 2022
Stephen Newton	1 January 2022 - 31 December 2022
Grahame Devenish	1 January 2022 - 31 December 2022
Michael Pieri	1 January 2022 - 31 December 2022
Robert Pirc	1 January 2022 - 31 December 2022

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

Michael Forbes	1 January 2022 - 31 December 2022
Klaus Pinkas	1 January 2022 - 31 December 2022
Jim Mitropoulos	1 January 2022 - 31 December 2022
Stephen Petiford	1 January 2022 - 31 December 2022
Richard Cockburn	1 January 2022 - 31 December 2022
Douglas Fox	1 January 2022 - 31 December 2022
Raymond Childs	1 January 2022 - 31 December 2022
Margaret Harvey	1 January 2022 - 31 December 2022
Jason Larneld	1 January 2022 - 31 December 2022
Christopher Nolan	1 January 2022 - 31 December 2022
Dylan Thompson	1 January 2022 - 31 December 2022
Greg Delamotte	1 January 2022 - 31 December 2022
Michael Cardile	1 January 2022 - 13 December 2022
Kent Wilkins	1 January 2022 - 31 December 2022
Andrew Thomson	1 January 2022 - 31 December 2022
Nick Harris	1 January 2022 - 31 December 2022
Adam Winters	1 January 2022 - 13 December 2022
Cherie Holman	1 January 2022 - 13 December 2022
Ian Buckingham	1 January 2022 - 31 December 2022
Julianne Kingaby	1 January 2022 - 13 December 2022
Nathan Jaeger	1 January 2022 - 31 December 2022

Signature of designated officer:



Name of designated officer: Richard Olsen

Title of designated officer: NSW/QLD (Interim Governance) Branch Secretary

Dated: 10 March 2023

Committee of Management Statement

for the year ended 31 December 2022

On 10 March 2023 The Branch Committee of Management of the *Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch* passed the following resolution in relation to the general-purpose financial report (**GPFR**) for the year ended 31 December 2022:

The Branch 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 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 duly made under section 272 of the RO Act, that information has been provided to the member or 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 of designated officer: Richard Olsen

Title of designated officer: NSW/QLD (Interim Governance) Branch Secretary

Dated: 10 March 2023

Statement of Comprehensive Income

for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers	3		
Membership subscriptions*	3	5,201,996	2,707,537
Capitation fees and other revenue from another reporting unit*	3A	-	-
Levies*	3B	-	-
Service fees – Transport Workers Union of NSW	3	1,246,424	1,214,767
Training income		-	-
Reimbursement and sponsorship	3	114,623	85,018
Advertising	3	8,610	8,610
Other revenue	3	7,592	116,536
Revenue from recovery of wages activities*	3G	-	-
Total revenue from contracts with customers		6,579,245	4,132,468
Income for furthering objectives			
Grants and/or donations*	3E	15,000	35,000
Income recognised from volunteer services*	3H	-	-
Total income for furthering objectives		15,000	35,000
Other income			
Share of net profit from associate	6E	-	-
Interest	3C	2,447	2,207
Rental income	3D	7,879	14,703
Investment income	15B	467,961	84,610
Realised gain / (loss) on investments	15B	(277,488)	276,548
Unrealised gain / (loss) on investments	15B	(742,463)	(97,104)
Net gains from sale of assets	3F	500	4,917
Total other income		(541,164)	285,881
Total income		6,053,081	4,453,349
Expenses			
Employee expenses*	4A	3,379,697	1,690,590
Capitation fees and other expense to another reporting unit*	4B	2,185,394	1,700,365
Affiliation fees*	4C	133,247	70,273
Administration expenses	4D	799,970	594,211
Grants or donations*	4E	24,661	9,916
Depreciation and amortisation	4F	248,056	129,832
Finance costs	4G	5,637	3,948
Legal costs*	4H	94,583	114,295
Audit fees	14	68,500	68,750
Share of net loss from associate	6E	-	-
Write-down and impairment of assets	4I	-	-
Net losses from sale of assets	4J	-	-
Accountancy fees		4,071	2,215
Advertising		55,806	89,532
ACT ambulance cover for member		14,882	15,218
Bank and direct debit processing charges		12,606	30,410
Campaign expenses		55,303	3,704
Insurance		106,642	84,019

Statement of Comprehensive Income

for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
IR levy		3,242	3,018
Fringe benefits		-	22,356
Motor vehicle expenses		174,371	92,701
Electricity		34,118	12,003
Payroll tax		126,187	74,727
Telephone		48,557	17,981
Travelling expenses		92,247	38,893
Fees and permits		62,237	36,696
Staff training and welfare		11,245	23,845
Printing and stationery		60,074	16,971
Postage		43,803	20,809
Rent		25,209	13,667
Subscriptions		56,365	13,307
Uniforms		8,282	1,820
Other expenses	4K	-	-
Total expenses		7,934,992	4,996,072
Surplus (deficit) for the year		(1,881,911)	(542,723)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		738,952	-
Revaluation of listed shares		-	-
Net transfers in/ (out) of Fund Reserves		13,390	39,790
Total comprehensive income for the year		(1,129,569)	(502,933)

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

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Statement of Financial Position

as at 31 December 2022

	Notes	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	605,887	1,162,965
Trade and other receivables*	5B	179,514	208,386
Other current assets	5C	208,723	199,193
Total current assets		994,124	1,570,544
Non-Current Assets			
Land and buildings	6A	3,800,000	3,122,298
Plant and equipment	6A	402,936	407,451
Right-of-use assets	6B	110,622	172,678
Investment property	6C	-	-
Intangibles	6D	351	1,187
Investments in associates	6E	-	-
Other investments	6F	7,716,116	9,004,228
Other non-current assets	6G	1,750	1,750
Total non-current assets		12,031,775	12,709,592
Total assets		13,025,899	14,280,136
LIABILITIES			
Current Liabilities			
Trade payables*	7A	464,191	654,312
Other payables*	7B	128,364	98,496
Lease liabilities	7C	63,753	60,638
Employee provisions	8A	488,773	412,252
Total current liabilities		1,145,081	1,225,698
Non-Current Liabilities			
Employee provisions	8A	63,167	41,302
Other non-current liabilities	9A	3,814	5,772
Lease liabilities	9B	52,849	116,807
Total non-current liabilities		119,830	163,881
Total liabilities		1,264,911	1,389,579
Net assets		11,760,988	12,890,557
EQUITY			
General funds	10A	3,623,647	2,871,305
Retained earnings (accumulated deficit)		8,137,341	10,019,252
Total equity		11,760,988	12,890,557

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

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Statement of Changes in Equity

for the year ended 31 December 2022

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2021		2,958	159,418	162,376
Adjustment for errors		-	-	-
Adjustment for branch restructure (Interim Governance)		2,828,557	10,402,557	13,231,114
Surplus / (deficit)		-	(542,723)	(542,723)
Revaluation of financial instruments		-	-	-
<i>Other comprehensive income</i>		-	-	-
Transfer to/from reserves	10A	39,790	-	39,790
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2021		2,871,305	10,019,252	12,890,557
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus / (deficit)		-	(1,881,911)	(1,881,911)
Other comprehensive income		-	-	-
Transfer to asset revaluation reserve	10A	738,952	-	738,952
Transfer to/from reserves	10A	13,390	-	13,390
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2022		3,623,647	8,137,341	11,760,988

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

Statement of Cash Flows

for the year ended 31 December 2022

	Notes	2022 \$	2021 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)*	11B	1,244,006	1,217,412
Interest		2,447	1,620
Investment Income		467,961	84,610
Receipts from customers		5,773,705	3,175,596
Rent Received		7,879	14,703
Cash used			
Employees		(3,401,907)	(1,690,590)
Suppliers		(2,252,945)	(1,349,655)
Interest payments and other finance costs		-	-
Payment to other reporting units/controlled entity(s)*	11B	(2,494,396)	(2,041,703)
Net cash from (used by) operating activities	11A	(653,250)	(588,007)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		500	9,000
Proceeds from sale of land and buildings		-	-
Proceeds from members for Funeral, Support & Activist Funds		13,390	33,776
Proceeds from investments		368,161	351,686
Cash used			
Purchase of plant and equipment		(119,399)	(75,340)
Purchase of land and buildings		-	-
Payment for investments – Funeral Fund		(100,000)	-
Payment for investments		-	-
Net cash from (used by) investing activities		162,652	319,122
FINANCING ACTIVITIES			
Cash received			
Contributed funds		-	-
Cash used			
Repayment of lease liabilities		(66,480)	(53,848)
Other		-	-
Net cash from (used by) financing activities		(66,480)	(53,848)
Net increase (decrease) in cash held		(557,078)	(322,733)
Cash & cash equivalents at the beginning of the reporting period		1,162,965	346,516
Cash recognised upon branch restructure		-	1,139,182
Cash & cash equivalents at the end of the reporting period	5A	605,887	1,162,965

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

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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Notes to the Financial Statements

For the year ended 31 December 2022

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch ("The Branch") is a not-for-profit entity.

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

1.2 Going concern

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

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

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

1.3 Comparative amounts

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

On 23 July 2021 the National Council of the Transport Workers' Union of Australia disbanded the Queensland Branch and transferred its members, assets and liabilities to the New South Wales Branch, renaming it to the *NSW/QLD (Interim Governance) Branch*. Accordingly, it represents an amalgamation of the 12-month results for the NSW branch and the results for the former QLD branch for the period 23 July 2021 to 31 December 2021.

1.4 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 1 Summary of significant accounting policies (continued)

- Note 1.14, 1.15 and 1.16 – Financial Instruments: classification and measurement of financial assets and financial liabilities including assumptions about the impairment of non-financial assets
- Note 1.18 – Property is held at fair value based on an independent valuation, plant and equipment is carried at cost less, where applicable, any accumulated depreciation or impairment losses. Key assumptions about fair value, depreciation and amortisation rates, impairment.
- Note 1.10 – Provisions: whether the Union has a present obligation to settle certain liabilities in the future and a reliable estimate can be made

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No new Australian Accounting Standards are known to be applicable as at the date of this report.

Future Australian Accounting Standards Requirements

No future Australian Accounting Standards are known to be applicable as at the date of this report.

IFRIC Agenda Decisions – Configuration or Customisation in a Cloud Computing Arrangement

The IFRS Interpretations Committee (IFRIC) issued a final agenda decision in relation to configuration or customisation costs in a cloud computing arrangement. The decision clarified some aspects of accounting for cloud-based software-as-a-service (“SaaS”) arrangements, which could result in a change in accounting policy that would need to be retrospectively applied.

The agenda decision clarified that customisation and configuration costs of SaaS arrangements cannot be classified as intangible assets where the entity does not have ownership over the underlying software. Such costs must either be expensed immediately or treated as a prepayment, depending on whether they are distinct from the underlying SaaS arrangement.

1.6 Investment in associates and joint arrangements

There was no investment in associates or joint arrangements during the financial year ending 31 December 2022.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

In the current financial year, the Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the Branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

In the prior year, the net book value of assets, liabilities and general funds were transferred on 23 July 2021 from the former QLD Branch to the NSW/QLD Interim Governance Branch for no consideration. The net book value of assets, liabilities and reserves of the former QLD Branch as at 23 July 2021 has been used to account for the transfer.

Note 1 Summary of significant accounting policies (continued)

The assets, liabilities and general funds reserves were recognised as at the date of transfer as follows:

	Book Value 23 July 2021 \$
Cash and cash equivalents	1,139,182
Trade and other receivables	65,853
Other assets	144,221
Property, plant and equipment	3,537,912
Right-of-use assets	88,141
Intangibles	3,002
Investments	9,176,470
Trade and other payables	(539,853)
Lease liabilities	(93,490)
Employee provisions	(284,314)
General funds	(2,834,571)
<i>Total assets, liability and reserves transferred</i>	<u>10,402,553</u>

1.8 Current versus non-current classification

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

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 Branch classifies all other liabilities as non-current.

1.9 Revenue

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

Note 1 Summary of significant accounting policies (continued)

Revenue from contracts with customers

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 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

Revenue from memberships fees are recognised over time, as the services are delivered to the members.

Revenue from donations that do not have an enforceable agreement that specifies the performance obligations imposed is recognised under AASB 1058. These revenues are thus recognised on receipt of cash.

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

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

Government grants

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Branch should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

During the reporting year, the Branch continued to receive grant funds from the National Heavy Vehicle Regulator (NHVR), a Federal Government Statutory Authority, for their Transport Industry related mental health project "Steering Healthy Minds". The funding from this grant has since ceased at the date of this report.

Note 1 Summary of significant accounting policies (continued)

Gains on sale of assets

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

Capitation fees and levies

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

1.10 Employee benefits

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

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

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

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

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

1.11 Leases

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 assets, as follows:

	2022	2021
Land & buildings	10 years	10 years
Plant and equipment	5 to 6 years	5 to 6 years

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.

Note 1 Summary of significant accounting policies (continued)

Lease liability

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 (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 Branch uses the implicit interest rate or incremental borrowing rate, if the implicit lease rate is not readily determinable, the Branch to use as applicable. 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.

Peppercorn or below market leases

The Branch has elected to recognise the fair value of the leased property at inception of the lease. The difference between the fair value of the leased asset and the lease liability measured at the present value of the 'peppercorn' lease rental is recognised as income.

Short-term leases and leases of low-value assets

The Branch has elected to account for short-term leases assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to short term leases is recognised as an expense in profit or loss on a straight-line basis over the lease term.

1.12 Borrowing costs

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

1.13 Cash

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

Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

Note 1 Summary of significant accounting policies (continued)

1.14 Financial instruments

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

1.15 Financial Assets

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

Note 1 Summary of significant accounting policies (continued)

The Branch's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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

Derecognition

A financial asset is derecognised when:

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

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

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

Impairment

Expected credit losses

Receivables for goods and services, which have 30-days terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses (**ECLs**) at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

Note 1 Summary of significant accounting policies (continued)

(i) Trade receivables

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

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

1.16 Financial Liabilities

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

Initial recognition and measurement

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

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

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

Subsequent measurement

Financial liabilities at fair value through profit or loss (including designated)

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

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

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

Financial liabilities at amortised cost

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the

Note 1 Summary of significant accounting policies (continued)

same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.17 Contingent Liabilities and Contingent Assets

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

1.18 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using the straight line and diminishing value methods of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are:

	2022	2021
Buildings	2.5%	2.5%
Motor Vehicles	25% - 33.33%	25%
Office Equipment	20% - 66.67%	20% - 66.67%
Computer Software	66.67% - 80%	40% - 80%
Furniture, Fixtures & Equipment	2.5% - 66.67%	2.5% - 66.67%

Note 1 Summary of significant accounting policies (continued)

Derecognition

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

1.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.20 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 diminishing-value 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.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

SaaS arrangements

SaaS arrangements are software product offerings in which the Branch does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Branch has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Branch recognises those costs as an expense when the supplier provides the services. However, The Branch recognise those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is

Note 1 Summary of significant accounting policies (continued)

because, in that circumstance, the Branch cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Branch.

Previously some SaaS related costs had been capitalised and amortised over its useful life. In the process of applying the Branch accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset
 - The Branch evaluates cloud computing arrangements to determine if it provides a resource that The Branch can control. The Branch determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
 - The Branch has the contractual right to take possession of the software during the hosting period without significant penalty.
 - It is feasible for the Branch to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements
 - Where the Branch incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to The Branch or to provide code that can be used by the Branch in other arrangements, the Branch applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 Intangible Assets (AASB 138).

For the year ended 31 Dec 2022, \$Nil (2021: \$Nil) of costs incurred in implementing SaaS arrangements were recognised as intangible assets.

Derecognition

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.

1.21 Impairment of non-financial assets

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

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

Note 1 Summary of significant accounting policies (continued)

1.22 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.23 Taxation

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). Revenues, expenses and assets are recognised net of GST except:

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

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

1.24 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

Note 1 Summary of significant accounting policies (continued)

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

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

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

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

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

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of The Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

2022 2021
\$ \$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Branch'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:

Type of revenue

Members	5,201,996	2,707,537
Other reporting units – Service fees from Transport Workers Union of NSW	1,246,424	1,214,767
Reimbursement and sponsorship	114,623	85,018
Advertising	8,610	8,610
Other revenue	7,592	116,536
Total revenue from contracts with customers	6,579,245	4,132,468

Disaggregation of income for furthering activities

A disaggregation of the Branch'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	-	-
Government	-	-
Other parties	15,000	35,000
Total income for furthering activities	15,000	35,000

Note 3A: Capitation fees and other revenue from another reporting unit*

	-	-
Total capitation fees and other revenue from another reporting unit	-	-

Note 3B: Levies*

	-	-
Total levies	-	-

Note 3C: Interest

Deposits	2,447	2,207
Loans	-	-
Total interest	2,447	2,207

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$

Note 3D: Rental income

Properties	7,879	14,703
Other	-	-
Total rental revenue	7,879	14,703

Note 3E: Grants and/or donations*

Grants	15,000	35,000
Donations	-	-
Total grants and/or donations	15,000	35,000

Note 3F: Net gains from sale of assets

Land and buildings	-	-
Plant and equipment	500	4,917
Intangibles	-	-
Total net gain from sale of assets	500	4,917

Note 3G: Revenue from recovery of wages activities*

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activities	-	-

Note 3H: Income recognised from volunteer services*

Amounts recognised from volunteer services	-	-
Total income recognised from volunteer services	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 4 Expenses		
Note 4A: Employee expenses*		
Holders of office:		
Wages and salaries	141,043	125,315
Superannuation	20,842	18,789
Leave and other entitlements	2,660	17,999
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	164,545	162,103
Employees other than office holders:		
Wages and salaries	2,419,771	983,791
Superannuation	401,859	159,481
Leave and other entitlements	388,318	255,989
Separation and redundancies	-	129,026
Other employee expenses	5,204	200
Subtotal employee expenses employees other than office holders	3,215,152	1,528,487
Total employee expenses	3,379,697	1,690,590
Note 4B: Capitation fees and other expense to another reporting unit*		
<i>Sustentation Fees – NSW – to TWU of NSW</i>	1,246,424	1,214,767
<i>Sustentation Fees – ACT – to TWU (National Office)</i>	153,410	160,275
<i>Sustentation Fees – QLD – to TWU (National Office)</i>	764,222	316,890
<i>Other expenses</i>	21,338	8,433
Total capitation fees and other expense to another reporting unit	2,185,394	1,700,365
Note 4C: Affiliation fees*		
<i>ALP QLD</i>	43,167	18,441
<i>Union Shopper</i>	8,625	5,981
<i>QCU</i>	58,675	28,251
<i>ALP NSW Branch</i>	5,719	5,636
<i>Unions ACT</i>	12,894	11,964
<i>Other affiliations</i>	4,167	-
Total affiliation fees/subscriptions	133,247	70,273

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	25,876	19,510
Conference and meeting expenses*	198,131	37,398
Contractors/consultants	25,765	146,927
Property expenses	85,675	31,214
Office expenses	20,621	10,002
Information communications technology	109,912	94,384
Other	333,990	254,776
Subtotal administration expense	799,970	594,211
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	799,970	594,211

Note 4E: Grants or donations*

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	1,351	2,316
Total paid that exceeded \$1,000**	23,310	7,600
Total grants or donations	24,661	9,916

**Includes staff expenses while they are assigned to political campaigns.

Note 4F: Depreciation and amortisation

Depreciation		
Land and buildings	61,250	27,017
Plant and equipment	123,914	52,403
Right-of-use assets	62,056	48,597
Total depreciation	247,220	128,017
Amortisation		
Intangibles	836	1,815
Total amortisation	836	1,815
Total depreciation and amortisation	248,056	129,832

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 4G: Finance costs		
Interest and finance charges paid/payable on lease liabilities	5,637	3,948
Overdrafts/loans	-	-
Unwinding of discount	-	-
Total finance costs	5,637	3,948

Note 4H: Legal costs*

Litigation	28,973	-
Other legal matters	65,610	114,295
Total legal costs	94,583	114,295

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:

Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

Note 4J: Net losses from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations*	-	-
Total other expenses	-	-

*As required by the Reporting Guidelines. Item to remain even if 'nil'

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 5		
Current Assets		
Note 5A: Cash and Cash Equivalents		
Cash at bank	605,287	692,670
Cash on hand	600	600
Short term deposits	-	-
Cash held for specific purpose (reserves)**	-	469,695
Other	-	-
Total cash and cash equivalents	605,887	1,162,965

**The Cash held for specific purpose (reserves) in the prior year related to several term deposits. In the current year, these term deposits were withdrawn and consolidated into cash to reduce the administrative burden on the Union. In order to achieve a higher rate of return, a portion was re-invested into the Macquarie Investments Portfolio – Funeral Fund.

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*

TWU of Australia	-	-
TWU WA Branch	-	89
TWU VIC/TAS Branch	-	-
TWU NSW Branch	108,842	96,853
TWU SA Branch	-	-
Total receivables from other reporting unit[s]	108,842	96,942
Less provision for doubtful debts*	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	108,842	96,942

Other receivables:

GST receivable	33,443	30,205
Other trade receivables	37,229	81,239
Total other receivables	70,672	111,444
Total trade and other receivables (net)	179,514	208,386

Note 5C: Other Current Assets

Prepayments	202,218	192,625
Accrued revenue	1,095	1,675
Other investments – Lindsay / IAG Shares	5,410	4,306
Accrued interest receivable	-	587
Total other current assets	208,723	199,193

*As required by the Reporting Guidelines. Item to remain even if 'nil.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2022	Land and Buildings	Plant and Equipment	Total
	\$	\$	\$
Property, Plant and Equipment:			
carrying amount	3,800,000	1,272,553	5,072,553
accumulated depreciation	-	(869,617)	(869,617)
Total Property, Plant and Equipment	<u>3,800,000</u>	<u>402,936</u>	<u>4,202,936</u>
Reconciliation of opening and closing balances of property, plant and equipment			
Net book value 1 January 2022	3,122,298	407,451	3,529,749
Additions:			
By purchase	-	119,033	119,033
Revaluations	550,000	-	550,000
Impairments	-	-	-
Depreciation expense	(61,250)	(123,915)	(185,165)
Other movement			
Accumulated depreciation written back on revaluation	188,952	867	189,819
Disposals:			
Other	-	(500)	(500)
Net book value 31 December 2022	<u>3,800,000</u>	<u>402,936</u>	<u>4,202,936</u>
Net book value as of 31 December 2022 represented by:			
Gross book value	3,800,000	578,387	4,378,387
Accumulated depreciation and impairment	-	(175,451)	(175,451)
Net book value 31 December 2022	<u>3,800,000</u>	<u>402,936</u>	<u>4,202,936</u>

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2021	Land and Buildings \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:			
carrying value	3,250,000	459,854	3,709,854
accumulated depreciation	(127,702)	(52,403)	(180,105)
Total Property, Plant and Equipment	<u>3,122,298</u>	<u>407,451</u>	<u>3,529,749</u>

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 24 July 2021	-	-	-
Additions:			
By purchase	-	75,340	75,340
From acquisition of entities (including restructuring)	3,149,315	388,597	3,537,912
Revaluations	-	-	-
Impairments	-	-	-
Depreciation expense	(27,017)	(52,403)	(79,420)
Other movement	-	-	-
Disposals:			
Other	-	(4,083)	(4,083)
Net book value 31 December 2021	<u>3,122,298</u>	<u>407,451</u>	<u>3,529,749</u>
Net book value as of 31 December 2021 represented by:			
Gross book value	3,250,000	459,854	3,709,854
Accumulated depreciation and impairment	(127,702)	(52,403)	(180,105)
Net book value 31 December 2021	<u>3,122,298</u>	<u>407,451</u>	<u>3,529,749</u>

Land and Buildings were revalued by independent valuer CBRE on 2 December 2022.

Fair value of the properties was determined by using a combination of capitalisation approach and direct comparison approach. This means that valuations performed by the valuer are based on looking at rental income and rate per square metre, significantly adjusted for difference in the nature, location or condition of the specific property. As at the date of revaluation, 2 December 2022, the properties' fair values are based on valuations performed by CBRE, an accredited independent valuer.

Significant unobservable valuation input

Price per square metre	Range \$4,000 - \$4,250
------------------------	----------------------------

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 6B: Non-current asset right-of-use assets		
Right-of-use assets		
At cost	338,233	218,357
Additions	-	142,886
Accumulated depreciation	(227,611)	(188,565)
Total non-current asset right-of-use assets	110,622	172,678

Note 6C: Investment Property

No Investment properties were held.

Note 6D: Intangibles

Computer software at cost:		
Internally developed	-	-
Purchased	3,002	3,002
Accumulated amortisation	(2,651)	(1,815)
Impairment	-	-
Total intangibles	351	1,187

Reconciliation of Opening and Closing Balances of Intangibles

Opening balance as at 1 January 2022 (24 July 2021)		
Gross book value	3,002	-
Accumulated amortisation and impairment	(1,815)	-
Net book value 1 January 2022 (24 July 2021)	1,187	-
Additions:		
By purchase	-	-
From acquisition of entities (including interim restructuring)	-	3,002
Impairments	-	-
Amortisation	(836)	(1,815)
Other movements	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	351	1,187
Net book value as of 31 December represented by:		
Gross book value	3,002	3,002
Accumulated amortisation and impairment	(2,651)	(1,815)
Net book value 31 December	351	1,187

Note 6E: Investments in Associates

There were no investments in associates.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 6F: Other Investments		
Macquarie Investment Portfolio – funeral fund	206,579	115,998
Macquarie Investment Portfolio	7,509,537	8,888,230
Total other investments	<u>7,716,116</u>	<u>9,004,228</u>

Note 6G: Other Non-current Assets

Prepayments	-	-
Rental bond - Cairns Office	1,650	1,650
Security deposit	100	100
Total other non-current assets	<u>1,750</u>	<u>1,750</u>

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	255,806	575,232
Operating lease rentals	-	-
Subtotal trade creditors	<u>255,806</u>	<u>575,232</u>

Payables to other reporting unit[s]*

TWU of Australia	80,689	74,178
TWU of New South Wales	127,696	4,902
Subtotal payables to other reporting unit[s]	<u>208,385</u>	<u>79,080</u>

Total trade payables

Settlement is usually made within 30 days.

464,191	654,312
----------------	----------------

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	45,383	38,001
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	7,775	8,221
GST payable/(refundable)	(1,730)	4,765
Credit card	21,606	(830)
Other	55,330	48,339
Total other payables	<u>128,364</u>	<u>98,496</u>

Total other payables are expected to be settled in:

No more than 12 months	128,364	98,496
More than 12 months	-	-
Total other payables	<u>128,364</u>	<u>98,496</u>

Note 7C: Lease liabilities

Lease liabilities	63,753	60,638
Total current lease liabilities	<u>63,753</u>	<u>60,638</u>

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 8 Provisions		
Note 8A: Employee Provisions*		
Office Holders:		
Annual leave	21,962	25,211
Long service leave	70,826	105,638
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	92,788	130,849
Employees other than office holders:		
Annual leave	258,524	169,806
Long service leave	200,628	152,899
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	459,152	322,705
Total employee provisions	551,940	453,554
Current	488,773	412,252
Non-Current	63,167	41,302
Total employee provisions	551,940	453,554

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Rental Bond	3,814	5,772
Total other non-current liabilities	3,814	5,772

Note 9B: Lease liabilities

Lease liability	52,849	116,807
Total non-current lease liabilities	52,849	116,807

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022	2021
	\$	\$
As at 1 January	177,445	13,980
Additions	-	213,365
Accretion of interest	5,637	3,948
Payments	(66,480)	(53,848)
As at 31 December	116,602	177,445
Current	63,753	60,638
Non-current	52,849	116,807

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

Note 9B: Lease liabilities (continued)

	2022	2021
	\$	\$
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	62,056	48,597
Interest expense on lease liabilities	5,637	3,948
Expense relating to short-term leases	56,365	13,667
Expenses relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	124,058	66,212
Gross amount of minimum lease payments:		
Within one year	67,010	59,743
After one year but not more than five years	58,443	135,409
More than five years	-	-
Total gross amount of minimum lease payments	125,453	195,152
Present value of minimum lease payments:		
Within one year	63,142	57,603
After one year but not more than five years	51,126	122,491
More than five years	-	-
Total present value of minimum lease payments	114,268	180,094

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022 \$	2021 \$
Note 10 Equity		
Note 10A: General funds		
<i>Funeral Fund</i>		
Balance as at start of year	320,307	297,466
Transferred to reserve	47,525	22,841
Transferred out of reserve	(49,000)	-
Balance as at end of year	318,832	320,307
<i>Support Fund</i>		
Balance as at start of year	309,128	294,203
Transferred to reserve	31,991	14,925
Transferred out of reserve	(20,304)	-
Balance as at end of year	320,815	309,128
<i>Political Activist Fund</i>		
Balance as at start of year	15,176	13,152
Transferred to reserve	3,178	2,024
Transferred out of reserve	-	-
Balance as at end of year	18,354	15,176
<i>Asset Revaluation Reserve</i>		
Balance as at start of year	2,223,736	2,223,736
Transferred to reserve	738,952	-
Transferred out of reserve	-	-
Balance as at end of year	2,962,688	2,223,736
<i>NSW A.F.S Reserve</i>		
Balance as at start of year	2,958	2,958
Gain on revaluation of investment	-	-
Balance as at end of year	2,958	2,958
Total Reserves	3,623,647	2,871,305
Investment in assets		
Other investment - Macquarie	206,579	115,998
Other fund(s) required by rules		
<i>None</i>		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

2022 **2021**
\$ \$

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cash Flows:

Cash and cash equivalents as per:

Statement of Cash Flows	605,887	1,162,965
Statement of Financial Position	605,887	1,162,965
<i>Difference</i>	-	-

Reconciliation of surplus/(deficit) to net cash from operating activities:

Surplus/(deficit) for the year	(1,881,911)	(542,723)
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Adjustments for non-cash items

Depreciation/amortisation	248,056	129,832
Finance lease interest	5,637	3,948
Realised (gain)/loss on investments	277,488	(276,548)
Unrealised (gain)/loss on investments	742,463	97,104
Fair value movements in investment property	-	-
Interest revenue	-	(587)
Accrued revenue	(1,095)	(1,675)
Gain on disposal of assets	(500)	(4,917)

Changes in assets/liabilities

(Increase)/decrease in net receivables	28,872	(48,255)
(Increase)/decrease in prepayments	(8,435)	(18,057)
(Increase)/decrease in other assets	-	-
(Increase)/decrease in value of investments	-	-
Increase/(decrease) in supplier payables	(162,211)	69,097
Increase/(decrease) in other payables	-	-
Increase/(decrease) in deferred revenue	-	(19,368)
Increase/(decrease) in employee provisions	98,386	24,142
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	(653,250)	(588,007)

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 11B: Cash flow information*		
Cash inflows		
Transport Workers Union of Australia	9,482	-
Transport Workers Union of Australia WA Branch	89	5,019
Transport Workers Union of NSW	1,234,435	1,212,192
Transport Workers Union of Australia SA Branch	-	-
Transport Workers Union of Australia VIC/TAS Branch	-	201
Total cash inflows	1,244,006	1,217,412
Cash outflows		
Transport Workers Union of NSW	(183,263)	(1,505,279)
Transport Workers Union of Australia SA Branch	-	-
Transport Workers Union of Australia	(2,311,133)	(536,424)
Total cash outflows	(2,494,396)	(2,041,703)

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessor

The Branch leases out a portion of its building to various tenants, of which it derives income.

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

	2022	2021
	\$	\$
Within one year	-	-
After one year but not more than five years	-	-
After five years	-	-
	-	-

The leased out premise to the 'workers kitchen' expired and was not renewed as at year end.

Capital commitments

The QLD Branch has office lease arrangements that are paid on a month-to-month basis. The lease arrangements are such that, either party to the contract can give notice to terminate the arrangement or the contract does not oblige either party to make a payment on termination. As a result, the Union has assessed the lease arrangements to be non-enforceable, therefore continues to recognise any lease payments as an expense through the profit or loss. Operating lease commitments that are invoiced monthly total \$867.

Other contingent assets or liabilities (i.e. legal claims)

Estimates of material amounts of contingent liabilities are not provided for in the accounts, arising from ongoing activities of the union, as its not practical to estimate/ quantify the liability.

*As required by the Reporting Guidelines. Item to remain even if 'nil'.

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

2022 **2021**
\$ \$

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

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

Revenue received from TWU of Australia includes the following:

Reimbursement of expenses	9,559	-
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Revenue received from TWU WA Branch includes the following:

Share of software hosting expenses, SLA agreement, Software enhancements, purchase of software, reimbursement of expenses	-	4,976
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Revenue received from TWU NSW/ACT Branch includes the following:

Reimbursement of Expenses	578	-
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Revenue received from TWU NSW includes the following:

Service fees	1,246,424	1,214,767
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Revenue received from TWU SA Branch includes the following:

Reimbursement of expenses	-	195
---------------------------	---	-----

Revenue received from TWU VIC/TAS Branch includes the following:

Reimbursement of expenses	-	183
---------------------------	---	-----

Expenses paid to TWU of Australia includes the following:

Sustentation/ Capitation fees	2,261,843	419,825
Other Federal Expenses	-	12,206
Share of legal fees/ meeting fees/ research expenses	67,957	55,601

Expenses paid to TWU of NSW Branch includes the following:

Administration fees	60,894	49,176
Secondment expenses	130,055	-
Other expenses	9,029	-

Amounts owed by TWU SA Branch include the following:

Reimbursement for App hosting fees	-	195
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Amounts owed by TWU NSW include the following:

Reimbursement of expenses	108,842	96,853
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Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

Note 13A: Related Party Transactions for the Reporting Period (continued)

	2022	2021
	\$	\$
Amounts owed to TWU of Australia include the following:		
Sustentation/ Capitation fees	80,689	168,025
Amounts owed to TWU NSW include the following:		
Reimbursement for App hosting fees	21,617	4,902
Reimbursement of Sustentation fees	106,079	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	141,043	134,125
Annual leave accrued	-	-
Performance bonus	-	-
Other	-	-
Total short-term employee benefits	141,043	134,125

Post-employment benefits:

Superannuation	20,842	18,789
Total post-employment benefits	20,842	18,789

Other long-term benefits:

Long-service leave	2,660	9,189
Total other long-term benefits	2,660	9,189

Termination benefits

	-	-
Total	164,545	162,103

Note 13C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

None	-	-
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Other transactions with key management personnel

None	-	-
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Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

	2022	2021
	\$	\$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services – <i>SDJA (auditor of NSW Branch)</i>	8,500	5,750
Financial statement audit services – <i>RSM (auditor of QLD Branch and NSW/QLD Interim Governance Branch)</i>	60,000	63,000
Other services	-	-
Total remuneration of auditors	68,500	68,750

Note 15 Financial Instruments

Financial Risk Management

The Union is exposed to the following risks from their use of financial instruments:

- Market Risk
- Price Risk
- Credit Risk
- Liquidity Risk

The Committee has overall responsibility for risk management. The Committee has established risk management policies designed to identify and monitor risks from financial instruments and ensure any adverse effects from these risks are minimised. The Committee meet on a regular basis to review compliance with risk management policy and to analyse financial risk exposure in the context of the current economic environment.]

Market risk

Market risk is the risk that changes in market prices, such as interest rates, and equity prices will affect the entity's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The entity does not have any material exposure to market risk other than price risk and interest rate risk.

Price risk

Equity price risk arises principally from available for sale financial assets where the company is exposed to fluctuations in price that are inherent in such a market. To limit the risk, the company holds a diverse portfolio and investment decisions are made in accordance with the stated policy above.

Credit Risk

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 31 December 2022.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

Note 15 Financial Instruments (continued)

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

	2022	2021
	\$	\$

Note 15A: Categories of Financial Instruments

Financial Assets

Fair value through profit or loss:

Other investments	7,509,537	8,888,230
Other investment – funeral fund	206,579	115,998

Total	7,716,116	9,004,228
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Fair value through other comprehensive income:

Listed shares	-	-
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Total	-	-
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Amortised cost:

Cash and cash equivalents	605,887	1,162,965
Trade and other receivables	179,514	208,386
Other current assets	208,723	372,154
Other non-current assets	1,750	1,750

Total	995,874	1,745,255
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Carrying amount of financial assets	8,711,990	10,749,483
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Financial Liabilities

Amortised cost:

Trade payables	(464,191)	(654,312)
Other payables	(128,364)	(98,496)

Total	(592,555)	(752,808)
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Carrying amount of financial liabilities	(592,555)	(752,808)
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Note 15B: Net Income and Expense from Financial Assets

Fair value through profit and loss

Held for trading:

Change in fair value	(742,463)	(97,104)
Dividend and interest revenue	467,961	84,610
Realised gains/(loss)	(277,488)	276,548

Total designated as fair value through profit and loss	(551,990)	264,054
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Net gain/(loss) at fair value through profit and loss	(551,990)	264,054
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Net gain/(loss) from financial assets	(551,990)	264,054
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The net income/expense from financial assets not at fair value through profit and loss is \$nil (2021: \$nil).

The fair value movement from financial asset not at fair value through profit or loss is \$nil (2021: \$nil).

Note 15 Financial Instruments (continued)

2022
\$ 2021
\$

Note 15C: Credit Risk

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

Financial assets

Cash and cash equivalents	605,887	1,162,965
Trade and other receivables	179,514	208,386
Other current assets	208,723	199,193
Total	994,124	1,570,544

Financial liabilities

Trade and other payables	(592,555)	(752,808)
Total	(592,555)	(752,808)

In relation to the entity's gross credit risk the following collateral is held: None.

Credit quality of financial instruments not past due or individually determined as impaired

The Union does not have any financial instruments that are past due or impaired. The financial instruments are mostly GST receivable and prepayments.

Note 15D: Liquidity Risk

Contractual maturities

The following tables detail the consolidated entity'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.

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade Payables	-	464,191	-	-	-	464,191
Provisions	-	551,940	-	-	-	551,940
Other payables	-	128,364	-	-	-	128,364
Total	-	1,144,495	-	-	-	1,144,495

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade Payables	-	654,312	-	-	-	654,312
Provisions	-	453,554	-	-	-	453,554
Other payables	-	98,496	-	-	-	98,496
Total	-	1,206,362	-	-	-	1,206,362

Note 15 Financial Instruments (continued)

Note 15E: Market Risk

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 31 December 2022, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	-	+ 2%	12,118	12,118
Interest rate risk	-	- 2%	(12,118)	(12,118)

Sensitivity analysis of the risk that the entity is exposed to for 2021

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Interest rate risk	-	+ 2%	23,259	23,259
Interest rate risk	-	- 2%	(23,259)	(23,259)

Price risk

A 2% change in equity prices at reporting date would have increased/(decreased) profit/(loss) and equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the prior year.

Note 15 Financial Instruments (continued)

2022 2021
\$ \$

Note 15E: Market Risk (cont.)

Sensitivity analysis of the risk that the entity is exposed to for 2022

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Increase in equity prices by 2%	- + 2%	154,322	154,322
Decrease in equity prices by 2%	- - 2%	(154,322)	(154,322)

Sensitivity analysis of the risk that the entity is exposed to for 2021

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Increase in equity prices by 2%	- + 2%	177,765	177,765
Decrease in equity prices by 2%	- - 2%	(177,765)	(177,765)

Note 15G: Asset Pledged/or Held as Collateral

Assets pledged as collateral

Financial assets pledged as collateral:

- -

Total assets pledged as collateral

- -

Assets held as collateral

Fair value of assets held as collateral:

Financial assets

- -

Non-financial assets

- -

Total assets held as collateral

- -

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

Management of the Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Branch's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2022 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2022 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Carrying amount 2022 \$	Fair value 2022 \$	Carrying amount 2021 \$	Fair value 2021 \$
Financial Assets				
Macquarie Investment Portfolio	7,509,537	7,509,537	8,888,230	8,888,230
Macquarie Investment Portfolio – Funeral fund	206,579	206,579	115,998	115,998
Total	7,716,116	7,716,116	9,004,228	9,004,228
Financial Liabilities				
None	-	-	-	-
Total	7,716,116	7,716,116	9,004,228	9,004,228

Note 16B: Financial and Non-Financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2022

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Macquarie Investment Portfolio	31/12/2022	7,509,537	-	-
Macquarie Investment Portfolio – Funeral fund	31/12/2022	206,579	-	-
Land & Buildings	2/12/2022	-	-	3,800,000
Total		7,716,116	-	3,800,000

Fair value hierarchy – 31 December 2021

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Macquarie Investment Portfolio	31/12/2021	8,888,230	-	-
Macquarie Investment Portfolio – Funeral fund	31/12/2021	115,998	-	-
Land & Buildings	5/12/2019	-	-	3,122,298
Total		9,004,228	-	3,122,298

Note 17 Administration of financial affairs by a third party

There was no administration of financial affairs by a third party.

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch

OFFICER DECLARATION STATEMENT

I, Richard Olsen being the Secretary of the Transport Workers Union of Australia NSW/QLD (Interim Governance) Branch declare that the following activities did not occur during the reporting period ending 31 December 2022.

The reporting unit did not:

- make a payment to a former related party of the reporting unit

Signed by the officer:

A handwritten signature in black ink, appearing to read 'Richard Olsen', written over a horizontal line.

Dated: 10 March 2023