



25 January 2022

Laurie D'Apice
Secretary/Treasurer
Australian Road Transport Industrial Organization - NSW Branch

Sent via email: lauried@artionsw.com.au
CC: andrew.marks@williambuck.com

Dear Laurie D'Apice,

**Australian Road Transport Industrial Organization - NSW Branch
Financial Report for the year ended 30 June 2021 – (FR2021/214)**

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Road Transport Industrial Organization - NSW Branch (**reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 22 December 2021.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Non-compliance with previous request

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely *Audit scope – section 272 Notice*.

The Notice required by section 272 on page 2 of the lodged report appears to be a separate constituent statement and also forms part of the general purpose financial report. Please note that this statement must also be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

Please ensure in the next financial year that this issue will be addressed.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Kylie Ngo
Registered Organisations Commission



25 November 2021

Laurie D'Apice
Secretary/Treasurer
Australian Road Transport Industrial Organization – NSW Branch
By email: lauried@artionsw.com.au

Dear Laurie D'Apice,

Request by the Australian Road Transport Industrial Organization – NSW Branch for extension of time to provide members with a copy of the financial report for the year ended 30 June 2021 (FR2021/214)

I acknowledge receipt on 24 November 2021 of a request for an extension of time to provide members of the Australian Road Transport Industrial Organization – NSW Branch (**the reporting unit**) with a copy of the financial report for the year ended 30 June 2021.

From the information within your email and based on my understanding of your conversation with the Registered Organisations Commission's (**ROC**) Financial Reporting Specialist, Joanne Fenwick, that the reporting unit's former Secretary/Treasurer, Hugh McMaster, retired in April 2021 and you have since taken over this office. Since your appointment, you have changed the accounting system, transferring the existing process from excel spreadsheets into Xero Accounting system.

You have informed us that the reporting unit has appointed a new registered auditor for the financial year ended 30 June 2021 but this process has taken longer than anticipated. The initially appointed registered auditor resigned a month into the engagement but you have since secured the services of another registered auditor. You have been advised by your newly appointed auditor that the prepared financial report for the year ended 30 Jun 2021 is not in accordance with the ROC's requirements as the report provided was prepared on a cash basis instead of on an accrual basis. The reporting unit, therefore, needs more time to amend the financial report and to allow the auditor to complete the audit.

Where the financial report is to be presented to a meeting of the committee of management, subsection 265(5)(b) of the *Fair Works (Registered Organisations) Act 2009 (the RO Act)* requires that copies of the full or concise report be provided to members within 5 months of the end of the financial year, that is by 30 November 2021. Subsection 265(5) enables the Commissioner, upon application by a reporting unit, to extend the period by no more than one month.

Having considered your reasons, I allow an extension of time for a period of one month, until 31 December 2021, to provide members with the financial report of the reporting unit for the year ended 30 June 2021.

I also make the following comments regarding the requirement to prepare the general purpose financial report on an accrual basis. Section 253 of the RO Act requires that:

...a reporting unit must cause a General Purpose Financial Report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...

Paragraph 27 of Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, states that 'an entity **shall prepare** its financial statements, except for cash flow information, using the accrual basis of accounting'.

This is distinct from the obligation under section 252 of the RO Act which places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may **keep the financial records** for its membership subscriptions on a cash basis.

If we can assist you in any further way, please do not hesitate to contact me or Kylie Ngo on (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,



Chris Enright
Executive Director
Registered Organisations Commission

NGO, Kylie

From: Laurie D'Apice <lauried@artionsw.com.au>
Sent: Wednesday, 24 November 2021 10:51 AM
To: ROC - Registered Org Commission
Cc: Laurie D'Apice
Subject: FR2021/214 ARTIO NSW Branch Request for an Extension in Lodgment of Financial Reports

CAUTION: This email originated from outside of the organisation. Do not click links or open attachments unless you recognise the sender and know the content is safe.

Dear Register

I am seeking an extension in time for lodgement of the ARTIO NSW Branch Financial Reports pursuant to Section 265 (5)(b) of the ROC Act.

In April of this year I replaced Hugh McMaster who retired as Secretary Treasurer .

I converted the accounting process from Excel Spreadsheets to Xero Accounting package and finalised the FY21 accounts using Xero.

I then undertook the process of finding a new registered ROC auditor, which took more time than anticipated, eventually I was able to have Murray Richardson (NSW) undertake the audit task, but subsequently after a period of time, Murray decided he didn't want to perform the audit for personal health reasons.

I then had to find another auditor and was able to secure Andrew Marks from William Buck in Victoria.

I have recently been advised that the financial reports I prepared and sent to William Buck, were not in accordance with the ROC requirements, I prepared the reports on a cash basis and have been advised that they need to be prepared on an accrual basis.

Given the timeline requirement to present finalised reports to the committee within 5 months of the FY end, I seek and extension to allow me to convert the financial reports back to an accrual basis, and present the audited accounts to the committee then submit to the ROC

Regards

Laurie D'Apice
Secretary/Treasurer
Australian Road Transport Industrial Organisation (NSW Branch) PO Box 837 Cronulla NSW 2230
Mob: [REDACTED]

Confidentiality Statement:
This e-mail, including attachments, may include confidential and/or proprietary information, and may be used only by the person or entity to which it is addressed. If the reader of this e-mail is not the intended recipient or his or her authorized agent, the reader is hereby notified that any dissemination, distribution or copying of this e-mail is prohibited. If you have received this e-mail in error, please notify the sender by replying this message and delete this e-mail immediately.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL
ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

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**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2021**

I, Laurie D'Apice being the Secretary/Treasurer of the Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") certify:

1. that the documents lodged herewith are copies of the full report for the Branch for the year ended 30 June 2021 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. that the full report was provided to members of the Branch on 17 December 2021; and
3. that the full report was presented to a meeting of the Committee of Management of the Branch on 20 December 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Laurie D'Apice
Secretary/Treasurer

Dated this 21st day of December 2021.

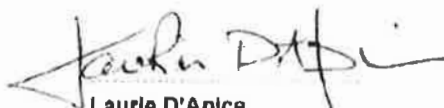
**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**SECTION 272 FAIR WORK (RO) ACT 2009
FOR THE YEAR ENDED 30 JUNE 2021**

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).



Laurie D'Apice
Secretary/Treasurer

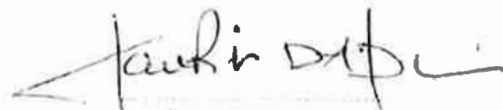
Dated this 13th day of December 2021.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Australian Road Transport Industrial Organisation (NSW Branch) for the year ended 30 June 2021.

	2021	2020
	\$	\$
Categories of Expenditures:		
Remuneration and other employment - related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	121,226	132,742
Donations to political parties	-	-
Legal costs	15,730	15,550
Total	<u>136,956</u>	<u>148,292</u>



Laurie D'Apice
Secretary/Treasurer

Dated this 13th day of December 2021.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

The Committee of Management presents its report on Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") for the financial year ended 30 June 2021.

Review of Principal Activities

The principal activities of the Branch during the year were representing the interests of its members (employers and prime contractors) in the transport and logistics industry, particularly those engaged in road transport.

The Branch applied for and was granted registration under the *Fair Work (Registered Organisations) Act 2009* on 30 November 2009.

Results of Operations

The surplus of the Branch for the year ended 30 June 2021 was \$18,064 (2020: \$28,415).

A review of operations of the Branch during the financial year and the results of those operations show an decrease in total income by 14% and a decrease in operating expenses by 8%.

The Branch continued to provide information and advice to members on issues related to workplace relations and other legislation during the year, including circulars, newsletters and events. Events held by the Branch were well attended.

The Branch also continued to provide advice to members on awards and contract determinations and to represent members before the NSW Industrial Relations Commission. Where necessary, the Branch also continued to facilitate the provision of representation in legal matters

The Branch was also represented at meetings of ARTIO National Council and contributed to advocacy on behalf of ARTIO before the Registered Organisations Commission. ARTIO continued to represent the industry in negotiations related to the four-yearly review of Modern Awards.

Significant Changes In the Nature of Principal Activities and Financial Affairs

There were no significant changes in the nature of the principal activities and financial affairs undertaken by the Branch during the year ended 30 June 2021.

Right of Members to Resign

Members have the right to resign their membership in accordance with Section 11 of the Registered Rules of the Australian Road Transport Industrial Organisation ("the Organisation").

A member of the Organisation may resign from membership by written notice addressed and delivered to the Secretary/Treasurer of the Branch of which it is a member.

A notice of resignation from membership of the Organisation takes effect:

- (a) where the member ceases to be eligible to become a member of the Organisation;
 - (i) on the day on which the notice is received by the Organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;
- whichever is later; or

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

Right of Members to Resign (Continued)

(b) in any other case

(i) at the end of two (2) weeks after the notice is received by the Organisation; or

(ii) on the day specified in the notice;

whichever is later

Officers and Employees who are Superannuation Fund Trustee(s) or Director of a Company that is a Superannuation Fund Trustee

Name	Position	Company/Entity	Activity/ies	Holds Position as Officer or Nominated by Peak Council
Laurie D'Apice	Board Member	TWU Nominees Pty Ltd	Trustee of TWU Superannuation Fund	Nominated

Number of Members

As at 30 June 2021, there were 46 members of the Branch (2020: 44 members).

Number of Employees

As at 30 June 2021, the Branch has no employees. The Branch contracted Laurie D'Apice to provide accounting and administration services. Laurie D'Apice being the Secretary/Treasurer is considered to be key management personnel for the purpose of the financial statements.

Summary of the remuneration of key management personnel can be found in Note 11(b) in the Notes to the Financial Statements.

Names of Committee of Management members and period positions held during the financial year

The Committee of Management of the Branch is a committee elected every four years by the members.

To be eligible to be nominated for a position on the Committee of Management the nominee must be a member.

During the year ended 30 June 2021 and the date of this report, the following persons held membership of the Committee of Management of the Branch:

Name	Position	Period Position Held
Laurie D'Apice	President	1 July 2020 - 31 March 2021
Laurie D'Apice	Secretary/Treasurer	1 April 2021 - 30 June 2021
Linda Lewis	Vice President	1 July 2020 - 30 June 2021
Cameron Murphy	Committee Member	1 July 2020 - 30 June 2021
John West	Committee Member	1 July 2020 - 31 March 2021
John West	President	1 April 2021 - 30 June 2021
Norm McCormack	Committee Member	1 July 2020 - 30 June 2021
Hugh McMaster	Secretary/Treasurer	1 July 2020 - 31 March 2021

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

Events Subsequent to Reporting Date

COVID-19 had a significant impact on the workload of ARTIO NSW. Functions planned for late in the financial year had to be either cancelled or postponed, thus affecting ARTIO NSW's financial position.

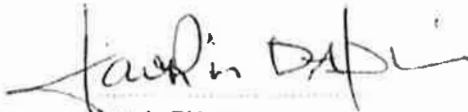
ARTIO NSW worked with other industry associations representing road and rail transport operators as well as government agencies with responsibilities related to transport, roads, health, police and emergency services to develop a Freight Code which was agreed to by National Cabinet. ARTIO NSW kept Members informed of announcements related to changes in awards, other aspects of industrial law, quarantine, business taxes and charges relief, support for the retention of employees, quarantine restrictions and in other areas which were determined by Commonwealth, State and Territory governments or by officials with delegated authority to make such decisions.

Many ARTIO NSW Members required information or advice in order to understand their obligations to operate in a COVID-19 safe manner and in accordance with government protocols, quarantine restrictions in other jurisdictions, to determine where to obtain necessary personal protective equipment supplies, because their business had been adversely affected by loss of work and in other areas. This occurred in a context where road freight transport was recognised by governments as being an essential service to be performed by workers working at the front line in potentially high risk situations.

ARTIO NSW has dealt extensively at a company level with nearly all Members in order to understand the impact of the shutdowns on their business. Most continue to trade well but others have been significantly affected.

Except for the Coronavirus (COVID-2019) and subsequent government actions, no matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Signed in accordance with a resolution of the Members of the Committee of Management on the 13th day of December 2021.



Laurie D'Apice
Secretary/Treasurer

Dated this 13th day of December 2021.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue from contract with customers			
Membership subscription	2(a)	88,037	88,247
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Sponsorship	2(a)	22,901	38,182
Income for furthering objectives			
Grants and donations		-	-
Other income			
Director's fees	2(a)	40,000	35,000
Revenue from recovery of wages activity		-	-
Other income	2(b)	4,081	17,278
Total Income		<u>155,019</u>	<u>176,707</u>
Expenses:			
Employee expenses	3(a)	-	-
Capitation fees and other expense to another reporting unit	3(b)	(22,000)	(24,000)
Affiliation fees		-	-
Administration expenses	3(c)	(4,198)	(21,142)
Grants or donations		-	-
Professional fees	3(d)	(110,757)	(103,150)
Other expenses	3(e)	-	-
Total Expenses		<u>(136,955)</u>	<u>(148,292)</u>
Surplus/(Deficit) for the year		18,064	28,415
Other comprehensive income		-	-
Total comprehensive income for the year		<u>18,064</u>	<u>28,415</u>

The accompanying notes form part of the financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	116,079	146,296
Trade and other receivables	5(a)	2,922	4,258
		<u>119,001</u>	<u>150,554</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Property, plant & equipment		1,499	-
		<u>1,499</u>	<u>-</u>
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
		<u>120,500</u>	<u>150,554</u>
CURRENT LIABILITIES			
Trade and other payables			
Contract liabilities	6	16,410	15,800
Provisions	5(c)	-	48,728
		<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES			
		<u>16,410</u>	<u>64,528</u>
TOTAL LIABILITIES			
		<u>16,410</u>	<u>64,528</u>
NET ASSETS			
		<u>104,090</u>	<u>86,026</u>
EQUITY			
Retained earnings		<u>104,090</u>	<u>86,026</u>
TOTAL EQUITY			
		<u>104,090</u>	<u>86,026</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Earnings	Total Equity
	\$	\$
Balance as at 1st July 2019	57,611	57,611
Net surplus for the year	28,415	28,415
Closing balance at the end of 30 June 2020	<u>86,026</u>	<u>86,026</u>
Net surplus for the year	18,064	18,064
Closing balance at the end of 30 June 2021	<u>104,090</u>	<u>104,090</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members' subscriptions		39,309	50,998
Grants received		-	-
Other receipts		68,318	134,322
Interest received		-	857
		<u> </u>	<u> </u>
Cash used			
Payments to suppliers		(136,153)	(149,596)
		<u> </u>	<u> </u>
Net cash provided /(used in) by operating activities	12(a)	<u>(28,526)</u>	<u>36,581</u>
INVESTING ACTIVITIES			
Cash used			
Acquisition of Computer equipment		(1,691)	-
		<u> </u>	<u> </u>
Net cash provided /(used in) by Investing activities		<u>(1,691)</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>(30,217)</u>	<u>36,581</u>
Cash and cash equivalents at the beginning of the year		<u>146,296</u>	<u>109,715</u>
Cash and cash equivalents at the end of the year	4	<u>116,079</u>	<u>146,296</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The financial statements are for Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") as an individual entity. No business combinations had occurred during the financial year. The Branch was incorporated in New South Wales under the *Fair Work (Registered Organisations) Act 2009*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards and Australian Board ("AASB") and the *Fair Work (Registered Organisations) Act 2009* ("RO Act"). The Branch is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 13 December 2021 by the Committee of Management of the Branch.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the period year unless otherwise stated.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Branch include:

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies

(a) Income Tax

The Branch is registered under the *Fair Work (Registered Organisations) Act 2009* and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the *Income Tax Assessment Act*.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(c) Fair Value of Assets and Liabilities

The Branch measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the Branch at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Branch commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost as applicable. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Financial assets at amortised cost

Financial assets recognised by the Branch are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Branch irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVTOCI) in accordance with the relevant criteria in AASB 9 or fair value through profit or loss.

Financial liabilities

All financial liabilities recognised by the Branch are subsequently measured at amortised cost.

Impairment

At each reporting date, the Branch assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

Impairment (Continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Branch recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Branch no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired.

The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit or loss.

(e) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Revenue

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

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

Revenue from contracts with customers

Where the 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:

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Revenue (Continued)

Revenue from contracts with customers (Continued)

- the agreement is enforceable

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

Membership Subscriptions

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

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Income from other sources (directors fees and sponsorship) is recognised when the fee in respect of other products or services provided is receivable.

Donation income is recognised when it is received.

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

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

(g) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less any provision for expected credit losses. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables (Continued)

The Branch has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Branch during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(i) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of the GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Contract Liabilities

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

(k) Operating Segment

The Branch was incorporated in New South Wales under the *Fair Work (Registered Organisations) Act 2009* and domiciled in Australia. The Branch operates only in Australia and its principal activity is the provision of services to its members.

(l) Comparatives

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

(m) Critical Accounting Estimates and Judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Key Estimates - Impairment

The Committee of Management assesses impairment on each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Acquisition of assets and or liabilities that do not constitute a business combination

No asset or liability was acquired due to an amalgamation under Part 2 of Chapter 3, a restructure of the Branches of an organisation, a determination or revocation by the General Manager of a Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

	2021	2020
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
(a) Revenue from contracts with customers		
Membership subscriptions	88,037	86,247
Capitation fees	-	-
Levies from members	-	-
Director's fees	40,000	35,000
Sponsorship	22,901	38,182
Revenue from recovery of wages activity	-	-
Income from furthering objectives		
Grant income	-	-
Donations income	-	-
	150,938	159,429
(b) Other Income		
Sundry	-	16,421
Interest	767	857
Other	3,314	-
	4,081	17,278

No financial support received from another reporting unit.

(c) Disaggregation of Revenue from contracts with customers

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

Type of customer		
Members	88,037	86,247
Other reporting units	-	-
Government	-	-
Other Parties	62,901	73,182
Total revenue from contract with customers	150,938	159,429

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	2021	2020
	\$	\$
NOTE 3: EXPENSES		
(a) Employee Expenses	<u>-</u>	<u>-</u>
The Branch has no employees during the year (2020: nil). The Branch contracted its accounting and administration functions which are disclosed in Note 3(d) under professional fees - secretariat and administration fees and Note 11(b) under key management personnel.		
(b) Capitation Fees and Other Expense to Another Reporting Unit		
Capitation Fees - Australian Road Transport Industrial Organisation	<u>22,000</u>	<u>24,000</u>
(c) Administration Expenses		
Bank charges	456	587
Compulsory levies	-	-
Total paid to employers for payroll deductions of membership subscriptions	-	-
Conferences, meetings, functions and events		
- fees and/or allowances	-	-
- expenses	1,232	13,636
Travel and accommodation	-	4,486
Website expenses	500	650
Other expenses	2,010	1,783
	<u>4,198</u>	<u>21,142</u>
(d) Professional Fees		
Remuneration of auditor:		
- auditing the financial statements	7,941	7,800
Legal fees		
- litigation	-	-
- other legal matters	15,730	15,550
Secretariat and administration fees	87,086	79,800
Sundry fees	-	-
	<u>110,757</u>	<u>103,150</u>
(e) Other Expenses		
Penalties - via RO Act or the Fair Work Act 2009	<u>-</u>	<u>-</u>

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	2021	2020
	\$	\$
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	<u>116,079</u>	<u>146,296</u>
Reconciliation of Cash		
Cash at the end of the financial year as shown in the financial Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	<u>116,079</u>	<u>146,296</u>
NOTE 5: TRADE AND OTHER RECEIVABLES		
(a) Trade and Other Receivables		
Receivables:		
Members	-	-
Receivables from other reporting unit	-	-
Other	-	3,572
	<u>-</u>	<u>3,572</u>
Net GST receivable	2,922	686
	<u>2,922</u>	<u>4,258</u>
Less: allowance for expected credit losses (b)	-	-
	<u>2,922</u>	<u>4,258</u>
(b) Movement in the allowance for expected credit losses of trade and other receivables is as follows:		
At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	<u>-</u>	<u>-</u>
(c) Contract Liabilities		
The Branch has recognised the following liabilities related to contracts with customers:		
Contract Liabilities - current	-	48,728
Contract Liabilities - non-current	-	-
	<u>-</u>	<u>48,728</u>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$48,728.

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	2021	2020
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES (Continued)		
 (c) Contract Liabilities (Continued)		
 Unsatisfied performance obligations		
The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 is \$nil.		
 NOTE 6: TRADE AND OTHER PAYABLES		
Trade creditors	7,480	6,650
<i>Other payables:</i>		
Payables to other reporting units	-	-
Accrued expenses	8,930	9,150
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
- litigation	-	-
- other legal matters	-	-
	<u>8,930</u>	<u>9,150</u>
	<u>16,410</u>	<u>15,800</u>

NOTE 7: EQUITY AND CAPITAL MANAGEMENT

Other Specific Disclosures

The Branch did not have any compulsory levies and/or voluntary contributions and other funds required by rules, thereby no reserve or fund being set-up in the Statement of Changes in Equity.

Capital Management

Management controls the capital of the Branch in order to maintain a good liquidity ratio and to ensure that the Branch can fund its operations and continue as a going concern.

The Branch's debt includes financial liabilities, supported by financial assets.

Management effectively manages the Branch's capital by assessing the its financial risks and adjusting its structure in response to changes in these risks and in the market. These responses include the management of debt levels and/or increase the membership subscription fee.

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NOTE 7: EQUITY AND CAPITAL MANAGEMENT (Continued)

There have been no changes in the strategy adopted by management to control the capital of the Branch since the prior year. This strategy is to ensure that the Branch has adequate cash to fund its operations. There was no external gearing for the financial years ended 30 June 2021 and 2020.

NOTE 8: DISSOLUTION OF THE BRANCH

The Branch may be wound up and dissolved on a resolution to that effect being passed by a General Meeting of the Branch convened for that purpose. The resolution passed for any such dissolution shall indicate the manner in accordance with the law in which the surplus funds or assets of the Branch are to be disposed of or distributed to an organisation or association having similar objects as the Branch and which prohibits a distribution of its or their income or property amongst their Members.

NOTE 9: COMMITMENTS

The Branch has no commitments at the end of the financial year (2020: \$nil).

NOTE 10: CONTINGENT LIABILITIES AND ASSETS

The Branch has no contingent liabilities and assets at the end of the financial year (2020: \$nil).

NOTE 11: RELATED PARTY TRANSACTIONS

The Branch's main related parties are as follows:

(a) Committee of Management

(i) Committee of Management members

The names of the Committee of Management who held office during the year are disclosed in the Operating Report.

(ii) Committee of Management members' remuneration

No remuneration is paid to the Committee of Management members from the Branch or any related party during the year (2020: \$nil).

(iii) Committee of Management members' retirement benefits

No amounts are paid to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives.

(iv) Membership subscription fees

Entities related to Committee of Management members paid membership subscription fees and various member related fees during the year on the same commercial terms and conditions offered to all other members.

These transactions were on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

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NOTE 11: RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The Branch contracted Hugh McMaster to provide Secretary/Treasurer services from 1 July 2020 until his retirement on 31 March 2021. The total of remuneration paid to Hugh McMaster's company, Hugh McMaster Consulting, amounted to \$73,486 (2020: \$79,800).

For the remainder of the year, the Branch contracted Laurie D'Apice to provide Secretary/Treasurer services from 1 April 2021 to 30 June 2021. The total of remuneration paid to Laurie D'Apice's company, Laurie D'Apice Consulting, amounted to \$13,600 (2020: \$nil).

Laurie D'Apice being the Secretary/Treasurer is considered to be key management personnel for the purpose of the financial statements.

The hourly rate of services provided by Hugh McMaster and now Laurie D'Apice include wages, insurance, use of premises, office equipment, stationery and telephone. The rate is reviewed and approved by the Committee of Management annually.

The total of remuneration paid amounted to \$87,086 (2020: \$79,800). The remuneration paid is short-term compensation.

(c) Other Related Parties

The Branch received \$40,000 for director's fees (2020: \$35,000) and \$22,901 (2020: \$38,182) for sponsorship income from TWU Nominees Pty Ltd, an entity where the Secretary/Treasurer of the Branch sits as a director.

The Branch contributes to the Australian Road Transport Industrial Organisation's budget annually. Total contribution made during the year amounted to \$22,000 (2020: \$24,000).

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	2021	2020
	\$	\$
NOTE 12: CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flow from Operations with surplus/(deficit) for the year:		
Surplus/(Deficit) for the year	18,064	28,415
Non-cash movements		
– Depreciation of Computer equipment	192	-
Changes in assets and liabilities		
– Increase/(decrease) in Contract Liabilities	(48,728)	-
– Decrease/(increase) in trade and other receivables	1,336	(1,313)
– Increase/(decrease) in trade and other payables	610	(9,479)
Net cash provided/(used in) by operating activities	<u>(28,526)</u>	<u>36,581</u>
(b) Cash flows from/to other reporting units:		
Cash inflows:		
Australian Road Transport Industrial Organisation	<u>-</u>	<u>-</u>
Cash outflows:		
Australian Road Transport Industrial Organisation	<u>22,000</u>	<u>24,000</u>

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NOTE 13: FINANCIAL RISK MANAGEMENT

The Branch's financial instruments consist mainly of deposits with banks, trade and other receivables, contract liabilities and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 13 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 \$	2020 \$
Financial Assets:			
<i>At amortised cost</i>			
Cash and cash equivalents	4	116,079	146,296
Trade and other receivables	5(a)	2,922	4,258
Total Financial Assets		<u>119,001</u>	<u>150,554</u>
Financial Liabilities:			
<i>At amortised cost</i>			
Trade and other payables	6	16,410	15,800
Contract liabilities	5(c)	-	48,728
Total Financial Liabilities		<u>16,410</u>	<u>64,528</u>

Financial Risk Management Policies

The Committee of Management's overall risk management strategy seeks to assist the Branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Branch operations. The Branch does not have any derivative instruments at 30 June 2021 (2020: \$nil).

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Branch.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers, members and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Branch, credit terms are generally 14 to 30 days from the date of invoice.

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NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise cleared as being financially sound. Where the Branch is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position. Credit risk also arises through the provision of financial guarantees, as approved at the Committee of Management level, given to third parties in relation to obligations under its bank bill facility.

The Branch has no significant concentration of credit risk with any single counterparty or group of counterparties.

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

Financial Assets

Cash and Cash Equivalents	116,079	146,296
Trade and Other Receivables	2,922	4,258
Total	119,001	150,554

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

Within initial trade terms	2,922	3,349
30 days overdue	-	-
31 to 60 days overdue	-	-
61 to 90 days overdue	-	909
more than 90 days overdue	-	-
Total	2,922	4,258

There are no estimated total gross carrying amount with a risk of default.

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated above.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

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NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect the Committee of Management's expectations that banking facilities, if any, will be rolled forward.

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
	\$	\$	\$	\$
2021				
Financial liabilities due for payment				
Trade and other payables	16,410	-	-	16,410
Contract liabilities	-	-	-	-
Total contractual and expected outflows	16,410	-	-	16,410
2020				
Financial liabilities due for payment				
Trade and other payables	15,800	-	-	15,800
Contract liabilities	48,728	-	-	48,728
Total contractual and expected outflows	64,528	-	-	64,528

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NOTE 13: FINANCIAL RISK MANAGEMENT (Continued)

(c) Market Risk

Other price risk

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

Sensitivity analysis

No sensitivity analysis has been performed on other price risk as the Branch has no material exposures to other price risk.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

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

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

	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	116,079	116,079	146,296	146,296
Trade and other receivables	2,922	2,922	4,258	4,258
	<u>119,001</u>	<u>119,001</u>	<u>150,554</u>	<u>150,554</u>
Financial liabilities				
Trade and other payables	16,410	16,410	15,800	15,800
Contract liabilities	-	-	48,728	48,728
	<u>16,410</u>	<u>16,410</u>	<u>64,528</u>	<u>64,528</u>

The fair values disclosed in the above table are short-term instruments in nature whose carrying amount is equivalent to fair value.

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NOTE 14: FAIR VALUE MEASUREMENTS

Financial Instruments Measured at Fair Value

The Branch has no assets that are measured and recognised at fair value on a recurring basis after initial recognition at 30 June 2021.

The Branch does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. The Branch does not have Level 1 financial instruments at 30 June 2021 (2020: nil).

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The Branch does not have Level 2 financial instruments at 30 June 2021 (2020: nil).

Level 3

Measurements based on unobservable inputs for the asset or liability. The Branch does not have Level 3 financial instruments at 30 June 2021 (2020: nil).

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

The Branch selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE 14: FAIR VALUE MEASUREMENTS (Continued)

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Branch gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

(b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

The Branch does not have any Level 2 assets and liabilities at 30 June 2021.

NOTE 15: GOING CONCERN

The Branch's ability to continue as a going concern is not reliant on any other reporting unit. The Branch has not agreed to provide financial support to another reporting unit to continue as a going concern.

NOTE 16: ECONOMIC DEPENDENCE

A significant portion of the revenue is dependent on the director's fees and sponsorship income from TWU Nominees Pty Ltd. Total revenue for the year amounted to \$62,901 (2020: \$73,182) or 41% (2020: 42%) of the total revenue.

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

The Coronavirus (COVID-19), which was declared a pandemic by the World Health Organisation on 11 March 2020, has had a significant impact on the global and Australian economy. The impacts on the Company cannot be determined at this time.

Except for the COVID-19 and subsequent government actions, there has been no matter or circumstance, which has arisen since 30 June 2021 which has significantly affected or which may significantly affect:

1. The operations, in financial years subsequent to 30 June 2021,
2. The results of those operations, or
3. State of affairs, in financial years subsequent to 30 June 2021.

Apart from the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTE 18: BRANCH DETAILS

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

a10/14-16 Burraneer Bay Rd
CRONULLA NSW 2230

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

On 13th December 2021 the Committee of Management of the Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2021.

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. 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* (RO Act);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. during the financial year ended 30 June 2021 to which the general purpose financial report relates and since the end of this financial year:
 - (a) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (b) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - (c) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - (d) where the organisation consists of two or more reporting units, the financial records of the Branch have been kept, as far as practicable, in a consistent manner with each of the other branches of the organisation; and
 - (e) where information has been sought in any request by a member of the Branch or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - (f) 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.


Laurie D'Apice
Secretary/Treasurer

Dated this 13th day of December 2021.

Australian Road Transport Industrial Organisation – NSW Branch

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Australian Transport Road Industrial Organisation – NSW Branch (the Registered Organisation), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and committee of management statement. The Financial report also includes the Report required under Subsection 255(2A) of the Fair Work (Registered Organisations) Act 2009.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Transport Road Industrial Organisation – NSW Branch as at 30 June 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We have concluded that the Committee of Management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 30 June 2021 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 Registered Organisation 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.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management are 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 Committee of Management and Those Charged with Governance for the Financial Report

The Committee of Management of the Registered Organisation 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Registered Organisation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Registered Organisation or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this 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 Registered Organisation'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 Registered Organisation'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 Registered Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Registered Organisation 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.

I declare that I am an approved auditor registered under the RO Act, a member of CPA Australia and hold a current Public Practice Certificate.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



A. P Marks
Director
Dated: Melbourne, 13th December 2021
Registration number: AA2017/190