

**TRANSPORT WORKERS' UNION OF
NEW SOUTH WALES**

FINANCIAL REPORT

YEAR ENDED 31 DECEMBER 2022

ESTABLISHED 24 JULY 1888

PROUDLY Carrying Australia for 130+ years

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

OPERATING REPORT

The Committee of Management presents its operating report of the Transport Workers' Union of New South Wales for the financial year ended 31 December 2022.

1. The principal activities of the organisation are aimed at the improvement of wages, working conditions of members, job security, safe workplace and other union activities. The Transport Workers' Union of NSW (TWU) through a competitive tender process in March 2013 introduced the 'Journey Injury Insurance' cover to protect all Transport Workers' Union of NSW (TWU) members travelling to and from work.
2. In August 2020, ambulance cover for members was initiated by the Union to safeguard the health of members and their families.
3. There were no significant material changes made to the business that would have a negative impact to the carrying amounts of assets and liabilities of the organisation during the financial year.
4. During the financial year, the organisation continued to strive for growth in Membership Contributions. Extensive cost control management resulted in reduction of expenditure across many areas.

REVENUE

Revenue earned from Member Contributions and Entrance Fees including member debtors for the year was \$9,822,095 which when compared to the prior year has increased by \$250K or 2.6% increase. (FY 2021: \$9,572,627). The coronavirus pandemic during FY20 and FY21 dented our Member Contributions significantly.

Rental income earned \$514,924 (excl GST) increased by \$209K that is by 68% in comparison to 2021. (FY 2021: \$305,597).

Interest income of \$159,657 (FY21: \$68,356) earned on bank balances, mainly held in term deposits, has increased by (134%) as compared to the prior year.

Total Income generated by the Union for FY 2022 was \$10,540,546. An increase of \$445K or 4.4% when compared to the prior year (2021: \$10,094,835).

EXPENDITURE

- (i) **Employee expenses** for the year was \$7,024,880, which includes salary, annual salary increase, on-costs, superannuation payments, annual leave, long service leave and FBT. (FY 2021: \$6,696,569).

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

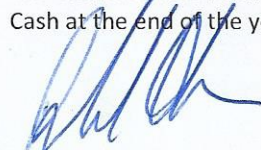
- (ii) **All other operating Expenditure** for the year was \$5,717,744 (FY 2021: \$4,695,185). The increase in expenditure by \$1M relates to a mix of over and under spend in various operating cost line items expenditure over the year. Main factors for increase in expenses was a lot of activities such as training/conferences/meetings/functions were put on hold during FY21 due to COVID-19, which then resumed in FY22. Further, with the economy bouncing back after COVID-19, this has led to an increase in costs of expenses. Main expense increases for the year were a \$745K increase in administration expenses (mainly relating to conference/ meeting/ functions/ training/officials' expenses) and a \$190K increase in depreciation, in line with \$3.5M in property, plant and equipment.
- (iii) **Total Operating Expenditure** (including Employee Related Payments) for the year was \$12,742,497 (FY 2021: \$11,391,754).

NET POSITION

The deficit of \$1,527,497 (FY 2021: of \$922,966) for the year represents a \$600K deficit increase over the prior year, mainly driven by a \$1.35M increase in expenses, offset by a \$750K increase in revenue.

CASH FLOW STATEMENT

The cash flow has been managed to ensure liabilities and debts are paid as, and when they fall due. Cash at the end of the year amounted to \$1,637,220 (2021: \$2,054,026). (Ref note 6A)



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RICHARD OLSEN

10 March 2023

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

COMMITTEE OF MANAGEMENT'S CERTIFICATE


We, **ANTHONY MATTHEWS** and **RICHARD OLSEN**, being two members of the Committee of Management of the Transport Workers' Union of New South Wales, do state on behalf of the Committee, and in accordance with a resolution passed by the Committee that:

- (i) In the opinion of the Committee of Management, the attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2022.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held during the year ended 31 December 2022 in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991, as applied by Section 282(3) of the Industrial Relations Act, 1996) or copies of these records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1991, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-sections 517 (1) and (5) of the Industrial Relations Act, 1991, in relation to the financial report in respect of the year ended 31 December 2022, and the Auditors' Report thereon.



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ANTHONY MATTHEWS

10 March 2023



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RICHARD OLSEN

10 March 2023

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

ACCOUNTING OFFICER'S CERTIFICATE

I, **RICHARD OLSEN**, being the Officer responsible for keeping the accounting records of the Transport Workers' Union of New South Wales, certify that the total number of members of the Union was 17,463.

I, **RICHARD OLSEN**, being the Officer responsible for keeping the accounting records of the Transport Workers' Union of New South Wales, certify that in my opinion:

- (i) The attached financial report shows a true and fair view of the financial affairs of the Union as at 31 December 2022.
- (ii) A record has been kept of all monies paid by, or collected from members and all monies so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union.
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full-time employment with the Union, were made to persons holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the *Industrial Relations Act, 1996*.



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RICHARD OLSEN

10 March 2023

Transport Workers' Union of New South Wales
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2022

	Notes	2022 \$	2021 \$
Revenue from contracts with customers			
Membership subscriptions	4	9,822,095	9,572,627
Capitation fees and other revenue from another reporting unit	4A, 11A	60,894	49,176
Levies	4B	-	-
Other operating revenue	4E	657,557	473,032
Total revenue from contracts with customers	4	10,540,546	10,094,835
Income for furthering objectives			
Grants or donations	4F	-	-
Total income for furthering objectives		-	-
Other income			
Investment income	4C	159,657	68,356
Rental revenue	4D	514,924	305,597
Revenue from recovery of wages activity	4G	-	-
Net gain from sale of assets		-	-
Other non-operating income		-	-
Total other income		674,581	373,953
Total income		11,215,127	10,468,788
Expenses			
Expenses directly related to operating activities		(87,595)	(45,898)
Employee expenses	5A	(7,024,880)	(6,696,569)
Capitation fees and other expense to another reporting unit	5B, 11A	(1,246,424)	(1,214,767)
Affiliation fees	5C	(156,970)	(159,038)
Administration expenses	5D	(2,537,248)	(1,792,202)
Grants or donations	5E	(67,064)	(24,348)
Depreciation	5F	(1,352,801)	(1,160,223)
Finance costs		(4,252)	(6,188)
Legal and professional fees		(233,601)	(273,521)
Audit fees	14	(21,500)	(19,000)
Share of net loss from associate		-	-
Write-down and impairment of assets	5G	-	-
Net losses from sale of assets		(10,289)	-
Other expenses	5H	-	-
Total expenses		(12,742,624)	(11,391,754)
Deficit for the year		(1,527,497)	(922,966)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,527,497)	(922,966)

The accompanying notes form part of these financial statements.

Transport Workers' Union of New South Wales
Statement of Financial Position
As at 30 June 2022

	Notes	2022 \$	2021 \$
Assets			
Current			
Cash and cash equivalents	6A	1,637,220	2,054,026
Trade and other receivables	6B	52,608	52,234
Other financial assets	6C	8,655,787	12,864,035
Other current assets	6D	43,367	59,803
Current assets		10,388,982	15,030,098
Non-current			
Property, plant and equipment	7A	29,069,978	26,888,262
Right-of-use assets	7B	-	51,095
Non-current assets		29,069,978	26,939,357
Total assets		39,458,960	41,969,455
Liabilities			
Current			
Trade payables	8A	355,933	1,335,105
Other payables	8B	296,924	155,301
Employee provisions	9A	1,647,919	1,699,811
Provision for mortality benefits	9B	200,000	277,753
Lease liabilities	7B	-	54,079
Current liabilities		2,500,776	3,522,049
Non-current			
Employee provisions	9A	133,089	94,814
Non-current liabilities		133,089	94,814
Total liabilities		2,633,865	3,616,863
Net assets		36,825,095	38,352,592
Equity			
Accumulated funds		36,825,095	38,352,592
Total equity		36,825,095	38,352,592

The accompanying notes form part of these financial statements.

Transport Workers' Union of New South Wales
Statement of Changes in Equity
For the Financial Year Ended 31 December 2022

	Notes	Accumulated Funds \$	Total Equity \$
Balance at 1 January 2021		39,275,558	39,275,558
Deficit for the year		(922,966)	(922,966)
Other comprehensive income		-	-
Total comprehensive loss		<u>(922,966)</u>	<u>(922,966)</u>
Balance at 31 December 2021		<u>38,352,592</u>	<u>38,352,592</u>
Balance at 1 January 2022		38,352,592	38,352,592
Deficit for the year		(1,527,497)	(1,527,497)
Other comprehensive income		-	-
Total comprehensive loss		<u>(1,527,497)</u>	<u>(1,527,497)</u>
Balance at 31 December 2022		<u>36,825,095</u>	<u>36,825,095</u>

The accompanying notes form part of these financial statements.

Transport Workers' Union of New South Wales
Statement of Cash Flows
For the Financial Year Ended 31 December 2022

	Notes	2022	2021
		\$	\$
OPERATING ACTIVITIES			
Cash received			
Receipts from members and others		11,542,577	11,051,604
Receipt from other reporting units/controlled entities	10B	44,179	55,206
Cash used			
Payments to suppliers and employees		(12,168,534)	(9,062,327)
Payment to other reporting units/controlled entities	10B	(1,234,435)	(1,212,192)
Interest and finance costs		-	(6,188)
Net cash (used in)/provided by operating activities	10A	(1,816,213)	826,103
INVESTING ACTIVITIES			
Cash received			
Interest received		159,657	78,794
Rental income received		514,924	305,597
Proceeds from investments		4,208,248	9,905,952
Cash used			
Payments for property, plant and equipment	7B	(3,483,422)	(10,131,122)
Proceeds from sale of property, plant and equipment		29,702	-
Net cash provided by investing activities		1,399,407	159,221
FINANCING ACTIVITIES			
Cash received			
Other		-	-
Cash used			
Other		-	-
Net cash provided by financing activities		-	-
Net change in cash and cash equivalents		(416,806)	985,324
Cash and cash equivalents at beginning of financial year		2,054,026	1,068,702
Cash and cash equivalents at end of the financial year	6A	1,637,220	2,054,026

The accompanying notes form part of these financial statements.

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

1. ADOPTED ACCOUNTING POLICIES

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 January 2022. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial report is for the entity Transport Workers' Union of New South Wales, as an individual entity. The Transport Workers' Union of New South Wales is an organisation registered under the New South Wales Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union is not subject to the Corporations Act 2001.

The financial report of Transport Workers' Union of New South Wales for the year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Committee of Management on 10 March 2023.

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Industrial Relations Act 1996.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

(b) Revenue

- (i) Revenue for received for services and management fees is recognised over time as the performance obligations are satisfied.
- (ii) Membership income/revenue is recognised in the subscription year in which the service is provided.
- (iii) Membership income received for future years will be recognised in the year to which it relates. As at 31 December 2022 Membership Fees received in advance of \$115,560 (GST Inclusive) has been carried forward to the financial year 2023.
- (iv) For the financial year 2022 a membership-debtors' accrual journal for \$21,772 (GST inclusive) was accounted at year end recognising current year revenue being received in the forthcoming year which complies with *AASB101-Presentation of Financial Statements*.

- (v) Administration Fees (service and staff cost) recouped for services provided from the Transport Workers' Union of Australia (New South Wales Branch) is accounted for on an accrual basis.
- (vi) Interest income is accounted for on an accrual basis using the effective interest method.
- (vii) Rental income is recognised on a straight line basis over the lease term.

(c) Income Tax

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

(d) Property, Plant and Equipment

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

Depreciation

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

The depreciation rates used for each class of asset are:

Buildings	2% - 4%
Office Furniture and Equipment	10%
Motor Vehicles	33.33%
Property Improvements	5%
Computer Equipment	20%-33.33%
Plant & Equipment	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each period end date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the statement of comprehensive income in the year that the item is de-commissioned.

(e) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

(f) Employee Benefits

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

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave (LSL) this results in an amount not materially different to that achieved by discounting future cash flows. Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

In November 2013 the Transport Workers' Union of NSW moved away from fleet owned cars to a Novated lease (operating and statutory) method which over time would reduce the impost on purchase and maintenance of motor vehicles, simultaneously providing flexibility for staff to own the cars on expiry of the novated lease. There has been no change to the novated lease policy in FY 2022.

(g) Investments

All investments (unless otherwise stated) and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

1. Term deposits – Term deposits are measured at amortised cost using the effective interest rate method.
2. Listed shares – Subsequently measured at fair value through other comprehensive income. Gains and losses are taken through other comprehensive income as the Union has elected to designate this as a fair value through other comprehensive income.

(h) Goods and Services Tax

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

(i) New AASB standards and interpretations issued but not yet effective

A number of new standards are effective for annual reporting periods beginning after 1 January 2022 and earlier application is permitted; however, the Union has not early adopted the new or amended standards in preparing these financial statements.

(j) Mortality Benefits

The *Industrial Relations Act 1996 Section 392(12)* confirms that a retired member of the Union to qualify for the mortality benefit fund (paid upon the death of the retired member) must be a member with a continuous financial membership of not less than 20 years and must be retired and in accordance with the rules of the Union pay a yearly contribution on or before 31st March each year. Such members were known as Contingent members and could join the mortality fund with approval of the Administrative Committee

All Contingent members are known as Veteran members and they are no longer eligible for the mortality fund except for certain members, whom the Administrative Committee deems, fit to be paid the mortality fund.

Payment of Mortality benefits have ceased since April 2020 and this was mentioned in our journal of summer 2020. Very few benefits have been made since 2020 and in 2022 only three payments were processed. All requests for mortality benefits are taken on a case-by-case basis and are paid only if approved by State Secretary.

As the Union does not have an unconditional right to defer such amounts, the entire balance is presented as a current liability in the Statement of Financial Position.

(k) Financial Instruments

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

Financial assets at amortised cost

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

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Union has elected to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Union benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit and loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

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

(l) Leases

For short-term/low-value leases, lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are treated as an integral part of the net consideration and are recognised as a reduction of rental expense over the lease term.

(m) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include 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.

(n) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected losses. Trade receivables are generally due for settlement within 30 days.

(o) Trade and other payables

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

(p) Comparative figures

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

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

The Union makes estimates and assumptions concerning the future. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

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

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

(c) INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Industrial Relations Act, 1991 (NSW) the attention of members is drawn to the provisions of Sub-Sections (1) and (2) of Section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

Note 4 Income

Disaggregation of revenue from contracts with customers

A disaggregation of the reporting unit's revenue by type of arrangement is provided on the face of the Statement of Profit or Loss and Other Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	2022	2021
	\$	\$
Type of customer		
Members	9,822,095	9,572,627
Other reporting units	60,894	49,176
Other parties	657,557	473,032
Total revenue from contracts with customers	10,540,546	10,094,835
 4A. Capitation fees and other revenue from another reporting unit		
Capitation fees	-	-
Administration fees - Transport Workers' Union of Australia New South Wales Branch	60,894	49,176
Other revenue from another reporting unit	-	-
	60,894	49,176
 4B. Levies		
Compulsory or voluntary levies or appeals	-	-
	-	-
 4C. Investment income		
Interest on deposits	159,657	68,356
	159,657	68,356
 4D. Rental revenue		
Properties	514,924	305,597
	514,924	305,597
 4E. Other operating revenue		
Events, exhibitions and sponsorships	46,727	53,138
Marketing and partnerships	61,045	52,672
Other operating revenue	549,785	367,222
	657,557	473,032

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
4F. Grants or donations		
Donations	-	-
	-	-
4G. Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
	-	-
Note 5 Expenses		
5A. Employee expenses		
Holders of office		
Holders of office - wages and salaries	2,771,825	2,615,174
Holders of office - superannuation	420,986	397,554
Holders of office - leave and other entitlements	384,493	450,715
Subtotal employee expenses holders of office	3,577,304	3,463,443
Employees other than office holders		
Employees - wages and salaries	2,111,067	2,071,221
Employees - superannuation	377,871	314,214
Employees - leave and other entitlements	292,387	206,641
Subtotal employee expenses employees other than office holders	2,781,325	2,592,076
Other employee expenses	666,251	641,050
Total employee expenses	7,024,880	6,696,569
5B. Capitation fees and other expense to another reporting unit		
Capitation fees	-	-
Sustentation fees - Transport Workers' Union of Australia New South Wales Branch	1,246,424	1,214,767
Other expenses from another reporting unit	-	-
	1,246,424	1,214,767
5C. Affiliation fees		
Affiliation fees/subscriptions	156,970	159,038
	156,970	159,038

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
5D. Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	99,218	38,164
Conference and meeting expenses	529,293	275,420
Contractors/consultants	-	-
Marketing	151,266	82,392
Property expenses	362,883	301,455
Office expenses	337,640	303,872
Information communications technology	327,137	320,956
Other	710,322	447,482
Subtotal administration expense	<u>2,517,759</u>	<u>1,769,741</u>
Lease rentals:		
Short term, low value and variable lease payments	19,489	22,461
Total administration expenses	<u>2,537,248</u>	<u>1,792,202</u>
5E. Grants or donations		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	11,273	2,712
Total expensed that exceeded \$1,000	55,791	21,636
	<u>67,064</u>	<u>24,348</u>
See note 19 for a detailed listing of donations.		
5F. Depreciation		
Depreciation		
Buildings	948,526	850,852
Property improvements	93,657	23,473
Plant and equipment	5,918	5,918
Motor vehicles	95,918	70,634
Furniture and equipment	60,540	43,303
Library	15,471	15,471
Computer equipment	81,676	75,967
Right-of-use assets	51,095	74,605
Total depreciation	<u>1,352,801</u>	<u>1,160,223</u>

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
5G: Write-down and impairment of assets		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Trade receivables	-	-
Other	-	-
Total write-down and impairment of assets	-	-
5H. Other expenses		
Penalties - via RO Act or the Fair Work Act 2009	-	-
	-	-
Note 6 Current Assets		
6A. Cash and cash equivalents		
Cash on hand	4,137	3,787
Cash at bank	1,633,083	2,050,239
	1,637,220	2,054,026
6B. Trade and other receivables		
Current		
Receivables from other reporting units - Transport Workers' Union of Australia New South Wales Branch	21,617	4,902
Less allowance for expected credit losses	-	-
Receivable from other reporting units	21,617	4,902
Receivables from non-reporting units	29,421	40,299
Less allowance for expected credit losses	-	-
Net GST receivable	-	2,267
Security bonds and deposits	1,570	4,766
Receivable from non-reporting units	30,991	47,332
Total trade and other receivables (net)	52,608	52,234

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
6B. Trade and other receivables (continued)		
The movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 January	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 31 December	-	-
6C. Other financial assets		
<u>Financial assets at amortised cost</u>		
Term deposits	8,654,887	12,863,135
	<u>8,654,887</u>	<u>12,863,135</u>
<u>Financial assets designated at fair value through other comprehensive income</u>		
Listed equity investments	900	900
	<u>900</u>	<u>900</u>
Total other financial assets	<u>8,655,787</u>	<u>12,864,035</u>
6D. Other current assets		
Prepayments	43,367	59,803
	<u>43,367</u>	<u>59,803</u>
Note 7 Non-current Assets		
7A. Property, plant and equipment		
Land and buildings at cost	28,001,210	25,452,246
Land and buildings accumulated depreciation	(2,534,498)	(1,585,972)
	<u>25,466,712</u>	<u>23,866,274</u>
Property improvements at cost	2,641,972	1,990,237
Property improvements accumulated depreciation	(125,368)	(31,711)
	<u>2,516,604</u>	<u>1,958,526</u>
Plant and equipment at cost	59,184	59,184
Plant and equipment accumulated depreciation	(15,289)	(9,371)
	<u>43,895</u>	<u>49,813</u>

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
7A. Property, plant and equipment (continued)		
Motor vehicles at cost	604,624	379,874
Motor vehicles accumulated depreciation	(254,379)	(158,461)
	<u>350,245</u>	<u>221,413</u>
 Furniture and equipment at cost	 616,359	 608,202
Furniture and equipment accumulated depreciation	(171,401)	(110,861)
	<u>444,958</u>	<u>497,341</u>
 Library at cost	 154,713	 154,713
Library accumulated depreciation	(89,376)	(73,905)
	<u>65,337</u>	<u>80,808</u>
 Computer equipment at cost	 513,521	 463,705
Computer equipment accumulated depreciation	(331,294)	(249,618)
	<u>182,227</u>	<u>214,087</u>
 Total property, plant and equipment	 <u>29,069,978</u>	 <u>26,888,262</u>

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

	Balance at				Balance at
	1 Jan 2022	Additions	Disposals	Depreciation	31 Dec 2022
Land and buildings	23,866,274	2,548,964	-	(948,526)	25,466,712
Property improvements	1,958,526	651,735	-	(93,657)	2,516,604
Plant and equipment	49,813	-	-	(5,918)	43,895
Motor vehicles	221,413	224,750	-	(95,918)	350,245
Furniture and equipment	497,341	8,157	-	(60,540)	444,958
Library	80,808	-	-	(15,471)	65,337
Computer equipment	214,087	49,816	-	(81,676)	182,227
	<u>26,888,262</u>	<u>3,483,422</u>	<u>-</u>	<u>(1,301,706)</u>	<u>29,069,978</u>

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
7B. Leases		
<u>Transport Workers' Union of New South Wales as a lessee</u>		
The Union leases an office facility and office equipment, information about the Union's leases are as presented below:		
(a) Right-of-use assets		
As at 1 January	51,095	125,700
Additions	-	-
Depreciation expense	(51,095)	(74,605)
As at 31 December	<u>-</u>	<u>51,095</u>
(b) Lease liabilities		
Within one year	-	49,865
Later than one year but not later than five years	-	-
Later than five years	-	-
	<u>-</u>	<u>49,865</u>
Current	-	54,079
Non-current	-	-
Lease liabilities in the statement of financial position	<u>-</u>	<u>54,079</u>
Interest expense recognised on lease liabilities	875	875
Total cash outflow for leases	51,671	54,954

Note 8 Current Liabilities

8A. Trade payables

Trade creditors and accruals	247,091	1,238,252
Payables to other reporting units - Transport Workers' Union of Australia New South Wales Branch	108,842	96,853
	<u>355,933</u>	<u>1,335,105</u>

Settlement is usually made within 30 days.

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
8B. Other payables		
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Prepayments received/unearned revenue	159,383	155,301
Net GST payable	137,541	-
Centre for compliance fund	-	-
Other current payables	-	-
Total other payables	296,924	155,301

Total other payables are expected to be settled in:

No more than 12 months	296,924	155,301
More than 12 months	-	-
Total other payables	296,924	155,301

Note 9 Provisions

9A. Employee provisions

Office Holders:

Office Holders - Annual leave	479,477	531,508
Office Holders - Long service leave	589,485	629,571
Subtotal employee provisions - office holders	1,068,962	1,161,079

Employees other than office holders:

Employees - Annual leave	343,044	318,055
Employees - Long service leave	369,002	315,491
Subtotal employee provisions - employees other than office holders	712,046	633,546

Total employee provisions - office holders and employees

1,781,008	1,794,625
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Current employee provisions	1,647,919	1,699,811
Non current employee provisions	133,089	94,814
Total employee provisions - office holders and employees	1,781,008	1,794,625

9B. Provision for Mortality Benefits

Balance as at start of year	277,753	279,253
Mortality benefits paid during the year	-	(1,500)
Reduction in provision	(77,753)	-
Balance as at end of year	200,000	277,753

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
Note 10 Cash Flow		
10A. Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,637,220	2,054,026
Balance sheet	1,637,220	2,054,026
Difference	-	-
Reconciliation of profit to net cash from operating activities:		
Deficit for the year	(1,527,497)	(922,966)
Adjustments for non-cash/non-operating items:		
Depreciation/amortisation	1,352,801	1,160,223
Interest received	(159,657)	(78,794)
Rental income	(514,924)	(305,597)
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(374)	15,811
(Increase)/decrease in other assets	16,436	138,886
Increase/(decrease) in trade and other payables	(837,549)	719,207
Increase/(decrease) in provisions	(91,370)	175,064
Increase/(decrease) in lease liabilities	(54,079)	(75,731)
Net cash (used in)/provided by operating activities	(1,816,213)	826,103
10B. Cash Flow Information		
Receipts from/payments to other reporting units/controlled entities		
Cash inflows:		
Receipts from Transport Workers' Union of Australia New South Wales Branch	44,179	55,206
Total cash inflows	44,179	55,206
Cash outflows:		
Payments to Transport Workers' Union of Australia New South Wales Branch	(1,234,435)	(1,212,192)
Total cash outflows	(1,234,435)	(1,212,192)

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
Note 11 Related Party Disclosures		
11A. 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.		
Amounts received from related parties includes the following:		
Administration fees - Transport Workers' Union of Australia New South Wales Branch	60,894	49,176
Expenses paid to related parties include the following:		
Sustentation fees - Transport Workers' Union of Australia New South Wales Branch	1,246,424	1,214,767
Amounts owed by related parties include the following:		
Receivables from other reporting units - Transport Workers' Union of Australia New South Wales Branch	21,617	4,902
Amounts owed to related parties include the following:		
Payables to other reporting units - Transport Workers' Union of Australia New South Wales Branch	108,842	96,853
Loans from/to related parties include the following:	-	-
Assets transferred from/to related parties include the following:	-	-

Terms and conditions of transactions with related parties

The sales to and expenses from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and expenses 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 reporting unit 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.

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

2022	2021
\$	\$

11B. Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits	833,737	808,767
Post-employment benefits	120,521	107,076
Other long-term benefits	36,812	29,358
Total	991,070	945,201

Note 11C: Transactions with key management personnel and their close family members

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

Note 12 Financial Instruments

12A. Categories of Financial Instruments

Financial Assets

Cash and bank balances:

Cash and cash equivalents	1,637,220	2,054,026
Total cash and bank balances	1,637,220	2,054,026

At amortised cost:

Term deposits	8,654,887	12,863,135
Trade receivables	52,608	52,234
Total amortised cost	8,707,495	12,915,369

At fair value through other comprehensive income:

Listed equity investments	900	900
Total fair value through other comprehensive income	900	900

Carrying amount of financial assets

10,345,615	14,970,295
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Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

	2022	2021
	\$	\$
12A. Categories of Financial Instruments (continued)		
Financial Liabilities		
Other financial liabilities:		
Trade creditors and accruals	355,933	1,335,105
Net GST payable	137,541	-
Total other financial liabilities	<u>493,474</u>	<u>1,335,105</u>
Carrying amount of financial liabilities	<u>493,474</u>	<u>1,335,105</u>

12B. Net Income and Expense from Financial Assets

At amortised cost:		
Interest revenue	159,657	68,356
Net gain from financial assets at amortised cost	<u>159,657</u>	<u>68,356</u>
Net gain from financial assets	<u>159,657</u>	<u>68,356</u>

12C. Net Income and Expense from Financial Liabilities

Net gain from financial liabilities	<u>-</u>	<u>-</u>
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12D. Credit Risk

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

	2022	2021
	\$	\$
Financial assets		
Cash and cash balances	1,637,220	2,054,026
Financial assets at amortised cost	8,707,495	12,915,369
Financial assets at fair value through other comprehensive income	900	900
	<u>10,345,615</u>	<u>14,970,295</u>

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

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

No financial asset, individually, was past its due date and there were no other recoverability issues identified. Therefore, no financial asset was assessed as being impaired.

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

12E. Liquidity Risk

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

The Union is not significantly exposed to this risk; as at 31 Dec 2022 it has \$10,292,107 of cash and cash equivalents (including term deposits) to meet these obligations as they fall due. Liabilities at 31 Dec 2022 were \$2,633,865.

The Union manages liquidity risk by monitoring cash flows.

12F. Market Risk

Interest rate risk

The entity earns interest on the cash transaction accounts as well as term deposits. Interest rates on the transactions accounts are minimal, while the interest rate on short-term deposits are fixed at the beginning of the term. The entity earned an average of 1-2% on term deposit accounts held during the year. Accounts receivable and accounts payable do not attract any interest.

Price risk

The entity does not hold any financial assets nor liabilities that are sensitive to price risk.

12G. Asset pledged/or held as collateral

The entity does not have any assets pledged nor held as collateral.

13 Fair Value Measurement

13A. Financial Assets and Liabilities

Management of the reporting unit assessed that cash, trade receivables, term deposits and trade payables approximate their carrying amounts largely due to the short term maturities of these instruments. See Note 12A for a list of these financial assets and liabilities.

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

13B. 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				
Listed equity investments	31-Dec-22	900	-	-
Total		900	-	-
Liabilities measured at fair value				
	31-Dec-22	-	-	-
Total		-	-	-

Fair value hierarchy – 31 December 2021

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Listed equity investments	31-Dec-21	900	-	-
Total		900	-	-
Liabilities measured at fair value				
	31-Dec-21	-	-	-
Total		-	-	-

2022
\$

2021
\$

Note 14 Remuneration of auditors

Value of the services provided

Financial statement audit services	19,000	19,000
Assistance with financial statement preparation	2,500	-
Other review engagements	-	-
Total remuneration of auditors	21,500	19,000

Note 15 Contingent Liabilities, Assets and Commitments

The Union has resolved to provide financial support to an associated Branch (Transport Workers' Union of Australia (New South Wales Branch)) in order for that Branch to meet its debts as and when they fall due. In this regard the net assets of the union at 31 December 2022 were \$36,825,095 (FY 2021: \$38,352,592). The net assets of that Branch at 31 December 2022 are \$187,471 (FY 2021: \$191,951).

Transport Workers' Union of New South Wales
Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

Note 15 Contingent Liabilities, Assets and Commitments (continued)

The reporting unit had no other commitments nor contingent assets/liabilities for the year ended 31 December 2022.

Contingent liabilities

The Union has guaranteed the novated lease payments and the lease termination cost, should the employee leave the employ of the Union and elects not to retain the novated car lease. Accordingly, a potential liability arises for the repayment of motor vehicle lease payments to Orix Australia Corporation Limited (financiers), upon the dismissal or resignation of an employee until such time the lease is terminated. As the amount of the commitment is contingent to the above event it cannot be determined as it is subject to the employment circumstances and election from the employee.

Note 16 Administration of financial affairs by a third party

The reporting unit did not have another entity administer the financial affairs of the reporting unit for the year ended 31 December 2022 (2021: None).

Note 17 Payments to former related parties

The reporting unit did not make a payment to a former related party of the reporting unit during the year ended 31 December 2022 (2021: None).

Note 18 Events after the reporting period

There were no events that occurred after 31 December 2022, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the reporting unit.

19. DONATIONS

Non-Reportable donations less than \$1,000 (excl GST)

Details to whom payment made	Purpose	2022	2021
		\$	\$
Unions NSW	Union Pride Committee affiliation fee	909	
Kingsford Smith	2022 Lionel Bowen Dinner	926	
ALP Campbelltown Campaign Account	1 Ticket for 'The future of Western Sydney and its vital role in State's economy' Corporate Lunch held on 3/03/22	900	
South Coast May Day Committee	10 tickets for the May Day Toast \$50 per person	500	
Newcastle Trades Hall Council	10 Tickets for Hunter Workers' May Day dinner	418	
Australian Labor Party	10 tickets for 'An evening of Australian Spirits and Cocktails with Michelle Rowland'	800	
Industrial Relations Society of NSW (Newcastle Branch)	Attending the 2022 IRS conference & Dinner by Gavin Webb	578	
Industrial Relations Society of NSW (Newcastle Branch)	Attending the 2022 IRS conference & Dinner by Ray Fitzpatrick	578	
Industrial Relations Society of NSW (Newcastle Branch)	Attending the 2022 IRS conference & Dinner by Rebecca Hopkins	578	
Industrial Relations Society of NSW (Newcastle Branch)	Annual membership renewal for Mick Forbes	330	
Australian Labor Party NSW Branch	1 Table booked for Centre Unity Conference dinner	960	
Australian Labor Party NSW Branch	1 Table booked for Centre Unity Conference dinner	960	
NSW Nurses and Midwives Association	Attending the 'Meet the new NSWNMA Leadership Team' function held on 7/10/22	999	
Australian Labor Party NSW Branch	10 Tickets 'To hear from Anthony about his plans for a better Australia and help raise funds for Jo Haylen Campaign for Summer Hill in March 2023'	750	
Australian Labor Party NSW Branch	1 Table of 10 for the Yasmin Catley and Kevin Rudd Meeting on 22/11/22	500	
Multiple Sclerosis Ltd	Donation to MS Gong Ride to fight MS	261	
Balance Carried Forward		10,947	

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

Details to whom payment made	Purpose	2022	2021
		\$	\$
Balance Brought Forward		10,947	
Mark Smallwood	Donation to Mark Smallwood's daughter school fundraising	20	
Unions NSW	Purchase of 10 Union Pride badges	208	
Lions Club Kings Langley	Charitable donation for Michelle Rowland's Pink Ribbon Morning Tea	100	
Australian Labor Party Barton	Registration for ALP Special Platform Conference 29 to 31 March - R Olsen		45
Australian Labor Party Barton	Registration for ALP Special Platform Conference 29 to 31 March - H Velji		45
South Coast Labour Council	10 x \$40 each table tickets for May day as on 30/04/2021		400
Australian Labor Party NSW Branch	State campaign fundraising in support of Greg Warren Member for Campbelltown on 22/4/21		900
Unions NSW	Drinks purchased at the May Day 2021 fundraising events		300
Australian Labor Party NSW Branch	20 tickets to Prue Car's fundraising event for the state seat of Londonderry held on 4/6/21		600
Labor Team for Parramatta Ward Election Campaign	2 Tickets for Parramatta Ward Campaign fundraising		200
Roses Only	Fruit hamper for a FedEx member who has recently been unwell		149
Woolworths	FedEx Member Sinone Latu (L3000061) as he was unwell		73
Total		11,275	2,712

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES
Reportable donations equal or exceeding \$1,000 (excl GST)

Details to whom payment made	Purpose	2022	2021
		\$	\$
ALP Greenway Federal Campaign Account	Donation towards the Greenway Federal Campaign Account	20000	
Australian Labor Party NSW Branch Dobell Federal Campaign Acct	1 Ticket for 30th Anniversary of The Entrance by-election held on 18/01/22	2000	
ALP Federal Campaign Account	Welcome Back Drinks held on 9/2/22	1000	
ALP Lindsay Federal Campaign Account	5 Tickets for the Trevor Ross for Lindsay fundraising dinner	1091	
ALP NSW Federal Campaign Account	Donation to ALP Federal Campaign	20000	
ALP (NSW Branch) State Campaign Account	Donation to Prue Car	2000	
Australian Labor Party NSW Branch	Delegate fees for Conference FY 23 (19 delegates) – Political Donation for ALP NSW State	3800	
Australian Labor Party Victoria Branch	For campaigning of Mr John Berger for Southern Metropolitan Victoria State ALP	4200	
Unions NSW	Contribution for May Day 2022	1700	
Clair Pullen	Donation to Fire Brigade Employees Union state secretary election in support of Leighton Drury to Clair Pullen		5000
Australian Labor Party NSW Branch	Joint Fundraiser on 24/5/21 at National Press club in support of Kristy McBain and Meryl Swanson		1727
Unions NSW	10 tickets for May Day Fundraising		1500
South Australian Labor	Donation to Matt Burnell TWU official in South Australia for a ALP federal seat in Canberra (TWU Spence donation)		5000
Australian Labor Party NSW Branch	Eden-Monaro Federal Campaign - Anniversary Function		2000
Australian Labor Party NSW Branch Penrith Council East Ward Campaign	Donation to the East ward campaign account		2500
Balance Carried Forward		55,791	17,727

TRANSPORT WORKERS' UNION OF NEW SOUTH WALES

Details to whom payment made	Purpose	2022	2021
		\$	\$
Balance Brought Forward		55,791	17,727
Australian Labor Party NSW Branch	Event with Tony Burke, Tony Sheldon and Mark Morey on 16/12/2021		2909
Sydney Bus Museum	Help Us Restore Mercedes Benz Bendy Bus 2556' Fundraising		1000
Total		55,791	21,636

20. CORPORATE GOVERNANCE FRAMEWORK

The Transport Workers' Union of NSW has established a Governance Framework which is based on best practice for non-profit organizations. Governance sets out the standards of accountability and transparency expected of the Union, by our many stakeholders and members. The overall aim of the framework is to drive performance improvement while meeting our obligations through strong leadership, integrity, responsible and ethical decision-making and management, accountability and performance improvement.

21. SUPERANNUATION

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

22. REGISTERED OFFICE DETAILS

The Registered Office of the Transport Workers' Union of New South Wales is located at
 Safe Rates House
 22 John Hines Avenue
 MINCHINBURY NSW 2770

Transport Workers' Union of New South Wales
Independent Audit Report to the Members of Transport Workers' Union of New South Wales
For the Financial Year Ended 31 December 2022

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Transport Workers' Union of New South Wales (the Trade Union), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2022, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management's Certificate and the Accounting Officer's Certificate.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Transport Workers' Union of New South Wales as at 31 December 2022, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) Section 510 of the *Industrial Relations Act 1991*.

Also, in our opinion, satisfactory accounting records were kept by the Trade Union in relation to the financial year ended 31 December 2022, including:

- a) records of the sources and nature of income (including from members); and
- b) records of the nature and purpose of expenditure.

We also declare that management's use of the going concern basis in the preparation of the financial statements of the Trade Union 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 Trade Union 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.

Transport Workers' Union of New South Wales
Independent Audit Report to the Members of Transport Workers' Union of New South Wales
For the Financial Year Ended 31 December 2022

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 Committee of Management for the Financial Report

The Committee of Management of the Trade Union is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and Section 510 of the *Industrial Relations Act 1991*, 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 Trade Union'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 Trade Union or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

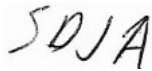
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trade Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trade Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trade Union to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trade Union to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Trade Union audit. We remain solely responsible for our audit opinion.

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

We declare that we are an audit firm where at least one member is a registered auditor.



SDJA



Simon Joyce

Director

10 March 2023

Sydney, New South Wales