



1 August 2022

Mark Diamond
National Secretary
Australian Rail, Tram and Bus Industry Union
Sent via email: mdiamond@rtbu.org.au
CC: Skumar@hallchadwick.com.au

Dear Mark Diamond,

**Australian Rail, Tram and Bus Industry Union
Financial Report for the year ended 31 December 2021 – (FR2021/281)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Rail, Tram and Bus Industry Union (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 27 June 2022.

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 31 December 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.

Disclosure relating to donations expensed

During the initial review of the financial report, I noted that the Note 3D: *Grants or donations* within the notes to the financial statements presented an amount of \$277,500 for *donations exceeding \$1,000*. There appeared to be a discrepancy when a comparison was made with the loans, grants and donations statement (**LGD statement**) which disclosed an amount of \$287,500 as *donations exceeding \$1,000*.

On 13 July 2021, I contacted you to seek clarification regarding the discrepancy.

I received confirmation from you on 27 July 2022 that the figure presented in the LGD statement was correct and the figure presented in the financial report was incorrect.

Please ensure that the correct figures are disclosed in future financial reports.

Related party disclosures

AASB 124 *Related Party Disclosures* paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 18: *Related Party Disclosures* contains information in relation to related party transactions however it does not provide all the disclosure requirements as per AASB 124 paragraph 18. Please ensure in future years all related party transactions are disclosed in accordance with the appropriate Australian Accounting Standard.

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 section 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 section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

AUSTRALIAN RAIL TRAM AND BUS INDUSTRY UNION
s.268 Fair Work (Registered Organisations) Act 2009

Certificate by Prescribed Designated Officer
For the year ended 31 December 2021

I, Mark Diamond, being the National Secretary of the Australian Rail, Tram and Bus Industry Union National Office certify:

- That the documents lodged herewith are copies of the full report for the Australian Rail, Tram and Bus Industry Union National Office for the period ended 31 December 2021 referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to members of the reporting unit on 10 May 2022 and
- That the full report was then confirmed and passed at a meeting of the committee of management of the reporting unit in accordance with section 266 of the *Fair Work Act (Registered Organisations) Act 2009* on 22 June 2022

Signature of Prescribed Designated Officer:



Name of the Prescribed Designated Officer: Mark Diamond
Title of the Prescribed Designated Officer: National Secretary
Dated: 27 June 2022

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION

NATIONAL OFFICE

ABN 28 921 128 419

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
ABN 28 921 128 419

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**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Operating Report

This Operating Report covers:

- The activities of the Australian Rail, Tram & Bus Industry Union, National Office, for the financial year ended 31st December 2021,
- The results of those activities and;
- Any significant changes in the nature of those activities as required under *section 254 Fair Work (Registered Organisations) Act 2009*.

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

Activities
Making agreements with employers
Implementation of the Decisions of the National Executive and National Council
Implementation of the Union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to branches on planning and resourcing campaigns
Industrial support including representation of individual members grievances advice on legal and legislative matters, holding of union elections as provided for in the rules of the union, and responding to the needs of branches and members as provided for within the rules of the union, within the scope of any statutory or legal obligations
The administration of federal awards, the certification of federal industrial agreements, the variations of awards following major test cases, and making application to vary federal awards on behalf of branches
National media and communications to members, branches and the broader community via media release in support of campaigns, web based technology, including the national bulletin Transport for NOW
Coordination of and negotiation of key national industries and assistance to branches on <u>bargaining by request</u>
The National Office has consulted with the ACTU on the development of claims to be pursued in the FWC and union policy in general. Where appropriate, the National Office has assisted branches in the implementation of relevant decision via the variation of the awards
The national Office has been involved in campaigns and negotiations with government, political parties and industry organisations including with financial donations and/or other support around issues of importance for members, eg EBA negotiations, training, skills, shortages, fatigue laws

2. Significant Changes in Activities

The Biennial National Council was held on the 9th and 10th November 2021

3. Significant Changes in Financial Affairs

- The engagement of consultants to implement a series of governing body recommendations concerning research, policy, development and publicity.
- Legal expenses in relation to advocacy, rule changes, EBA and union structures advice.

4. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 14 of the Union Rules (and Section 174 of Fair Work (RO) Act 2009); namely by providing notice addressed and delivered to the Secretary of the relevant Branch, including via Email.

14 - RESIGNATION FROM MEMBERSHIP

- (1) *A member may resign from membership of the Union by written notice addressed and delivered to the Secretary of his/her Branch.*
- (2) *A notice of resignation from membership of the Union takes effect:*
 - (a) *where the member ceases to be eligible to become a member of the Union:*
 - (i) *on the day on which the notice is received by the Union;*
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*
 - (b) *in any other case:*
 - (i) *at the end of two weeks, or*
 - (ii) *on the day specified in the notice; whichever is later.*
- (3) *Any subscriptions, fees, fines and levies owing but not paid by a former member of the Union in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union in a court of competent jurisdiction, as a debt due to the Union.*
- (4) *A notice delivered to the Branch Secretary shall be deemed to have been received by the Union when it was delivered.*
- (5) *A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance to the Branch Secretary.*
- (6) *A resignation from membership of the Union is valid even if it is not effected in accordance with this Rule, if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.*
- (7) *If a financial member retires from employment permanently or changes employment to a position not covered under these rules by the union, the member shall be entitled to transfer to the status of Health Fund Member.*

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

The member(s) listed below hold the following position(s) as trustees or company directors:

Official	Organisations
Mark Diamond	<ul style="list-style-type: none"> • TrackSafe Foundations – Director • Australian Industry Skills - Committee

6. Number of members

There were 31,128 members of the union as of 31st December 2021

7. Number of employees

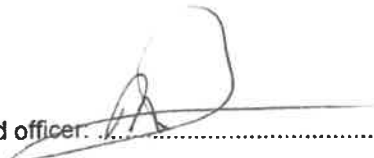
As at 31 December 2021 the National Office employed 7 full time employees and 1 part time employee.

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

The following persons were members of the National Executive, during the year ending 31st December 2021

Mark Diamond	National Secretary	01/01/2021 – 31/12/2021
Allan Barden	Assistant National Secretary	01/01/2021 – 5/02/2021
Shayne Kummerfeld	Assistant National Secretary	5/10/21 – 31/12/2021
Shayne Kummerfeld	National President	01/01/2021 – 5/10/21
Luba Grigorovitch	National President	5/10/21 -31/12/2021
James Style	National Vice – President (Rail)	01/01/2021 – 31/12/2021
William Lekkas	National Vice – President (Road)	01/01/2021 – 31/12/2021
Leanne Holmes	National Vice – President (Affirmative Action)	01/01/2021 – 31/12/2021
Alex Claassens	Branch Secretary – New South Wales	01/01/2021 – 31/12/2021
Luba Grigorovitch	Branch Secretary - Victorian	01/01/2021 – 31/12/2021
Ric Bean	Branch Secretary – Tasmanian	01/01/2021 – 31/12/2021
Peter Allen	Branch Secretary - Queensland	01/01/2021 – 31/12/2021
Darren Phillips	Branch Secretary – South Australia and Northern Territory	01/01/2021 – 31/12/2021
Craig McKinley	Branch Secretary – Western Australia	01/01/2021 – 31/12/2021
Josh Dekuyer	Branch Secretary – Western Australia PTA	01/01/2021 – 31/12/2021

Darren Galea	Assistant National Secretary Rail Operations	01/01/2021 – 31/12/2021
Greg Tatnell	Assistant National Secretary Fleet Manufacture, Overhaul, Maintenance and Service	01/01/2021 – 31/12/2021
Trent Howard	Assistant National Secretary Infrastructure	01/01/2021 – 31/12/2021
Phil Altieri	Assistant National Secretary Tram and Bus	01/01/2021 – 31/12/2021
Victor Moore	Assistant National Secretary Administrative, Supervisory, Technical and Professional	01/01/2021 – 31/12/2021
Keith McMahon	Assistant National Secretary Locomotive	01/01/2021 – 31/12/2021
Tom Brown	Qld Branch Delegate	01/01/2021 – 31/12/2021
Noel Morris	Qld Branch Delegate	01/01/2021 – 31/12/2021
Craig Turner	NSW Branch Delegate	01/01/2021 – 31/12/2021
Farren Campbell	NSW Branch Delegate	01/01/2021 – 31/12/2021
John Anderson	VIC Branch Delegate	01/01/2021 – 31/12/2021
Darren Galea	VIC Branch Delegate	01/01/2021 – 31/12/2021
Dave Esqueria	VIC Branch Delegate	01/01/2021 – 31/12/2021
David Babineau	NSW Branch Delegate	01/01/2021 – 31/12/2021

Signature of designated officer: 

Name and title of designated officer: Mark Diamond, NATIONAL SECRETARY

Dated: 10/5/2022

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
REPORT REQUIRED UNDER SUBSEQUENT 225 (2A)
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December, 2021.

Categories of expenditures	2021	2020
	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,158,591	950,365
Advertising	-	-
Operating costs	1,151,970	904,407
Donations to political parties	272,500	20,000
Legal costs	283,814	258,936

Signature of designated officer: 

MARK DIAMOND
National Secretary

Dated:  2022

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
ABN 28 921 128 419

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

On 10 May, 2022, the Committee of Management of the Australian Rail Tram & Bus Industry Union National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2021:

The Committee of Management declared that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that National Office will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the National Office; and
 - (ii) the financial affairs of the National Office have been managed in accordance with the rules of the organisation including the rules of the National Office; and
 - (iii) the financial records of the National Office have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the National Office have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no further information has been sought in any request of a member of the National Office or Commissioner of the ROC under section 272 of the RO Act; and
 - (vi) no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.

Signed by Mark Diamond in accordance with such resolution as is passed by the committee of management.



MARK DIAMOND

National Secretary

Dated: 10 May, 2022

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

		2021	2020
		\$	\$
REVENUE	Note		
Revenue from contracts with customers			
Membership subscriptions		-	-
Capitation fees and other revenue from another reporting unit	2A & 2B	2,504,003	2,471,666
Levies	2C	-	-
Other sales of goods or services to members		-	-
Revenue from recovery of wages activity		-	-
Total revenue from contracts with customers		<u>2,504,003</u>	<u>2,471,666</u>
Income for furthering objectives			
Grants and/or donations		-	-
Income recognised from volunteer services		-	-
Income recognised from transfers		-	-
Total income for furthering objectives		<u>-</u>	<u>-</u>
OTHER INCOME			
Investment Gains/(Losses)	2D	264,817	66,810
Rent Received	2E	211,970	142,448
Sponsorship Income		2,000	-
Gain on revaluation of investment property	9	250,000	500,000
Other Income	2G	178,201	140,927
Gain on Asset Disposal	2F	471	4,988
TOTAL REVENUE		<u>3,411,463</u>	<u>3,326,838</u>
EXPENSES			
Employee Expenses	3A	1,158,591	950,365
Affiliation Fees	3B	232,673	230,983
Administration Expenses	3C	725,005	464,511
Grants or Donations	3D	278,450	31,515
Depreciation and Amortisation	10 & 11	19,616	25,332
Legal Costs	3E	283,814	258,936
Audit Fees	19	22,099	21,097
Other Expenses	3F	146,627	150,969
Loss on revaluation of investment property	9	-	-
TOTAL EXPENSES		<u>2,866,875</u>	<u>2,133,708</u>
SURPLUS/ (DEFICIT) FOR THE YEAR		<u>544,588</u>	<u>1,193,130</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
ABN 28 921 128 419

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	4	3,035,679	2,636,620
Trade and Other Receivables	5	441,617	567,926
Financial Assets	6	2,782,830	2,535,177
Other	7	144,510	130,840
TOTAL CURRENT ASSETS		<u>6,404,636</u>	<u>5,870,564</u>
NON CURRENT ASSETS			
Financial Assets	8	20	20
Investment Property	9	7,250,000	7,000,000
Plant & Equipment	10	121,130	133,801
Intangible Assets	11	1,120	2,132
TOTAL NON CURRENT ASSETS		<u>7,372,270</u>	<u>7,135,953</u>
TOTAL ASSETS		<u>13,776,906</u>	<u>13,006,517</u>
CURRENT LIABILITIES			
Trade and Other Payables	12	229,353	162,579
Provisions	13	930,306	783,826
Income in Advance	14	12,547	-
TOTAL CURRENT LIABILITIES		<u>1,172,206</u>	<u>946,404</u>
TOTAL LIABILITIES		<u>1,172,206</u>	<u>946,404</u>
NET ASSETS		<u>12,604,701</u>	<u>12,060,113</u>
ACCUMULATED SURPLUS			
Accumulated Surplus		<u>12,604,701</u>	<u>12,060,113</u>
ACCUMULATED SURPLUS		<u>12,604,701</u>	<u>12,060,113</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021

	Retained Surplus \$	Total \$
Balance at 1 January 2020	10,866,982	10,866,982
Surplus for the Year	<u>1,193,130</u>	<u>1,193,130</u>
Balance at 31 December 2020	<u>12,060,112</u>	<u>12,060,112</u>
Surplus for the Year	<u>544,588</u>	<u>544,588</u>
Balance at 31 December 2021	<u>12,604,700</u>	<u>12,604,700</u>

NOTE TO THE STATEMENT OF CHANGES IN EQUITY

Note A - Compulsory Levy

Other than capitation fees and ACTU Levies, National Office receive no other compulsory levy.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2021

	Note	2021 \$	2020 \$
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from other reporting units	5	3,218,681	2,488,815
Payments to other reporting units		-	-
Payments to Suppliers and Employees		(2,949,557)	(2,218,099)
Rent Received		133,555	217,303
Interest Received		978	13,683
Net cash provided/(used) by operating activities	16	<u>403,656</u>	<u>501,702</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(4,597)	(43,641)
Net cash used in investing activities		<u>(4,597)</u>	<u>(43,641)</u>
Net increase/(decrease) in cash and cash equivalents held		399,059	458,061
Cash and cash equivalents at the beginning of the year		<u>2,636,620</u>	<u>2,178,559</u>
Cash and cash equivalents at the end of the year	4	<u>3,035,678</u>	<u>2,636,620</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Rail, Tram and Bus Industry Union, National Office is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below.

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

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

Accounting Policies

(a) Income Tax

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however the union still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(b) Fair Value of Assets and Liabilities

The Union measures 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 Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. 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 (i.e. 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 entity at the end of the

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
ABN 28 921 128 419

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting Policies (Con't)

reporting period (i.e. 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.

(c) Property Plant & Equipment

Property Plant and equipment is carried at cost less any accumulated depreciation

The carrying amount of plant and equipment is reviewed for impairment annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

(d) Depreciation

The depreciable amount of all fixed assets including buildings and leasehold improvements, is depreciated on either a straight line or diminishing balance basis over their useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each asset are between 3% and 66% The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Leases

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

The Union as a lessee

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

Right-of-use assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting Policies (Con't)

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

If ownership of the leased asset transfers to the Union at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

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

In calculating the present value of lease payments, the Union uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Union's short-term leases are those that have a lease term of 12 months or less from the commencement. Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

(f) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting Policies (Con't)

(g) Investment Property

Investment property comprises investment interests in land and buildings (including integral plant and equipment) held for the purpose of letting to produce rental income and which are not occupied by the Union.

Land and buildings comprising the investment property are considered composite assets and are disclosed as such in the accompanying notes to the financial statements. Investment property acquired is initially recorded at cost on date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Valuations

After initial recognition, investment property is measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. When assessing fair value, the discounted cash flows of the property will be considered, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
- (v) it only takes into account instructions given by the Union and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Union.

The investment property is considered one class of asset. Under AASB 140: Investment Property, adjustments to fair value are to be recognised directly in the statement of comprehensive income.

Derecognition

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

(h) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis

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over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the union's intangible assets are:

	2021	2020
Website Development	2 to 3 years	2 to 3 years

(l) Employee Entitlements

Provision for employee entitlements in the form of Long Service Leave and Accrued Annual Leave has been made for the estimated accrued entitlement of all employees on the basis of their terms of employment. In the case of Long Service Leave, the accrual has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

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

(j) Defined Superannuation Schemes

In respect to defined benefit plans, the cost of providing the benefits is determined using the projected unit cost method. Actuarial calculations are conducted by State Super. The amount recognised in the Statement of Financial Position represents the present value of the defined benefits obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan's assets. The Union has defined benefit obligations for members participating in the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Superannuation Scheme. All Schemes are closed to new members.

(k) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

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- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

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Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Union initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

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Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially

modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Union no longer controls the asset (ie the Union has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Union recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or

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– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Union uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach
- the simplified approach

General approach

Under the general approach, at each reporting period, the Union assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Union measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Union measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Union recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

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For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(l) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Revenue

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

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

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Capitation fees

Where the Union arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the capitation fees promised under that arrangement when or as it transfers the contracted services.

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

Affiliation fees

Where the Union arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Union recognises the affiliation fees promised under that arrangement when or as it transfers the contracted services.

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

Levies

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

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

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

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

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Union recognition of the cash contribution does not give to any related liabilities.

Income recognised from transfers

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

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Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

Rental income

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

(n) Gains - Sale of Assets

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

(o) Goods and Services Tax (GST)

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 Taxation 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 in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows within receipts from customers or payments to suppliers.

(p) Comparatives

When required by Accounting Standards and the Fair Work (Registered Organisation) Act 2009, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(q) Adoption of new accounting standards

The Union has not adopted any new accounting standards in the financial year.

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2 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Union revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	2021	2020
	\$	\$
Type of customer		
Members	-	-
Other reporting units	2,504,003	2,471,666
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	2,504,003	2,471,666

Disaggregation of income for furthering activities

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

Income funding sources

Members	-	-
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total income for furthering activities	-	-

	2021	2020
	\$	\$
2A: Capitation Fees		
NSW Branch	953,197	955,511
QLD Branch	421,262	413,923
SA & NT Branch	72,158	76,421
VIC Branch	725,522	700,693
TAS Branch	22,983	23,304
WA Branch	133,985	130,386
	2,329,108	2,300,239
2B: Affiliation Fees		
NSW Branch	78,599	77,738
QLD Branch	36,970	35,002
SA & NT Branch	4,993	5,132
VIC Branch	43,255	43,459
TAS Branch	2,241	2,228
WA Branch	8,837	7,868
	174,895	171,427
2C: Levies		
NSW Branch	-	-
QLD Branch	-	-
SA & NT Branch	-	-
VIC Branch	-	-
TAS Branch	-	-

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WA Branch	-	-
	<u>-</u>	<u>-</u>
2D: Investment Income		
Interest Received	1,007	13,634
Income & Gains/(Losses) on IFP	263,810	53,176
	<u>264,817</u>	<u>66,810</u>
2E: Rent Received		
Property at Redfern	211,970	142,448
	<u>211,970</u>	<u>142,448</u>
2F: Net Gain on Asset Disposal		
Plant & Equipment	471	(1,056)
Motor Vehicles	-	6,044
	<u>471</u>	<u>4,988</u>
2G: Other Income		
COVID-19 funding-cash flow boost	-	100,000
Income from branches for the WIMDOI conference	-	35,437
Car rental income	-	4,936
Employer Mutual Limited – RT Health campaign	177,141	-
Miscellaneous income	1,060	554
	<u>178,201</u>	<u>140,927</u>

3 EXPENSES	2021	2020
	\$	\$
3A: Employee Expenses		
3A: Employee Expenses		
Holders of Office:		
Wages and Salaries	435,963	313,491
Superannuation	19,797	16,596
Leave and Other Entitlements	(224,453)	55,889
Retirement Benefit Expenses	304,640	41,617
Payroll Tax Expenses	-	10,691
	<u>535,947</u>	<u>438,284</u>
Employees Other than Officeholders:		
Wages and Salaries	500,995	415,691
Superannuation	47,126	37,858
Leave and Other Entitlements	74,523	58,533
	<u>622,643</u>	<u>512,082</u>
	<u>1,158,591</u>	<u>950,365</u>
3B: Affiliation Fees		
ACTU	175,197	171,427
International Transport Workers Federation	52,115	55,600
Rail Industry Safety Standards Board	3,673	3,956

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International Conference for Labour Solidarity	-	-
Tracksafe	-	-
Union Aid Abroad	1,688	-
	<u>232,673</u>	<u>230,983</u>

3C: Administration Expenses

Consideration to employers for payroll deductions		-
Compulsory Levies		-
Fee/Allowances – Meeting and Conferences		
Attendance	280	117
Council Executive Expenses and Lost Time	8,250	-
Conference and Meeting Expenses		
Accommodations	5,743	9,248
Airmiles & Travelling Expenses	57,842	33,373
Conference and Meetings	41,976	6,604
National Executive	-	-
Accountancy	69,267	71,353
Bank Charges & Fees	15,629	13,278
Consultants	44,050	51,082
Property Expenses		
Building Expenses	103,600	11,090
Rates & Land Taxes	4,000	20,286
Rent Paid	87,921	87,255
Office Expenses		
General Expenses	121,756	36,169
Postage	19,273	24,363
Printing and Stationery	6,339	23,088
Staff Training	64,852	28,558
Subscription and Membership	45,100	33,188
Telephone	29,130	15,461
	<u>725,006</u>	<u>464,511</u>

3D: Grants or Donations

Grants	-	-
Donations		
Total paid that were \$1,000 or less	950	1,515
Total paid that exceeded \$1,000	277,500	30,000
	<u>278,450</u>	<u>31,515</u>

3E: Legal Costs

Litigation	141,418	162,089
Other Legal Matters	142,396	96,847
	<u>283,814</u>	<u>258,936</u>

3F: Other Expenses

Campaigns	58,661	55,048
Fringe Benefit Tax	17,421	13,187
Fines	-	-
General Expense	22,454	1,027
Insurances – General	28,222	25,330

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Interest	-	-
Motor Vehicle Expenses	4,152	7,632
Penalties - via RO Act or RO Regulations	-	-
Repairs and Maintenance	-	1,444
Badges & Other Items	14,879	1,091
Doubtful Debt Expenses	839	41,475
Bad debts write off	-	4,736
	<u>146,627</u>	<u>150,969</u>

4 CASH AND CASH EQUIVALENTS

Cash at Bank and on Deposit	3,035,679	2,636,620
	<u>3,035,679</u>	<u>2,636,620</u>

5 TRADE AND OTHER RECEIVABLES

Receivables from the Branches	522,390	986,666
Other Receivables	410,384	71,577
Provision for doubtful debts	(491,156)	(490,317)
	<u>441,617</u>	<u>567,926</u>

	VIC	NSW	SA/NT	QLD	TAS	WA	TOTAL
<i>Opening Balance - Receivables</i>	129,069	315,031	8,625	40,625	2,999	490,317	986,666
Amounts Charged to Branches							
Capitation Fees	798,074	1,048,517	79,374	463,388	25,282	147,384	2,562,019
Affiliation Fees	47,581	86,459	5,492	40,667	2,465	9,721	192,385
ACTU Levies	-	-	-	-	-	-	-
Other Reimbursements	-	-	-	-	-	-	-
<i>Total amounts charged to branches</i>	845,655	1,134,976	84,866	504,055	27,747	157,105	2,754,404
Amount Received from Branches							
Capitation Fees	(916,375)	(1,351,565)	(81,699)	(494,388)	(26,100)	(146,544)	(3,016,670)
Affiliation Fees	(47,581)	(86,459)	(5,492)	(50,292)	(2,465)	(9,721)	(202,011)
ACTU Levies	-	-	-	-	-	-	-
<i>Total amounts received from branches</i>	(963,955)	(1,438,024)	(87,191)	(544,680)	(28,565)	(156,265)	(3,218,681)
<i>Closing Balance 31/12/2021</i>	10,769	11,983	6,300	0	2,181	491,156	522,390

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	2021	2020
	\$	\$
6 FINANCIAL ASSETS - CURRENT		
Opening Investment with Industry Fund Services	2,535,177	2,487,174
Income & Gains/(Losses) on IFP (Note 2D)	263,810	53,176
Management Fees	<u>(16,157)</u>	<u>(5,172)</u>
Investment with Industry Fund Services	<u>2,782,830</u>	<u>2,535,177</u>
7 OTHER CURRENT ASSETS		
Prepayments	<u>144,510</u>	<u>130,840</u>
8 FINANCIAL ASSETS - NON-CURRENT		
Shares Encompass Credit Union	<u>20</u>	<u>20</u>
9 INVESTMENT PROPERTY	7,250,000	7,000,000

The investment property is measured at fair value, being the amount for which the property could be exchanged between willing parties in an arm's length transactions, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

An independent valuation on the investment property at 83-89 Renwick Street, Redfern, NSW was carried out by Cushman & Wakefield, and a report issued on 8 February 2022. The valuation determined a market value of \$7,250,000. The net revaluation gain on the property of \$250,000 was recorded in the Statement of Comprehensive Income.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was \$211,970 (2020: \$142,448).

Direct expenses incurred in relation to the investment property that generated rental income during the year were \$101,078 (2020: \$13,567). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Union does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements

The fair value of investment property is determined by the independent valuer using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 2 - refer Note 20D.

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NOTES TO THE FINANCIAL STATEMENTS
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10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Plant and Equipment	99,388	202,792	74,561	376,741
Less: Accumulated Depreciation	(36,973)	(189,706)	(28,932)	(255,611)
	<u>62,415</u>	<u>13,086</u>	<u>45,629</u>	<u>121,130</u>

MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT

31 December 2020

	Leasehold Improvements	Plant & Equipment	Motor Vehicle	Total
Balance at Beginning of Year	69,159	8,162	91,230	168,550
Additions	-	2,637	(60,080)	(57,443)
Disposals	-	-	-	-
Depreciation	(3,458)	(1,573)	27,724	22,693
<i>Carrying Amount at End of Year</i>	<u>65,700</u>	<u>9,225</u>	<u>58,876</u>	<u>133,801</u>

31 December 2021

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Balance at Beginning of Year	65,700	9,225	58,876	133,800
Additions	-	6,852	-	6,852
Disposals	-	(919)	-	(919)
Depreciation	(3,285)	(2,072)	(13,247)	(18,604)
<i>Carrying Amount at End of Year</i>	<u>62,415</u>	<u>13,086</u>	<u>45,629</u>	<u>121,130</u>

	2021	2020
	\$	\$
11 INTANGIBLE ASSETS		
Website Development	78,547	78,547
Less: Accumulated Amortisation	<u>(77,426)</u>	<u>(76,414)</u>
	<u>1,120</u>	<u>2,132</u>
Balance at Beginning of Year	2,132	4,099
Additions	-	-
Disposals	-	-
Amortisation	<u>(1,012)</u>	<u>(1,966)</u>
<i>Carrying Amount at End of Year</i>	<u>1,120</u>	<u>2,132</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
12 TRADE AND OTHER PAYABLES		
Consideration to Employers for Payroll Deductions Payable to the Branches	-	-
NSW Branch	-	-
TAS Branch	-	-
QLD Branch	-	1,608
WA Branch	-	-
SA Branch	-	-
VIC Branch	-	-
Trade Creditors	19,219	7,660
Legal Costs - Litigation	-	-
Other Payables and Accruals	210,133	153,310
	<u>229,353</u>	<u>162,579</u>

13 PROVISIONS		
Officeholders:		
Provision for Annual Leave	34,775	107,755
Provision for Long Service Leave	12,864	116,115
Provision for ADO	22,063	70,283
Provision for Retirement Benefits	679,734	375,094
Provision for Separations and Redundancies	-	-
	<u>749,436</u>	<u>669,247</u>
Employees Other than Officeholders:		
Provision for Annual Leave	117,854	72,322
Provision for Long Service Leave	19,099	22,208
Provision for ADO	43,917	20,048
Provision for Separations and Redundancies	-	-
	<u>180,870</u>	<u>114,578</u>
	<u>930,306</u>	<u>783,825</u>

Movement during the Year:

	Annual Leave	Long Service Leave	ADO	Retirement Benefits
Benefits Balance at the Beginning of the Year	180,077	138,323	90,331	375,094
Increase/(Decrease) in Provision	(27,448)	(106,360)	(24,351)	304,640
Balance at the End of Year	<u>152,629</u>	<u>31,964</u>	<u>65,980</u>	<u>679,734</u>

14 INCOME IN ADVANCE

Income in Advance – Rent	<u>12,547</u>	-
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15 EQUITY

Compulsory Levy/voluntary contribution fund- if invested in assets	-	-
Other fund(s) required by rules	-	-

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16 CASH FLOW INFORMATION	2021	2020
	\$	\$
Reconciliation of cash flow from operations		
Surplus/(Deficit)	544,588	1,193,130
<i>Adjustments for non-cash items:</i>		
Depreciation	19,616	25,332
Losses /(Gains) on Financial Assets	(247,653)	(48,003)
(Gain)/Loss on revaluation of investment property	(250,000)	(500,000)
<i>Changes in assets and liabilities:</i>		
Decrease/(Increase) in receivables	112,639	(266,463)
Decrease/(Increase) in other assets	(1,335)	55,025
(Decrease)/Increase in payables	66,774	(93,692)
(Decrease)/Increase in Income in Advance	12,547	(11,526)
(Decrease)/Increase in provisions	146,481	147,898
Net cash flows from operations	<u>403,656</u>	<u>501,702</u>

17 RETIREMENT BENEFITS OBLIGATIONS

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

For one employee, the National Council participated in an employer sponsored defined benefits plan during the year. The benefit provided by the plan is based on the length of service of the member at retirement. Employees contribute various percentages of their gross income and the union may contribute up to 4.5 times the employees final average salary at retirement depending on the length of membership and the employees own contributions.

Reconciliation of the present value of the defined benefit obligation -

	2021	2020
	\$	\$
Present Value at the Beginning of the Year	1,620,404	1,534,014
Opening PV adjustment	312,032	42,772
Current Service Cost	2,595	2,333
Interest Cost	18,268	21,113
Contributions by Funds Participants	815	715
Actuarial Gains	382,821	48,285
Benefits Paid	(209,187)	(23,969)
Taxes, Premiums & Expenses Paid	14,273	(4,859)
<i>Present Value at the End of the Year</i>	<u>2,142,021</u>	<u>1,620,404</u>

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RETIREMENT BENEFITS OBLIGATIONS (Con't)

	2021	2020
	\$	\$
Fair Value at the Beginning of the Year	1,245,310	1,200,538
Opening FV adjustment	236,181	37,700
Interest Income	13,895	16,475
Actual Return	160,369	18,688
Employer Contributions	-	-
Contributions by Funds Participant	812	714
Benefits (Paid) Transferred In	(208,507)	(23,950)
Taxes, Premiums & Expenses Paid	14,227	(4,855)
<i>Fair Value at the End of the Year</i>	<u>1,462,287</u>	<u>1,245,310</u>

The percentage of the Funds assets invested in each asset class at 31 December

Australian Equities	18.5	19.9
Overseas Equities	35.5	32.3
Australian Fixed Interest	1.6	1.9
Overseas Fixed Interest	3.9	4.6
Property	6.3	8.3
Cash	14.2	9.5
Other	19.8	23.5

All fund assets are invested at arm's length through independent fund managers.

Description of risks

There are a number of risks to which the fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- Legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

Significant Actuarial Assumptions at the Reporting Date

As at 31-Dec-2021

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Discount rate	1.68% pa
Salary increase rate (excluding promotional increases)	2.74% pa 2021/2022 to 2025/2026; 3.2% pa thereafter
Rate of CPI increase	2.50% for 21/22, 2.25% for 22/23; 2.50% for 23/24 and 24/25; 2.75% 25/26, 26/27 and 27/28; 2.50% pa thereafter

18 RELATED PARTY DISCLOSURES

18A: RELATED PARTY TRANSACTIONS

Revenue Received from	VIC	NSW	SA/NT	QLD	TAS	WA
Capitation Fees	833,068	1,228,695	74,272	449,443	23,727	133,222
Affiliation Fees	43,255	78,599	4,993	45,720	2,241	8,837
ACTU Levies	-	-	-	-	-	-
	<u>876,323</u>	<u>1,307,295</u>	<u>79,265</u>	<u>495,163</u>	<u>25,968</u>	<u>142,059</u>
Amount owed by	10,769	11,983	6,300	0	2,181	491,156
	<u>10,769</u>	<u>11,983</u>	<u>6,300</u>	<u>0</u>	<u>2,181</u>	<u>491,156</u>
Income in advance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2021	2020
	\$	\$
18B: KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (including annual leave taken)	435,963	313,491
Annual Leave Accrued	34,775	107,755
ADO Accrued	22,063	70,283
Performance Bonus	-	-
	<u>492,801</u>	<u>491,529</u>
Post-Employment Benefits		
Superannuation	19,797	16,596
Retirement Benefit Accrued	679,734	375,094
	<u>699,531</u>	<u>391,690</u>
Other Long-Term Benefits:		
Long-Service Leave Accrued	12,864	116,115
	<u>12,864</u>	<u>116,115</u>
Total	<u>1,205,196</u>	<u>999,334</u>

19 AUDITORS' REMUNERATION

Remuneration of the auditor for:		
- auditing or reviewing the financial report	22,099	21,097
- other services	-	-
	<u>22,099</u>	<u>21,097</u>

20 FINANCIAL INSTRUMENTS

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The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable and bank borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

20A: Categories of Financial Instruments

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	3,035,679	2,636,620
Trade and other receivables	932,773	1,058,243
Financial assets	<u>2,782,830</u>	<u>2,535,177</u>
Carrying amount of financial assets	<u>6,751,281</u>	<u>6,230,040</u>
Financial Liabilities		
Financial liabilities at amortised cost		
Trade and other payables	<u>229,353</u>	<u>162,579</u>
Carrying amount of financial liabilities	<u>229,353</u>	<u>162,579</u>

20B: Financial risk management policies

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

20C: Specific financial risk exposures and management

The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Interest Rate Risk

Exposure to interest rate risk arises on financial assets recognised at reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Net Income and Expense from Financial Assets

Cash & Financial Assets

Interest Received	1,007	13,634
Income & Gains on IFP	<u>263,810</u>	<u>53,176</u>
Net gain from cash and receivables	<u>264,817</u>	<u>66,810</u>

The Union has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

The Union's exposure to interest rate risk and the effective average interest rate for each class of financial assets and financial liabilities are set out below.

31 December 2020

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	Fixed Interest Rate	Floating Interest Rate	Non Interest	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	126,755	2,509,865	-	2,636,620
Financial Assets	-	2,535,177	-	2,535,177
Trade and Other Receivables	-	-	567,926	567,926
	<u>126,755</u>	<u>5,045,042</u>	<u>567,926</u>	<u>5,739,723</u>

Weighted Average Interest Rate 2.6%

31 December 2021

	Fixed Interest Rate	Floating Interest Rate	Non Interest	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	65,928	2,969,751	-	3,035,679
Financial Assets	-	2,782,830	-	2,782,830
Trade and Other Receivables	-	-	441,617	441,617
	<u>65,928</u>	<u>5,752,580</u>	<u>441,617</u>	<u>6,260,125</u>

Weighted Average Interest Rate 0.6%

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that the Committee of Management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Sensitivity analysis of the risk that the Union is exposed to for 2020	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	25,859	25,859

Sensitivity analysis of the risk that the Union is exposed to for 2021	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	29,093	29,093

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

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The Union manages this risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturing profiles of financial assets and financial liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The Union does not hold directly any derivative 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 reflect the earliest contractual settlement dates.

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Financial liabilities due for payment						
Trade & Other Payables (excluding leave provisions)	162,579	-	-	-	-	162,579
Total expected outflows	162,579	-	-	-	-	162,579

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Financial liabilities due for payment						
Trade & Other Payables (excluding leave provisions)	229,353	-	-	-	-	229,353
Total expected outflows	229,353	-	-	-	-	229,353

Contractual maturities for financial assets 2020

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
Financial assets - cash flows realisable						
Cash and cash equivalents	2,584,906	51,714	-	-	-	2,636,620
Trade and other receivables	1,058,243	-	-	-	-	1,058,243
Financial assets	2,535,177	-	-	-	-	2,535,177
Total expected inflows	6,178,326	51,714	-	-	-	6,230,040

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NOTES TO THE FINANCIAL STATEMENTS
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Contractual maturities for financial assets 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
Financial assets - cash flows realisable	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	2,969,751	65,928	-	-	-	3,035,679
Trade and other receivables	932,773	-	-	-	-	932,773
Financial assets	2,782,830	-	-	-	-	2,782,830
Total expected inflows	6,685,353	65,928	-	-	-	6,751,281

(c) 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 Union.

Credit risk is managed and reviewed regularly by the Committee of Management. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers 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.

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.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6. There is no collateral held by the Union securing trade and other receivables.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union. The trade receivables balance at 31 December 2019 and 31 December 2018 do not include any counterparties with external credit ratings.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Union policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Ageing of financial assets that were past due but not impaired for 2020

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	177,475	135,991	96,844	567,926	978,236

Ageing of financial assets that were past due but not impaired for 2021

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	25,881	-	10,769	485,740	522,390

20D: Fair Value Estimation

The net carrying amounts of all financial assets and financial liabilities approximate net fair values.

The Union measures and recognises Investment Property at fair value on a recurring basis after initial recognition.

The Union 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.
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.
Level 3	Measurements based on unobservable inputs for the 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. 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.

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Valuation Techniques

The Union 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 Union 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.

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 Union 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.

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

31 December, 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
<i>Non-financial assets</i>	-	-	-	-
Investment property	-	7,000,000	-	7,000,000
Total non-financial assets recognised at FV	-	7,000,000	-	7,000,000
31 December, 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements				
<i>Non-financial assets</i>	-	-	-	-
Investment property	-	7,250,000	-	7,250,000
Total non-financial assets recognised at FV	-	7,250,000	-	7,250,000

Description	Fair Value at 31-Dec-2021	Valuation technique	Inputs used
Investment property	7,250,00	Market approach using recent observable market data for similar properties;	Price per square metre

(i) The fair value of the investment property and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Committee reviews the independent valuation and, when appropriate, update the fair value measurement to reflect current

NOTES TO THE FINANCIAL STATEMENTS
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market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Union to determine Level 2 fair values.

21 SECTION 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

22 REGISTERED OFFICE

The registered office and principle place of business of National Office:

Suite 210, Trades Hall
4 - 10 Goulburn Street
Sydney NSW 2000

23 RECOVERY WAGES

The Union has not derived any revenue during the year as a result of any recovery of wages activity it may have undertaken on behalf of members.

24 GOING CONCERN

The Union's ability to continue as a going concern is not reliant on any other reporting units.

25 FINANCIAL SUPPORT

The Union has not agreed to provide any financial support to any reporting units nor did it require any financial support.

26 ASSETS & LIABILITIES ACQUIRED

The Union has not acquired any asset or liability as a result of an amalgamation, a restructure of branches, determination or revocation of the Fair Work Commission.

27 OPERATING LEASE COMMITMENTS - AS LESSOR

The Investment property is leased to a third party on a 'month to month' basis. Accordingly there are no future minimum rentals receivable at balance date.

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**NOTES TO THE FINANCIAL STATEMENTS
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28 EVENTS AFTER THE REPORTING PERIOD

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as the date of these financial statements, the Union is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Union. Other than current disclosures, there has not been another matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in subsequent financial periods

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION
NATIONAL OFFICE

Opinion

We have audited the financial report of Australian Rail, Tram and Bus Industry Union National Office, which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Rail, Tram and Bus Industry Union National Office as at 31 December 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 declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting 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 Reporting 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.

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.

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Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If 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 reporting unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit 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 Mr. Sandeep Kumar is an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

Our opinion on the financial report is not modified in respect of the following matters because, in our opinion, it has been appropriately addressed by Reporting Unit and is not considered material in the context of the audit of the financial report as a whole.

Hall Chadwick (NSW)

Hall Chadwick (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

S. Kumar

Sandeep Kumar
Partner

Dated: 10 May 2022

Registration Number: AA 2021/39

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE OFFICER DECLARATION STATEMENT

I, Mark Diamond, being the National Secretary of the Australian Rail, Tram and Bus Union National Office, declare that the following activities did not occur during the reporting period ending 31 December, 2021.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay compulsory levies
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: 10 May 2022

