



29 August 2016

Mr Allan Barden
Assistant National Secretary
Australian Rail, Tram and Bus Industry Union, National Office
4-10 Goulburn Street
Sydney NSW 2000

By e-mail: rtbu@rtbu.org.au

Dear Mr Barden

**Australian Rail, Tram and Bus Industry Union, National Office
Financial Report for the year ended 31 December 2015 - FR2015/375**

I acknowledge receipt of the amended financial report for the year ended 31 December 2015 for the Australian Rail, Tram and Bus Industry Union, National Office. The financial report was lodged with the Fair Work Commission (FWC) on 29 August 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the period ended 31 December 2015

I, Allan Barden, being the Assistant National Secretary of the Rail, Tram and Bus Union National Office, certify:

- That the documents lodged herewith is a copy of the full report for the Rail, Tram and Bus Union for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on the 12th August 2016 in accordance with s.268 of the *Fair Work (Registered Organisations) Act 2009*, and;
- That the full report was provided to members of the reporting unit on 12th August 2016;

Signature of the Prescribed Designated Officer,



Name of Prescribed Designated Officer: **Allan Barden**
Title of Prescribed Designated Officer: **Assistant National Secretary**
Dated: **26th August 2016**

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION

NATIONAL OFFICE

ABN 28 921 128 419

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

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ABN 28 921 128 419

FOR THE YEAR ENDED 31 DECEMBER 2015

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 2015,
- the results of those activities and
- any significant changes in the nature of those activities as required under **s.254 Fair Work (Registered Organisations) Act 2009**.

1. Principal Activities of the National Office

The principal activities of the National Office of the Union, as conducted through the National Office, during the past year fell into the following categories:

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 member 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 variation 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 releases in support of campaigns, web based technology, including the national bulletin <i>Transport Now</i> .
Coordination of and Negotiation of key national industries, and assistance to branches on bargaining by request.
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 decisions via the variation of 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, skill shortages, fatigue laws.

2 Any Significant Changes in Activities

- The following Rule Changes were ratified during 2015:
 - Alterations to the Federally Registered Uniform Rules of the Rail Tram and Bus Industry Union were, Rule 156 and 161.

3 Details of any Significant Changes in Financial Affairs

The financial affairs of the National Office have altered marginally due to the following:

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

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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 of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Note: The notice of resignation can be given electronically if the organisation's rules allow for this (see section 9 of the *Electronic Transactions Act 1999*).

(2) A notice of resignation from membership of an organisation takes effect:

(a) where the member ceases to be eligible to become a member of the organisation:

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

(b) in any other case:

- (i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
- (ii) on the day specified in the notice; whichever is later.

(3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

(4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.

(5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).

(6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Note: Regulations may require employers who offer payroll deduction facilities to inform employees that cessation of payroll deduction by an employee does not constitute resignation (see section 359).

5 Board Positions held by officers, employees of the National Office to be inserted here.

To the best of our knowledge and belief, only the following Officers held any of the following positions by virtue of their office of the Rail, Tram and Bus Union National Council are:

- a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

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

OFFICIAL	ORGANISATION
Bob Nanva	• Transport & Logistics Industry Skills Council - Director
Allan Barden	• Tracksafe Foundation - Director

6 Membership of the Union.

There were 31,069 members of the union as at 31st December 2015.

7 Employees of the National Office

As at 31 December 2015 the National Office employed 4 full time employees and 2 casual employees

8 Members of the National Executive


The following persons were members of the National Executive, during the year ending 31st December 2015;

Bob Nanva	National Secretary	01/01/2015 to 31/12/2015
Allan Barden	Assistant National Secretary	01/01/2015 to 31/12/2015
Phil Altieri	National President	01/12/2015 to 31/12/2015
James Styles	National Vice-President (Rail)	01/01/2015 to 31/12/2015
David Woollams	National Vice - President (Road)	01/01/2015 to 31/12/2015
Leanne Holmes	National Vice-President (Affirmative Action)	01/01/2015 to 31/12/2015
Alex Claassens	Branch Secretary – NSW	01/01/2015 to 31/12/2015
Luba Grigorovitch	Branch Secretary – Victoria	01/01/2015 to 31/12/2015
Samantha Simonetis	Branch Secretary – Tasmania	01/01/2015 to 31/12/2015
Owen Doogan	Branch Secretary – Queensland	01/01/2015 to 31/12/2015
Darren Phillips	Branch Secretary - SA&NT	01/01/2015 to 31/12/2015
Phillip Woodcock	Branch Secretary – WA	01/01/2015 to 31/12/2015
Paul Robinson	Branch Secretary- WA PTA Branch	03/12/2015 to 31/12/2015
John Curley	Assistant National Secretary Rail Operations	01/01/2015 to 31/12/2015
Greg Tatnell	Assistant National Secretary Fleet Manufacture, Overhaul, Maintenance and Service	01/01/2015 to 31/12/2015
Ross Schimke	Assistant National Secretary Infrastructure	01/01/2015 to 31/12/2015
Gary Way	Assistant National Secretary Tram and Bus	01/01/2015 to 10/12/2015
Grant Wainwright	Assistant National Secretary Administrative, Supervisory, Technical and Professional	01/01/2015 to 31/12/2015
Keith McMahon	Assistant National Secretary Locomotive	01/01/2015 to 31/12/2015
Tom Brown	QLD Branch Delegate	01/01/2015 to 31/12/2015
Peter Allen	QLD Branch Delegate	01/01/2015 to 31/12/2015
Michael Cartwright	NSW Branch Delegate	01/01/2015 to 31/12/2015
Chris Preston	NSW Branch Delegate	01/01/2015 to 31/12/2015
Robert Hayden	NSW Branch Delegate	01/01/2015 to 31/12/2015
John Anderson	Vic Branch Delegate	01/01/2015 to 31/12/2015
Darren Galea	Vic Branch Delegate	01/01/2015 to 31/12/2015

ALLAN BARDEN

ASSISTANT NATIONAL SECRETARY

Dated:



12th August 2016

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

FOR THE YEAR ENDED 31 DECEMBER 2015

COMMITTEE OF MANAGEMENT STATEMENT

On 12/08/2016, 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 2015.

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission (FWC);
- (c) the financial statements and notes give a fair view of the financial performance, financial position and cash flows of National Office 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 "Fair Work (RO) Act 2009"; 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 General Manager of FWC under section 272 of the "Fair Work (RO) Act 2009"; and
 - (vi) no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the "Fair Work (RO) Act 2009".
- (f) The National Office 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.

Signed 12/08/2016 by Allan Barden in accordance with such resolution as is passed by the committee of management.


ALLAN BARDEN
Assistant National Secretary

Dated: 12/08/2016

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
REVENUE			
Capitation Fees	2A	1,926,949	1,968,220
Affiliation Fees	2B	101,075	97,357
Levies	2C	27,250	22,656
Investment Income	2D	32,412	20,174
Rent Received	2E	94,650	81,273
Sponsorship		33,424	-
Profit on Asset Disposal	2F	-	11,000
Other Income		44,465	16,880
TOTAL REVENUE		2,260,225	2,217,560
EXPENSES			
Employee Expenses	3A	826,191	815,667
Affiliation Fees	3B	148,668	123,897
Administration Expenses	3C	829,993	568,127
Grants or Donations	3D	2,870	12,490
Depreciation and Amortisation	10 & 11	30,745	31,584
Legal Costs	3E	161,868	292,425
Audit Fees	18	15,450	31,813
Other Expenses	3G	58,709	69,717
Loss on Asset Disposal	3F	1,229	-
TOTAL EXPENSES		2,075,723	1,945,720
PROFIT FOR THE YEAR		184,502	271,840
OTHER COMPREHENSIVE INCOME			
		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		184,502	271,840

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,697,645	3,730,713
Receivables	5	247,607	337,611
Financial Assets	6	2,114,111	-
Other	7	32,012	45,836
TOTAL CURRENT ASSETS		<u>4,091,375</u>	<u>4,114,160</u>
NON CURRENT ASSETS			
Financial Assets	8	20	20
Investment Property	9	3,900,000	3,900,000
Plant & Equipment	10	149,348	141,848
Intangible Assets	11	59,828	4,767
TOTAL NON CURRENT ASSETS		<u>4,109,196</u>	<u>4,046,635</u>
TOTAL ASSETS		<u>8,200,571</u>	<u>8,160,795</u>
CURRENT LIABILITIES			
Trade and other payables	12	134,332	374,815
Provisions	13	463,170	301,851
Income in Advance	14	13,439	79,001
TOTAL CURRENT LIABILITIES		<u>610,941</u>	<u>755,668</u>
TOTAL LIABILITIES		<u>610,941</u>	<u>755,667</u>
NET ASSETS		<u>7,589,630</u>	<u>7,405,128</u>
ACCUMULATED SURPLUS			
Reserves		-	907,539
Accumulated Surplus		<u>7,589,630</u>	<u>6,497,589</u>
ACCUMULATED SURPLUS		<u>7,589,630</u>	<u>7,405,128</u>

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2014	6,225,749	907,539	7,133,288
Surplus for the Year	<u>271,840</u>	<u>-</u>	<u>271,840</u>
Balance at 31 December 2014	<u>6,497,589</u>	<u>907,539</u>	<u>7,405,128</u>
Transfer from Reserve to Retained Earnings	907,539	(907,539)	-
Surplus for the Year	<u>184,502</u>	<u>-</u>	<u>184,502</u>
Balance at 31 December 2015	<u>7,589,630</u>	<u>-</u>	<u>7,589,630</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 CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 \$	2014 \$
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from other reporting units	5	2,305,465	2,591,963
Other Income		60,234	27,880
Payment to other reporting units		-	-
Payments to Suppliers and Employees		(2,310,937)	(1,733,580)
Rent Received		104,115	81,273
Interest Received		12,043	20,174
Net cash provided by operating activities	15	<u><u>170,920</u></u>	<u><u>987,710</u></u>
CASH FLOW FROM INVESTING ACTIVITIES			
Investment in Financial Assets		(2,100,000)	-
Payment for plant and equipment		(103,987)	(20,455)
Net cash used in investing activities		<u><u>(2,203,987)</u></u>	<u><u>(20,455)</u></u>
Net increase in cash and cash equivalents held		(2,033,067)	967,255
Cash and cash equivalents at the beginning of the year		3,730,713	2,763,458
Cash and cash equivalents at the end of the year	4	<u><u>1,697,645</u></u>	<u><u>3,730,713</u></u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board and the Fair Work (Registered Organizations) 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 report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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 still has obligation 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 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) 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

Accounting Policies (Con't)

(f) Investment Property

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.

(g) 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 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

	2015	2014
Website Development	2 to 3 years	2 to 3 years

(h) 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.

(i) 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.

(j) Leases

All lease payments are for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(k) Financial Instruments

Initial recognition and measurement

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

Financial instruments 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 recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

Financial Instruments (Con't)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial Liabilities

Non-derivative financial liabilities, (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired.

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

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(m) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(n) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from capitation fees and levies are accounted for on an accrual basis and are recorded as revenue in the year to which it relates.

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

Rental revenue from lease is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

(o) Gains - Sale of Assets

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

(p) 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

(q) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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Financial Instruments (Con't)

(r) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Union prior to the end of the financial year that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(s) 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.

(t) Adoption of new and revised accounting standards

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

AASB 9: Financial Instruments (December 2015) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

AASB 15: Revenue from Contracts with Customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

	2015	2014
	\$	\$
2 INCOME		
2A: Capitation Fees		
NSW Branch	833,670	858,781
QLD Branch	337,621	361,289
SA & NT Branch	80,909	85,840
VIC Branch	561,386	552,013
TAS Branch	19,821	16,624
WA Branch	93,542	93,674
	<u>1,926,949</u>	<u>1,968,220</u>
2B: Affiliation Fees		
NSW Branch	48,274	45,171
QLD Branch	20,730	21,527
SA & NT Branch	3,718	3,305
VIC Branch	22,186	22,033
TAS Branch	1,370	1,265
WA Branch	4,797	4,056
	<u>101,075</u>	<u>97,357</u>
2C: Levies		
NSW Branch	13,015	10,512
QLD Branch	5,589	5,010
SA & NT Branch	1,002	769
VIC Branch	5,981	5,127
TAS Branch	369	294
WA Branch	1,293	944
	<u>27,250</u>	<u>22,656</u>
2D: Investment Income		
Interest Received	12,713	20,174
Income & Gains on IFP	19,699	-
	<u>32,412</u>	<u>20,174</u>
2E: Rent Received		
Property at Redfern	94,650	81,273
	<u>94,650</u>	<u>81,273</u>
2F: Net Gains on Asset Disposal		
Motor Vehicles	-	11,000
	<u>-</u>	<u>11,000</u>

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	2015	2014
	\$	\$
3 EXPENSE		
3A: Employee Expenses		
Holders of Office:		
Wages and Salaries	249,828	248,562
Superannuation	12,137	11,781
Leave and Other Entitlements	92,745	49,194
Separation and Redundancies	-	-
Retirement Benefit Expenses	40,030	26,787
	<u>394,740</u>	<u>336,324</u>
Employees Other than Officeholders:		
Wages and Salaries	361,997	367,981
Superannuation	39,106	37,995
Leave and Other Entitlements	30,349	5,912
Separation and Redundancies	-	67,454
Other Employee Expenses	-	-
	<u>431,451</u>	<u>479,343</u>
	<u>826,191</u>	<u>815,667</u>
3B: Affiliation Fees		
ACTU	101,073	97,357
International Transport Workers Federation	22,751	20,239
Rail Industry Safety Standards Board	5,227	2,479
The Mckell Institute	7,690	3,822
Tracksafe	10,000	-
Union Aid Abroad	1,927	-
	<u>148,668</u>	<u>123,897</u>
3C: Administration Expenses		
Consideration to employers for payroll deductions	-	-
Compulsory Levies		
ACTU 2014 IR Levy	-	54,500
ACTU 2015 IR Levy	54,500	-
Fee/Allowances – Meeting and Conferences		
Attendance	2,636	7,655
Council Executive Expenses and Lost Time	99,372	11,732
Conference and Meeting Expenses	-	-
Accommodations	54,889	32,680
Airfares & Travelling Expenses	154,924	89,652
Conference and Meetings	65,873	14,770
National Executive	-	26,231
Accountancy	62,450	64,935
Bank Charges & Fees	6,693	2,967
Consultants	87,024	110,963
Property Expenses		
Building Expenses	39,639	9,528
Rates & Land Taxes	10,837	5,526
Rent Paid	80,410	80,410
Office Expenses		
General Expenses	56,659	3,561
Postage	3,758	1,285
Printing and Stationery	18,733	15,761
Subscription and Membership	8,193	9,949
Telephone	15,198	19,696
Website	8,207	6,327
	<u>829,993</u>	<u>588,127</u>
3D: Grants or Donations		
Grants	-	-
Donations		
Total paid that were \$1,000 or less	2,870	500
Total paid that exceeded \$1,000	-	11,990
	<u>2,870</u>	<u>12,490</u>
3E: Legal Costs		
Litigation	-	-
Other Legal Matters	161,868	292,425
	<u>161,868</u>	<u>292,425</u>
3F: Net Losses on Asset Disposal		
Motor Vehicles	1,229	-
	<u>1,229</u>	<u>-</u>

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EXPENSE (Con't)

	2015	2014
	\$	\$
3G: Other Expenses		
Campaigns	4,636	-
Fringe Benefit Tax	5,027	2,950
Fines	-	173
General Expense	6,848	2,419
Insurances – General	19,564	20,788
Interest	108	117
Motor Vehicle Expenses	17,974	11,116
Penalties - via RO Act or RO Regulations	-	-
Publications	-	800
Repairs and Maintenance	1,404	25,182
Staff Training	-	2,000
Badges & Other Items	3,149	4,172
	58,709	69,717

The following items have not occurred in the reporting periods:

Periodic or Membership Subscriptions
 Donations or Grants Received
 Capitation Fees Paid

4 CASH AND CASH EQUIVALENTS

Cash at Bank and on Deposit	1,697,645	3,730,713
	1,697,645	3,730,713

5 TRADE AND OTHER RECEIVABLES

Receivables from the Branches	206,431	330,094
Other Receivables	41,176	7,517
	247,607	337,611

Receivables from the Branches

	VIC	NSW	SA/NT	QLD	TAS	WA	TOTAL
<i>Opening Balance - Receivables</i>	57,970	12,422	10,500	217,080	2,091	30,031	330,094
<i>Opening Balance - Payment in Advance</i>	-	(79,001)	-	-	-	-	(79,001)
Amounts Charged to Branches							
Capitation Fees	617,525	917,037	89,000	371,383	21,803	102,897	2,119,645
Affiliation Fees	24,405	53,102	4,090	22,802	1,507	5,277	111,183
ACTU Levies	6,580	14,316	1,103	6,148	406	1,423	29,975
Total amounts charged to branches	648,509	984,455	94,193	400,333	23,716	109,597	2,260,803
Amount Received from Branches							
Capitation Fees	(613,977)	(852,818)	(90,605)	(490,584)	(19,379)	(68,205)	(2,135,567)
Affiliation Fees	(30,464)	(53,102)	(4,999)	(34,642)	(1,855)	(6,393)	(131,454)
ACTU Levies	(6,580)	(26,739)	(2,086)	-	(406)	(2,634)	(33,444)
Total amounts received from branches	(651,020)	(932,659)	(97,690)	(525,226)	(21,639)	(77,231)	(2,305,465)
Closing Balance 31/12/2015	55,460	(14,762)	7,002	92,188	4,167	62,397	206,431

6 FINANCIAL ASSETS - CURRENT

Cash Invested with Industry Fund Services	2,100,000	-
Income & Gains on IFP (Note 2D)	19,699	-
Management Fees	(5,588)	-
Investment with Industry Fund Services	2,114,111	-

7 OTHER CURRENT ASSETS

Prepayments	32,012	45,836
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8 FINANCIAL ASSETS - NON-CURRENT

Shares Encompass Credit Union	20	20
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9 INVESTMENT PROPERTY

Redfern Property – at Valuation	3,900,000	3,900,000
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The Investment Property's last valuation was dated 18 March, 2014. The property will be independently revalued in 2016.

The valuations were performed by Malcolm Craig, Registered Valuer No. 4173, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

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 \$94,650 (2014: \$81,273).

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INVESTMENT PROPERTY (Con't)

2015 **2014**
\$ **\$**

Direct expenses incurred in relation to the investment property that generated rental income during the year were \$44,651 (2014: \$29,617). 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 involved direct comparison techniques of comparable buildings

The fair value of investment property is included within Level 2 under the Fair Value Hierarchy – refer Note 19D.

10 PLANT & EQUIPMENT

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Plant and Equipment	99,368	185,222	60,081	344,691
Less: Accumulated Depreciation	(14,480)	(166,993)	(13,871)	(195,343)
	84,908	18,229	46,210	149,348

31 December 2014

	Leasehold Improvements	Plant & Equipment	Motor Vehicle	Total
Balance at Beginning of Year	94,162	30,496	19,447	144,106
Additions/Revaluation	-	-	20,455	20,455
Disposals/Reclassification	-	-	-	-
Depreciation	(4,785)	(9,379)	(8,550)	(22,714)
<i>Carrying Amount at End of Year</i>	89,377	21,119	31,352	141,848

31 December 2015

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Balance at Beginning of Year	89,377	21,119	31,352	141,848
Additions/Revaluation	-	2,725	39,625	42,351
Disposals/Reclassification	-	-	(13,957)	(13,957)
Depreciation	(4,469)	(5,616)	(10,810)	(20,895)
<i>Carrying Amount at End of Year</i>	84,908	18,229	46,210	149,348

i1 INTANGIBLE ASSETS

Website Development		78,547	13,637
Less: Accumulated Amortisation		(18,719)	(8,870)
		59,828	4,767

Balance at Beginning of Year		4,767	13,637
Additions		64,910	-
Disposals		-	-
Amortisation		(9,849)	(8,870)
<i>Carrying Amount at End of Year</i>		59,828	4,767

12 ACCOUNTS PAYABLE

Consideration to Employers for Payroll Deductions			-
Payable to the Branches			-
NSW Branch		2,993	8,383
TAS Branch		-	-
QLD Branch		2,133	5,842
WA Branch		-	-
SA Branch		-	786
Trade Creditors		9,815	67,035
Legal Cost - Other Legal Matters (Litigation \$0)		35,725	35,580
Other Payable		83,667	257,189
		134,332	374,815

13 PROVISIONS

Officeholders:			
Provision for Annual Leave		145,933	111,847
Provision for Long Service Leave		92,428	33,977
Provision for ADO		38,866	38,658
Provision for Retirement Benefits		42,438	2,408
Provision for Separations and Redundancies		-	-
		319,665	186,890
Employees Other than Officeholders:			
Provision for Annual Leave		82,739	67,621
Provision for Long Service Leave		40,079	28,281
Provision for ADO		20,688	19,058
Provision for Separations and Redundancies		-	-
		143,505	114,961
		463,170	301,851

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NOTES TO THE FINANCIAL STATEMENTS
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PROVISIONS (Con't)

	2015 \$	2014 \$		
Movement during the Year:				
	Annual Leave	Long Service Leave	ADO	Retirement
Benefits Balance at the Beginning of the Year	179,468	62,258	57,717	2,408
Increase/(Decrease) in Provision	49,202	70,248	1,837	40,031
Balance at the End of Year	<u>228,670</u>	<u>132,506</u>	<u>59,554</u>	<u>42,439</u>

14 INCOME IN ADVANCE

Capitation Fees in Advance - RTBU NSW	<u>13,439</u>	<u>79,001</u>
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15 CASH FLOW INFORMATION

Reconciliation of cash flow from operations

Profit	184,502	271,840
<i>Adjustments for non-cash items:</i>		
Depreciation	30,745	31,584
Loss/(Gain) on disposal of plant and equipment	1,229	(11,000)
(Gain) on Financial Asset	(14,111)	-
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	103,827	294,624
(Decrease)/Increase in payables	(231,030)	318,769
Increase in provision	95,756	81,893
Net cash flows from operations	<u>170,920</u>	<u>987,710</u>

16 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 -

Present Value at the Beginning of the Year	904,658	757,638
Current Service Cost	6,046	5,654
Interest Cost	29,721	30,012
Contributions by Funds Participants	3,881	3,362
Actuarial Gains	70,890	126,402
Benefits Paid	(139,137)	(17,457)
Taxes, Premiums & Expenses Paid	3	(953)
<i>Present Value at the End of the Year</i>	<u>876,062</u>	<u>904,658</u>

Fair Value at the Beginning of the Year	902,250	827,769
Interest Income	29,651	31,835
Actual Return	36,974	55,672
Employer Contributions	-	1,514
Contributions by Funds Participant	3,881	3,249
Benefits (Paid) Transferred In	(139,137)	(16,868)
Taxes, Premiums & Expenses Paid	3	(921)
<i>Fair Value at the End of the Year</i>	<u>833,622</u>	<u>902,250</u>

Reconciliation of assets and liabilities recognised in the Statement of Financial Position -

Present Value of Funded Defined Benefit Obligations	876,062	904,658
Fair Value of Fund Assets at End of Year	(833,622)	(902,250)
Adjustment for Effect of Asset Ceiling	-	-
Net (Asset)/Liability Recognised in the Statement of Financial Position	<u>42,438</u>	<u>2,408</u>

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

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RETIREMENT BENEFITS OBLIGATIONS (Con't)

	2015 %	2014 %
Australian Equities	24	26.9
Overseas Equities	31.4	30.5
Australian Fixed Interest	6.7	6.7
Overseas Fixed Interest	2.1	2.5
Property	8.7	8.8
Cash	7.5	7.2
Other	19.6	17.4

All fund assets are invested by STC 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-15
Discount rate	2.9% pa
Salary increase rate (excluding promotional increases)	2.5% 2015/2016 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.5% pa thereafter
Rate of CPI increase	2.25% 2015/2016; 2.75% 2016/2017; 2.50% pa thereafter

17 RELATED PARTY DISCLOSURES

17A: RELATED PARTY TRANSACTIONS

	VIC	NSW	SA/NT	QLD	TAS	WA
Revenue Received from						
Capitation Fees	558,160	775,289	82,368	445,985	17,617	62,004
Affiliation Fees	27,694	48,274	4,545	31,493	1,686	5,811
ACTU Levies	5,981	24,308	1,896	-	369	2,394
	<u>591,836</u>	<u>847,872</u>	<u>88,809</u>	<u>477,478</u>	<u>19,672</u>	<u>70,210</u>
Amount owed by						
	55,459	-	7,003	92,187	4,167	62,396
	<u>55,459</u>	<u>-</u>	<u>7,003</u>	<u>92,187</u>	<u>4,167</u>	<u>62,396</u>
Amount owed to						
	-	14,783	-	-	-	-
	<u>-</u>	<u>14,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17B: KEY MANAGEMENT PERSONNEL REMUNERATION

Short-Term Employee Benefit		
Salary (including annual leave taken)	249,206	248,562
Annual Leave Accrued	132,609	111,847
ADO Accrued	38,866	38,658
	<u>420,681</u>	<u>399,067</u>
Post-Employment Benefits		
Superannuation	12,111	11,781
Retirement Benefit Accrued	42,438	2,408
	<u>54,549</u>	<u>14,189</u>
Other Long-Term Benefits:		
Long-Service Leave Accrued	92,428	33,977
	<u>92,428</u>	<u>33,977</u>
Total	<u>567,658</u>	<u>447,233</u>

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	2015	2014
	\$	\$
18 AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	15,450	25,038
- other services	-	6,775
	15,450	31,813

19 FINANCIAL INSTRUMENTS

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:

19A: Categories of Financial Instruments

Financial Assets

Cash and cash equivalents	1,697,645	3,730,713
Trade and other receivables	247,607	337,611
Other financial assets	2,114,111	-
Carrying amount of financial assets	4,059,363	4,068,324

Financial Liabilities

Financial liabilities at amortised cost		
Trade and other payables	134,332	374,815
Carrying amount of financial liabilities	134,332	374,815

19B: 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.

19C: 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	12,713	20,174
Income & Gains on IFP	19,699	-
Net gain from cash and receivables	32,412	20,174

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 2014

	Fixed Interest	Floating	Non Interest	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	96,266	3,634,439	8	3,730,713
Receivables	-	-	337,611	337,611
	96,266	3,634,439	337,619	4,068,324

Weighted Average Interest Rate 0.8%

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(a) Interest Rate Risk (Con't)

31 December 2015

	Fixed Interest	Floating	Non Interest	Total
	\$	\$	\$	\$
Cash and Cash Equivalents	101,668	1,596,098	(121)	1,697,645
Financial Assets	-	2,114,111	-	2,114,111
Receivables	-	-	247,607	247,607
	<u>101,668</u>	<u>3,710,209</u>	<u>247,486</u>	<u>4,059,363</u>

Weighted Average Interest Rate 0.9%

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 2014	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	18,654	18,654

Sensitivity analysis of the risk that the Union is exposed to for 2015	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	19,059	19,059

(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.

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 2014

	On Demand	< 1 year	1- 2 years	2- 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Accounts payable (excluding leave provisions)	374,815	-	-	-	-	374,815
Total expected outflows	374,815	-	-	-	-	374,815

Contractual maturities for financial liabilities 2015

	On Demand	< 1 year	1- 2 years	2- 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Accounts payable (excluding leave provisions)	134,332	-	-	-	-	134,332
Total expected outflows	134,332	-	-	-	-	134,332

Contractual maturities for financial assets 2014

	On Demand	< 1 year	1- 2 years	2- 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable						
Cash and cash equivalents	3,689,744	40,969	-	-	-	3,730,713
Trade and other receivables	337,611	-	-	-	-	337,611
Financial assets	-	-	-	-	-	-
Total expected inflows	4,027,355	40,969	-	-	-	4,068,324

Contractual maturities for financial assets 2015

	On Demand	< 1 year	1- 2 years	2- 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable						
Cash and cash equivalents	1,651,274	46,371	-	-	-	1,697,645
Trade and other receivables	247,607	-	-	-	-	247,607
Financial assets	2,114,111	-	-	-	-	2,114,111
Total expected inflows	4,012,992	46,371	-	-	-	4,059,363

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

19C: Specific financial risk exposures and management (Con't)

(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 2015 and 31 December 2014 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-.

Ageing of financial assets that were past due but not impaired for 2014

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	149,354	25,123	63,933	99,201	337,611

Ageing of financial assets that were past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	150,506	29,305	-	67,796	247,607

19D: 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

(a) Fair Value Hierarchy (Con't)

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, 2014	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				-
<i>Non-financial assets</i>				-
Investment property	-	3,900,000	-	3,900,000
Total non-financial assets recognised at FV	-	3,900,000	-	3,900,000
31 December, 2015	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Recurring fair value measurements				-
<i>Non-financial assets</i>				-
Investment property	-	3,900,000	-	3,900,000
Total non-financial assets recognised at FV	-	3,900,000	-	3,900,000

Description	Fair Value at 31-Dec 2015	Valuation technique	Inputs used
Investment property	3,900,000	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 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.

20 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 General Manager:

- (1) A member of a reporting unit, or the General Manager, 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).

21 REGISTERED OFFICE

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

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

22 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.

23 GOING CONCERN

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

24 FINANCIAL SUPPORT

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

25 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

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

**Report to the Members of Australian Rail, Tram and Bus Industry Union
National Office**

We have audited the accompanying financial report of Australian Rail, Tram and Bus Industry Union National Office which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the committee of management statement.

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

Responsibility of the Committee of Management for the financial report

The committee of management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies, the Fair Work (Registered Organisations) Act 2009.

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

Auditor's Opinion

As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

In our opinion the financial report of the Australian Rail, Tram and Bus Industry Union National Office is in accordance with the Fair Work (Registered Organisations) Regulations 2009, including:

- i. giving a true and fair view of the entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purpose of section 253, the following declarations are made in reference to the auditor, Mr Graham Webb:

- i. is a Registered Company Auditor (approved auditor) and a Partner of Hall Chadwick Chartered Accountants.
- ii. is a member of the Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

GRAHAM WEBB
Partner

12 August 2016