



6 July 2017

Mr Allan Barden  
Assistant National Secretary  
Australian Rail, Tram and Bus Industry Union

By email: [abarden@rtbu.org.au](mailto:abarden@rtbu.org.au)

Dear Mr Barden,

**Australian Rail, Tram and Bus Industry Union, National Office - Financial Report for the year ended 31 December 2016 - [FR2016/417]**

I acknowledge receipt of the financial report of the National Office of the Australian Rail, Tram and Bus Industry Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 23 June 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next financial report. Please note that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

Reports must be provided to members within 5 months of end of financial year where report is presented before Committee of Management meeting

The Designated Officer's Certificate states that the financial report was provided to members on 2 June 2017 and presented to a committee of management meeting on 21 June 2017. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of the end of the financial year. In the reporting unit's case, this means by no later than 31 May.

Please note that in future financial years if an extension of time is required, a written request, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 5 month period.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it

will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**From:** Allan Barden [<mailto:abarden@rtbu.org.au>]  
**Sent:** Friday, 23 June 2017 11:04 AM  
**To:** ROC - Registered Org Commission  
**Subject:** ON CMS FR2016/417 ARTBIU NAT For Year Ended 31st December 2016

[FR2016/417](#)

To General Manager  
Registered Organisations Commission,

Subject:- Lodgement of Financial Statements and Accounts - Australian Rail, Tram and Bus Industry Union - for year ended 31 December 2016

Please find attached the RTBU lodgement of Financial Statements and Accounts for year ended 31/12/2016 and the Prescribed Officers Certificate.

*Regards*



**Allan Barden** Assistant National Secretary

**Rail, Tram & Bus Union Australia** **The Power of Union**  
Office: Lvl 2, Trades Hall, 4-10 Goulburn Street, Sydney NSW 2000  
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Prescribed Officer  
Certificate.pdf



Financial Report -  
Australian Rail, Tram

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION**

**NATIONAL OFFICE**

**ABN 28 921 128 419**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

**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**  
**ABN 28 921 128 419**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

This Operating Report covers:

- < the activities of the Australian Rail, Tram & Bus Industry Union, National Office, for the financial year ended 31<sup>st</sup> December 2016,
- < 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. ("RO Act")

**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:

<b>ACTIVITIES</b>
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 2016:
  - Alterations to the Federally Registered Uniform Rules of the Rail Tram and Bus Industry Union were, Rule 156 and 161.
  - A new rule was inserted, Rule 171 A.

**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.

**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*).

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- (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.

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 29,521 members of the union as at 31st December 2016.

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

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**7 Employees of the National Office**

As at 31 December 2016 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 31<sup>st</sup> December 2016;

Bob Nanva	National Secretary	01/01/2016 to 31/12/2016
Allan Barden	Assistant National Secretary	01/01/2016 to 31/12/2016
Phil Altieri	National President	01/12/2016 to 31/12/2016
James Styles	National Vice-President (Rail)	01/01/2016 to 31/12/2016
David Woolfams	National Vice - President (Road)	01/01/2016 to 31/12/2016
Leanne Holmes	National Vice-President (Affirmative Action)	01/01/2016 to 31/12/2016
Alex Claassens	Branch Secretary – NSW	01/01/2016 to 31/12/2016
Luba Grigorovitch	Branch Secretary – Victoria	01/01/2016 to 31/12/2016
Samantha Simonetis	Branch Secretary – Tasmania	01/01/2016 to 31/12/2016
Owen Doogan	Branch Secretary – Queensland	01/01/2016 to 31/12/2016
Darren Phillips	Branch Secretary - SA&NT	01/01/2016 to 31/12/2016
Phillip Woodcock	Branch Secretary – WA	01/01/2016 to 31/12/2016
Paul Robinson	Branch Secretary- WA PTA Branch	03/12/2016 to 31/12/2016
John Curley	Assistant National Secretary Rail Operations	01/01/2016 to 31/12/2016
Greg Tatnell	Assistant National Secretary Fleet Manufacture, Overhaul, Maintenance and Service	01/01/2016 to 31/12/2016
Ross Schimke	Assistant National Secretary Infrastructure	01/01/2016 to 31/12/2016
Chris Preston	Assistant National Secretary Tram and Bus	01/01/2016 to 10/12/2016
Grant Wainwright	Assistant National Secretary Administrative, Supervisory, Technical and Professional	01/01/2016 to 31/12/2016
Keith McMahon	Assistant National Secretary Locomotive	01/01/2016 to 31/12/2016
Tom Brown	QLD Branch Delegate	01/01/2016 to 31/12/2016
Peter Allen	QLD Branch Delegate	01/01/2016 to 31/12/2016
Michael Cartwright	NSW Branch Delegate	01/01/2016 to 31/12/2016
VACANT	NSW Branch Delegate	01/01/2016 to 31/12/2016
Robert Hayden	NSW Branch Delegate	01/01/2016 to 31/12/2016
John Anderson	Vic Branch Delegate	01/01/2016 to 31/12/2016
Darren Galea	Vic Branch Delegate	01/01/2016 to 31/12/2016

ALLAN BARDEN

ASSISTANT NATIONAL SECRETARY

Dated: 23.5.2017





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

**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

On 23<sup>rd</sup> ~ 2017, 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 2016.

- (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;
- (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 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 General Manager of FWC 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.
- (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 23<sup>rd</sup> ~ 2017 by Allan Barden in accordance with such resolution as is passed by the committee of management.



ALLAN BARDEN  
Assistant National Secretary

Dated: 23<sup>rd</sup> ~ 2017

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>REVENUE</b>			
Capitation Fees	2A	1,939,717	1,926,949
Affiliation Fees	2B	155,325	101,075
Levies	2C	-	27,250
Investment Income	2D	91,632	32,412
Rent Received	2E	104,400	94,650
Sponsorship		-	33,424
Gain on revaluation of investment property	9	1,600,000	-
Other Income		25,789	44,465
<b>TOTAL REVENUE</b>		<u>3,916,863</u>	<u>2,260,225</u>
<b>EXPENSES</b>			
Employee Expenses	3A	774,076	826,191
Affiliation Fees	3B	198,277	148,668
Administration Expenses	3C	543,735	829,993
Grants or Donations	3D	48,951	2,870
Depreciation and Amortisation	10 & 11	49,598	30,745
Legal Costs	3E	135,906	161,868
Audit Fees	19	19,225	15,450
Other Expenses	3G	198,244	58,709
Loss on Asset Disposal	3F	-	1,229
<b>TOTAL EXPENSES</b>		<u>1,968,012</u>	<u>2,075,723</u>
<b>PROFIT FOR THE YEAR</b>		<u>1,948,851</u>	<u>184,502</u>

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	2,342,787	1,697,645
Receivables	5	102,967	247,607
Financial Assets	6	2,181,610	2,114,111
Other	7	42,376	32,012
<b>TOTAL CURRENT ASSETS</b>		<b>4,669,740</b>	<b>4,091,375</b>
<b>NON CURRENT ASSETS</b>			
Financial Assets	8	20	20
Investment Property	9	5,500,000	3,900,000
Plant & Equipment	10	137,523	149,348
Intangible Assets	11	30,379	59,828
<b>TOTAL NON CURRENT ASSETS</b>		<b>5,667,922</b>	<b>4,109,196</b>
<b>TOTAL ASSETS</b>		<b>10,337,662</b>	<b>8,200,571</b>
<b>CURRENT LIABILITIES</b>			
Trade and other Payables	12	170,570	134,332
Provisions	13	452,783	463,170
Income in Advance	14	175,828	13,439
<b>TOTAL CURRENT LIABILITIES</b>		<b>799,181</b>	<b>610,941</b>
<b>TOTAL LIABILITIES</b>		<b>799,181</b>	<b>610,941</b>
<b>NET ASSETS</b>		<b>9,538,481</b>	<b>7,589,630</b>
<b>ACCUMULATED SURPLUS</b>			
Accumulated Surplus		<b>9,538,481</b>	<b>7,589,630</b>
<b>ACCUMULATED SURPLUS</b>		<b>9,538,481</b>	<b>7,589,630</b>

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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	Retained Surplus \$	Revaluation Reserve \$	Total \$
Balance at 1 January 2015	15	6,497,589	907,539	7,405,128
Transfer from Reserve to Retained Earnings		907,539	(907,539)	-
Profit for the Year		<u>184,502</u>	-	<u>184,502</u>
Balance at 31 December 2015		<u>7,589,630</u>	<u>-</u>	<u>7,589,630</u>
Profit for the Year		<u>1,948,851</u>	-	<u>1,948,851</u>
Balance at 31 December 2016		<u>9,538,481</u>	<u>-</u>	<u>9,538,481</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**  
**ABN 28 921 128 419**

**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Receipts from other reporting units	5	2,305,832	2,305,465
Other Income		28,368	60,234
Payment to other reporting units		-	-
Payments to Suppliers and Employees		(1,886,373)	(2,310,937)
Rent Received		114,840	104,115
Interest Received		91,633	12,043
<b>Net cash provided by operating activities</b>	<b>16</b>	<u>654,300</u>	<u>170,920</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Investment in Financial Assets		-	(2,100,000)
Payment for plant and equipment		(9,158)	(103,987)
<b>Net cash used in investing activities</b>		<u>(9,158)</u>	<u>(2,203,987)</u>
<b>Net increase in cash and cash equivalents held</b>		645,142	(2,033,067)
<b>Cash and cash equivalents at the beginning of the year</b>		1,697,645	3,730,713
<b>Cash and cash equivalents at the end of the year</b>	<b>4</b>	<u>2,342,787</u>	<u>1,697,645</u>

**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 2016**

**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 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 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.

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**Accounting Policies (Con't)**

**(f) Investment Property**

Investment property comprises investment interests in land and building (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 building comprising the investment property is 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.

**(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:

	2016	2015
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.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**(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.

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**Financial Instruments (Con't)**

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.

**(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.



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**Financial Instruments (Con't)**

**(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 disclosed as operating cash flows within receipts from customers or payments to suppliers.

**(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-current assets.

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.

**(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 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).**

These standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the union on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items.

The committee of management do not anticipate that the adoption of AASB 9 will impact the Union's financial statements.

**AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018).**

When effective, this standard will replace the current accounting requirements applicable to revenue with a single principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential.

The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

The committee of management do not anticipate that the adoption of AASB 15 will impact the Union's financial statements.

**AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).**

This Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases and related Interpretations*. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospect application as an adjustment to opening equity on the date of initial application

The committee of management do not anticipate that the adoption of AASB 16 will impact the Union's financial statements.

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		2016	2015
		\$	\$
<b>2</b>	<b>INCOME</b>		
	<b>2A: Capitation Fees</b>		
	NSW Branch	823,760	833,670
	QLD Branch	353,022	337,621
	SA & NT Branch	74,612	80,909
	VIC Branch	565,600	561,386
	TAS Branch	20,478	19,821
	WA Branch	102,245	93,542
		<u>1,939,717</u>	<u>1,926,949</u>
	<b>2B: Affiliation Fees</b>		
	NSW Branch	71,918	48,274
	QLD Branch	31,755	20,730
	SA & NT Branch	5,374	3,718
	VIC Branch	37,067	22,186
	TAS Branch	1,981	1,370
	WA Branch	7,231	4,797
		<u>155,325</u>	<u>101,075</u>
	<b>2C: Levies</b>		
	NSW Branch	-	13,015
	QLD Branch	-	5,589
	SA & NT Branch	-	1,002
	VIC Branch	-	5,981
	TAS Branch	-	369
	WA Branch	-	1,293
		<u>-</u>	<u>27,250</u>
	<b>2D: Investment Income</b>		
	Interest Received	9,451	12,713
	Income & Gains on IFP	82,181	19,699
		<u>91,632</u>	<u>32,412</u>
	<b>2E: Rent Received</b>		
	Property at Redfern	104,400	94,650
		<u>104,400</u>	<u>94,650</u>
<b>3</b>	<b>EXPENSES</b>		
	<b>3A: Employee Expenses</b>		
	Holders of Office:		
	Wages and Salaries	294,524	249,828
	Superannuation	15,493	12,137
	Leave and Other Entitlements	27,745	92,745
	Separation and Redundancies	-	-
	Retirement Benefit Expenses	(63,750)	40,030
		<u>274,012</u>	<u>394,740</u>
	Employees Other than Officeholders:		
	Wages and Salaries	423,196	361,997
	Superannuation	46,498	39,106
	Leave and Other Entitlements	30,370	30,349
	Separation and Redundancies	-	-
	Other Employee Expenses	-	-
		<u>500,064</u>	<u>431,451</u>
		<u>774,076</u>	<u>826,191</u>
	<b>3B: Affiliation Fees</b>		
	ACTU	155,325	101,073
	International Transport Workers Federation	24,332	22,751
	Rail Industry Safety Standards Board	4,880	5,227
	The Mckell Institute	5,625	7,690
	Law Society of NSW	1,050	-
	Tracksafe	5,000	10,000
	Union Aid Abroad	2,066	1,927
		<u>198,277</u>	<u>148,668</u>
	<b>3C: Administration Expenses</b>		
	Consideration to employers for payroll deductions	-	-
	Compulsory Levies		
	ACTU 2015 IR Levy	-	54,500
	ACTU 2016 IR Levy	-	-
	Fee/Allowances – Meeting and Conferences		
	Attendance	269	2,636
	Council Executive Expenses and Lost Time	15,015	99,372
	Conference and Meeting Expenses		
	Accommodations	52,930	54,889
	Airmiles & Travelling Expenses	136,007	154,924
	Conference and Meetings	22,548	65,873
	National Executive	-	-
	Accountancy	63,904	62,450
	Advertising	3,724	-
	Bank Charges & Fees	14,229	6,693
	Consultants	40,282	87,024
	Property Expenses		
	Building Expenses	22,327	39,639
	Rates & Land Taxes	10,677	10,837
	Rent Paid	83,600	80,410

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**3C: ADMINISTRATION EXPENSES (Con't)**

	2016	2015
	\$	\$
Office Expenses		
General Expenses	15,622	56,659
Postage	2,005	3,758
Printing and Stationery	27,488	18,733
Subscription and Membership	8,435	8,193
Telephone	16,881	15,198
Website	7,792	8,207
	<u>543,735</u>	<u>829,993</u>
<b>3D: Grants or Donations</b>		
Grants	-	-
Donations		
Total paid that were \$1,000 or less	2,760	2,870
Total paid that exceeded \$1,000	46,191	-
	<u>48,951</u>	<u>2,870</u>
<b>3E: Legal Costs</b>		
Litigation	91,238	-
Other Legal Matters	44,668	161,868
	<u>135,906</u>	<u>161,868</u>
<b>3F: Net Losses on Asset Disposal</b>		
Motor Vehicles	-	1,229
	<u>-</u>	<u>1,229</u>
<b>3G: Other Expenses</b>		
Campaigns	12,323	4,636
Fringe Benefit Tax	5,855	5,027
Fines	-	-
General Expense	10,711	6,848
Insurances – General	20,833	19,564
Interest	210	108
Motor Vehicle Expenses	16,299	17,974
Penalties - via RO Act or RO Regulations	-	-
Repairs and Maintenance	8,170	1,404
Badges & Other Items	-	3,149
Doubtful Debt Expenses	123,843	-
	<u>198,244</u>	<u>58,709</u>

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	2,342,787	1,697,645
	<u>2,342,787</u>	<u>1,697,645</u>

**5 TRADE AND OTHER RECEIVABLES**

Receivables from the Branches	225,553	221,214
Other Receivables	1,257	26,393
Provision for doubtful debts (WA Branch)	(123,843)	-
	<u>102,967</u>	<u>247,607</u>

Receivables from the Branches

	VIC	NSW	SA/NT	QLD	TAS	WA	TOTAL
<i>Opening Balance - Receivables</i>	55,460	0	7,002	92,188	4,167	62,397	221,214
Amounts Charged to Branches							
Capitation Fees	622,160	906,137	82,073	388,324	22,526	112,470	2,133,690
Affiliation Fees	40,774	79,109	5,911	34,930	2,179	7,954	170,857
ACTU Levies	-	-	-	-	-	-	-
Other Reimbursements	295	5,330	-	-	-	-	5,625
<i>Total amounts charged to branches</i>	<u>663,229</u>	<u>990,576</u>	<u>87,984</u>	<u>423,254</u>	<u>24,705</u>	<u>120,424</u>	<u>2,310,172</u>
Amount Received from Branches							
Capitation Fees	(640,300)	(906,137)	(83,632)	(422,606)	(24,153)	(55,000)	(2,131,827)
Affiliation Fees	(40,774)	(79,109)	(5,911)	(34,930)	(2,179)	(3,978)	(166,881)
ACTU Levies	-	-	-	(7,124)	-	-	(7,124)
<i>Total amounts received from branches</i>	<u>(681,074)</u>	<u>(985,246)</u>	<u>(89,543)</u>	<u>(464,660)</u>	<u>(26,331)</u>	<u>(58,978)</u>	<u>(2,305,832)</u>
<i>Closing Balance 31/12/2016</i>	<u>37,615</u>	<u>5,330</u>	<u>5,444</u>	<u>50,782</u>	<u>2,540</u>	<u>123,843</u>	<u>225,553</u>

**6 FINANCIAL ASSETS - CURRENT**

Cash Invested with Industry Fund Services	2,114,111	2,100,000
Income & Gains on IFP (Note 2D)	82,181	19,699
Management Fees	(14,683)	(5,588)
Investment with Industry Fund Services	<u>2,181,610</u>	<u>2,114,111</u>

**7 OTHER CURRENT ASSETS**

Prepayments	<u>42,376</u>	<u>32,012</u>
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**8 FINANCIAL ASSETS - NON-CURRENT**

Shares Encompass Credit Union	<u>20</u>	<u>20</u>
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	2016	2015
	\$	\$
<b>9 INVESTMENT PROPERTY</b>		
Redfern Property – at Valuation	5,500,000	3,900,000

The investment property is measured at fair value, being the amounts 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 valuations on the investment property at 83-89 Renwick Street, Redfern, NSW was carried out by PJC Property Services, on 11th August 2016. The valuation determined a market value of \$5,500,000. The net revaluation gain on the property of \$1,600,000 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 \$104,400 (2015: \$94,650).

Direct expenses incurred in relation to the investment property that generated rental income during the year were \$21,799 (2015: \$44,651). 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.

**10 PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Plant and Equipment	99,388	193,548	60,081	353,017
Less: Accumulated Depreciation	(18,725)	(172,500)	(24,268)	(215,493)
	80,663	21,048	35,813	137,524

**MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT**

31 December 2015

	Leasehold Improvements	Plant & Equipment	Motor Vehicle	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

31 December 2016

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Balance at Beginning of Year	84,908	18,229	46,210	149,348
Additions/Revaluation	-	8,326	-	8,323
Disposals/Reclassification	-	-	-	-
Depreciation	(4,245)	(5,506)	(10,397)	(20,148)
<i>Carrying Amount at End of Year</i>	80,663	21,049	35,813	137,524

**11 INTANGIBLE ASSETS**

Website Development		78,547	78,547
Less: Accumulated Amortisation		(48,167)	(18,719)
		30,380	59,828
Balance at Beginning of Year		59,828	4,767
Additions		-	64,910
Disposals		-	-
Amortisation		(29,449)	(9,850)
<i>Carrying Amount at End of Year</i>		30,379	59,828

**12 ACCOUNTS PAYABLE**

Consideration to Employers for Payroll Deductions			
Payable to the Branches			
NSW Branch		5,359	2,993
TAS Branch		1,101	-
QLD Branch		12,540	2,133
WA Branch		-	-
SA Branch		-	-
Trade Creditors		26,588	9,815
Legal Cost - Other Legal Matters (Litigation \$0)		40,551	35,725
Other Payable		84,431	83,666
		170,570	134,332

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	2016	2015
	\$	\$
<b>13 PROVISIONS</b>		
Officeholders:		
Provision for Annual Leave	143,187	145,933
Provision for Long Service Leave	118,656	92,428
Provision for ADO	43,129	38,866
Provision for Retirement Benefits	(21,312)	42,438
Provision for Separations and Redundancies	-	-
	<u>283,660</u>	<u>319,665</u>
Employees Other than Officeholders:		
Provision for Annual Leave	98,373	82,739
Provision for Long Service Leave	51,409	40,079
Provision for ADO	19,340	20,688
Provision for Separations and Redundancies	-	-
	<u>169,123</u>	<u>143,505</u>
	<u>452,783</u>	<u>463,170</u>

Movement during the Year:

	Annual Leave	Long Service Leave	ADO	Retirement Benefits
Benefits Balance at the Beginning of the Year	228,672	132,507	59,554	42,438
Increase/(Decrease) in Provision	12,889	37,558	2,914	(63,750)
Balance at the End of Year	<u>241,560</u>	<u>170,065</u>	<u>62,469</u>	<u>(21,312)</u>

**14 INCOME IN ADVANCE**

Capitation Fees in Advance - RTBU NSW	<u>175,828</u>	<u>13,439</u>
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**15 EQUITY**

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

**16 CASH FLOW INFORMATION**

Reconciliation of cash flow from operations		
Profit	1,948,851	184,502
<i>Adjustments for non-cash items:</i>		
Depreciation	49,598	30,745
Loss/(Gain) on disposal of plant and equipment	-	1,229
(Gain) on Financial Asset	(67,499)	(14,111)
Gain on revaluation of investment property	(1,600,000)	-
<i>Changes in assets and liabilities:</i>		
Decrease in receivables	134,276	103,827
(Decrease)/Increase in payables	37,071	(231,030)
Increase in provisions	152,002	95,758
Net cash flows from operations	<u>654,299</u>	<u>170,920</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 -

Present Value at the Beginning of the Year	876,062	904,658
Opening PV adjustment	389,014	-
Current Service Cost	14,758	6,046
Interest Cost	37,226	29,721
Contributions by Funds Participants	3,942	3,881
Actuarial Gains	(51,645)	70,890
Benefits Paid	(192,441)	(139,137)
Taxes, Premiums & Expenses Paid	3	3
Present Value at the End of the Year	<u>1,076,919</u>	<u>876,062</u>

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**RETIREMENT BENEFITS OBLIGATIONS (Con't)**

	2016	2015
	%	%
Fair Value at the Beginning of the Year	833,622	902,250
Opening FV adjustment	333,237	-
Interest Income	29,651	29,651
Actual Return	36,974	36,974
Employer Contributions	-	-
Contributions by Funds Participant	3,881	3,881
Benefits (Paid) Transferred In	(139,137)	(139,137)
Taxes, Premiums & Expenses Paid	3	3
<i>Fair Value at the End of the Year</i>	<u>1,098,231</u>	<u>833,622</u>

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

Present Value of Funded Defined Benefit Obligations	1,076,919	876,062
Fair Value of Fund Assets at End of Year	(1,098,231)	(833,622)
Adjustment for Effect of Asset Ceiling	-	-
Net (Asset)/Liability Recognised in the Statement of Financial Position	<u>(21,312)</u>	<u>42,440</u>

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

Australian Equities	25	24
Overseas Equities	31	31.4
Australian Fixed Interest	5.6	6.7
Overseas Fixed Interest	1.9	2.1
Property	9	8.7
Cash	5.7	7.5
Other	22	19.6

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-16
Discount rate	2.78% pa
Salary increase rate (excluding promotional increases)	2.50% 2016/2017 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00% pa 2021/2022 to 2025/2026; 3.50% pa thereafter
Rate of CPI increase	1.75% 2016/2017; 2.25% 2017/2018; 2.50% pa thereafter

**18 RELATED PARTY DISCLOSURES**

**18A: RELATED PARTY TRANSACTIONS**

Revenue Received from	VIC	NSW	SA/NT	QLD	TAS	WA
Capitation Fees	582,091	823,760	76,029	384,187	21,957	50,000
Affiliation Fees	37,067	71,918	5,374	31,755	1,981	3,617
ACTU Levies	-	-	-	6,477	-	-
	<u>619,158</u>	<u>895,678</u>	<u>81,403</u>	<u>422,418</u>	<u>23,938</u>	<u>53,617</u>
Amount owed by	37,615	5,330	5,444	50,782	2,540	123,843
	<u>37,615</u>	<u>5,330</u>	<u>5,444</u>	<u>50,782</u>	<u>2,540</u>	<u>123,843</u>
Income in advance	-	175,828	-	-	-	-
	<u>-</u>	<u>175,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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**18A: RELATED PARTY TRANSACTIONS (Con't)**

	2016 \$	2015 \$
<b>18B: KEY MANAGEMENT PERSONNEL REMUNERATION</b>		
Short-Term Employee Benefit		
Salary (including annual leave taken)	294,524	249,206
Annual Leave Accrued	143,187	132,609
ADO Accrued	43,129	38,866
Performance Bonus	-	-
	480,841	420,681
Post-Employment Benefits		
Superannuation	15,493	12,111
Retirement Benefit Accrued	(21,312)	42,438
	(5,819)	54,549
Other Long-Term Benefits:		
Long-Service Leave Accrued	118,656	92,428
	118,656	92,428
<b>Total</b>	<b>593,677</b>	<b>567,658</b>

**19 AUDITORS' REMUNERATION**

Remuneration of the auditor for:		
- auditing or reviewing the financial report	19,225	15,450
- other services	-	-
	19,225	15,450

**20 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:

**20A: Categories of Financial Instruments**

*Financial Assets*

Cash and cash equivalents	2,342,787	1,697,645
Trade and other receivables	226,810	247,607
Other financial assets	2,181,610	2,114,111
<b>Carrying amount of financial assets</b>	<b>4,751,207</b>	<b>4,059,363</b>

*Financial Liabilities*

Financial liabilities at amortised cost		
Trade and other payables	170,570	134,332
<b>Carrying amount of financial liabilities</b>	<b>170,570</b>	<b>134,332</b>

**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	9,451	12,713
Income & Gains on IFP	82,181	19,699
<b>Net gain from cash and receivables</b>	<b>91,632</b>	<b>32,412</b>

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 2015

	Fixed Interest Rate \$	Floating Interest Rate \$	Non Interest \$	Total \$
Financial Assets	570,187	(1,065,344)	(121)	(495,278)
Receivables	-	2,181,610	-	2,181,610
	570,187	1,116,266	230,220	1,916,673

Weighted Average Interest Rate 0.9%

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**(a) Interest Rate Risk (Con't)**

31 December 2016

	Fixed Interest Rate \$	Floating Interest Rate \$	Non Interest \$	Total \$
Financial Assets	118,655	2,224,405	(275)	2,342,785
Receivables	-	2,181,610	-	2,181,610
	118,655	4,406,015	230,066	4,754,736

Weighted Average Interest Rate 1.9%

**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 2015	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	19,059	19,059

Sensitivity analysis of the risk that the Union is exposed to for 2016	Change in risk variable %	Effect on	
		Equity	Profit or Loss
Interest Rate risk	+/- 0.5%	22,622	22,622

**(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 2015**

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

**Contractual maturities for financial liabilities 2016**

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
<b>Financial liabilities due for payment</b>						
Accounts payable (excluding leave provisions)	170,570	-	-	-	-	170,570
<b>Total expected outflows</b>	<b>170,570</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,570</b>

**Contractual maturities for financial assets 2015**

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
<b>Financial assets - cash flows realisable</b>						
Cash and cash equivalents	1,651,275	46,371	-	-	-	1,697,646
Trade and other receivables	247,607	-	-	-	-	247,607
Financial assets	2,114,111	-	-	-	-	2,114,111
<b>Total expected inflows</b>	<b>4,012,993</b>	<b>46,371</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,059,364</b>

**Contractual maturities for financial assets 2016**

	On Demand	< 1 year \$	1- 2 years \$	2- 5 years \$	>5 years \$	Total \$
<b>Financial assets - cash flows realisable</b>						
Cash and cash equivalents	2,294,746	48,040	-	-	-	2,342,786
Trade and other receivables	226,810	-	-	-	-	226,810
Financial assets	2,181,610	-	-	-	-	2,181,610
<b>Total expected inflows</b>	<b>4,703,166</b>	<b>48,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,751,206</b>



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**20C: 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 2016 and 31 December 2015 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 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

**Ageing of financial assets that were past due but not impaired for 2016**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	93,211	16,865	-	116,764	226,840

**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.

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

31 December, 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Recurring fair value measurements</b>				-
<i>Non-financial assets</i>	-	-	-	-
Investment property	-	5,500,000	-	5,500,000
<b>Total non-financial assets recognised at FV</b>	-	5,500,000	-	5,500,000

Description	Fair Value at 31-Dec 2016	Valuation technique	Inputs used
Investment property	5,500,000	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.

**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 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).

**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.

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

**SYDNEY**  
Level 40  
2 Park Street  
Sydney, NSW 2000  
Australia

GPO Box 3555  
Sydney NSW 2001

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

**Opinion**

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 2016, 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.

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 union'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 2016 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.

**Basis of Opinion**

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 about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report. We are independent of the union in accordance with the Fair Work (Registered Organisations) Regulations 2009.

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

**Other Information**

The committee of management are responsible for the other information. The other information comprises the information in the Union's financial report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon

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

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 the other information, we are required to report that fact. We have nothing to report in this regard

**Responsibilities of the Committee of Management for the Financial Report**

The committee of management 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.

In preparing the financial report, the committee of management are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management intend to cease operations, or have no realistic alternative but to do so

**Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with 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 union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.

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

- 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 union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the union 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

We communicate with the committee of management regarding, amongst 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.

*H M Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

*G Webb*

**Graham Webb**  
Partner  
Dated: 23 May 2017