Australian Government
Registered Organisations Commission

15 July 2019

Mr Bob Nanva
National Secretary
Australian Rail, Tram and Bus Industry Union

cc. Mr Graham Webb, Auditor

Dear National Secretary

Re: – Australian Rail, Tram and Bus Industry Union, National Office - financial report for year ending 31 December 2018 (FR2018/363)

I refer to 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 (**ROC**) on 5 June 2019.

The financial report has 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. Please note the report for year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report.

Disclosure of Donations expenditure

The total of donations $1,000 or less disclosed at Note 3D did not correspond to the total of relevant donations included in the amended statement of loans, grants and donations that was lodged on 18 July 2019. The ROC understands that the total at Note 3D reflected offsetting against a credit of a refund from another Branch.

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 32 states:

> An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by an Australian Accounting Standard.

Where expenses are incurred by one reporting unit but are mitigated by the receipt of contributions from another reporting unit, this should be reflected in the statement of comprehensive income, as appropriate, consistent with this Standard.

In this case, Note 3D should have disclosed the full total of donations for the relevant category (i.e. $1,000 or less) and the refund should have been separately disclosed as an ‘other revenue’ amount, disclosing the reason and name of the other reporting unit, in accordance with Reporting Guideline 13(b).

Please ensure in future years that all revenue and expense items are presented in accordance with AASB 101 paragraph 32.

Nil activity disclosures

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement.

The officer's declaration statement included nil activity disclosures for which there were equivalent disclosures in the notes as follows:

- RG11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern [also at Note 25]
- RG12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission [also at Note 26]
- RG14(a) - incur fees as consideration for employers making payroll deductions of membership subscriptions [also at Note 3C]
- RG14(d) – pay compulsory levies [also at Note 3C]
- RG14(j)(i) - pay legal costs relating to litigation [also at Note 3E]
- RG14(k) - pay a penalty imposed under the RO Act or the Fair Work Act 2009 [also at Note 3G]
- RG16(a) - have a payable to an employer for that employer making payroll deductions of membership subscriptions [also at Note 12]
- RG17(a) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch [also at Note 15]
- RG14(e) - receive revenue from undertaking recovery of wages activity [Note 23]

Please note that nil activity disclosures only need to be made once within a general purpose financial report.

The officer's declaration statement also included nil activity disclosures which appear inconsistent with information in the Notes, as follows:

- RG14(h) - pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit [compare Note 3C]
- RG14(i) - incur expenses due to holding a meeting as required under the rules of the organisation [compare Note 3C]
- RG18 - receive cash flows from another reporting units and/or controlled entity [compare Note 5 and Cash Flow statement]

In this case, it appears these nil activity disclosures were included inadvertently.

The officer's declaration statement also included a nil activity disclosure in respect of a 'have a balance within the general fund' [RG17(d)]. Having regard to the definition of "general fund" in the glossary on page 11 of the reporting guidelines (see attached), it would appear that the balance of retained surplus of $11,170,094 is the balance of the general fund.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

AUSTRALIAN RAIL,TRAM AND BUS INDUSTRY UNION

NATIONAL OFFICE

ABN 28 921 128 419

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

CONTENTS

AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - NATIONAL OFFICE
CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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 2018,
- 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 *Transport Now*.
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

General Elections of all Offices and positions were held during 2018. (E2018/81)

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*).

(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 31,223 members of the union as at 31st December 2018.

7. Employees of the National Office

As at 31 December 2018 the National Office employed **5** full time employees and **1** casual employee.

8. Members of the National Executive

The following persons were members of the National Executive, during the year ending 31st December 2018;

Bob Nanva	National Secretary	01/01/2018 to 31/12/2018
Allan Barden	Assistant National Secretary	01/01/2018 to 31/12/2018
Phil Altieri	National President	01/01/2018 to 09/10/2018
Shayne Kummerfeld	National President	10/10/2018 to 31/12/2018
James Styles	National Vice-President (Rail)	01/01/2018 to 31/12/2018
David Woollams	National Vice-President (Road)	01/01/2018 to 09/10/2018
William Lekkas	National Vice- President (Road)	10/10/2018 to 31/12/2018
Leanne Holmes	National Vice-President (Affirmative Action)	01/01/2018 to 31/12/2018
Alex Claassens	Branch Secretary – NSW	01/01/2018 to 31/12/2018
Luba Grigorovitch	Branch Secretary – Victoria	01/01/2018 to 31/12/2018
Samantha Simonetis	Branch Secretary – Tasmania	01/01/2018 to 17/08/2018
Ric Bean	Branch Secretary- Tasmanian	10/10/2018 to 31/12/2018
Owen Doogan	Branch Secretary – Queensland	01/01/2018 to 31/12/2018
Darren Phillips	Branch Secretary - SA&NT	01/01/2018 to 31/12/2018
Phillip Woodcock	Branch Secretary – WA	01/01/2018 to 09/10/2018
Craig McKinnley	Branch Secretary - WA	10/10/2018 to 31/12/2018
Paul Robinson	Branch Secretary- WA PTA Branch	01/01/2018 to 09/10/2018
Josh Dekuyer	Branch secretary- WA PTA Branch	10/10/2018 to 31/12/2018
John Curley	Assistant National Secretary Rail Operations	01/01/2017 to 20/10/2017
Darren Galea	Assistant National Secretary Rail Operations	10/10/2018 to 31/12/2018
Greg Tatnell	Assistant National Secretary Fleet Manufacture, Overhaul, Maintenance and Service	01/01/2018 to 31/12/2018
Ross Schimke	Assistant National Secretary Infrastructure	01/01/2018 to 31/12/2018
Chris Preston	Assistant National Secretary Tram and Bus	01/01/2018 to 09/10/2018
Phil Altieri	Assistant National Secretary Tram and Bus	10/10/2018 to 31/12/2018
Grant Wainwright	Assistant National Secretary Administrative, Supervisory, Technical and Professional	01/01/2018 to 09/10/2018
Victor Moore	Assistant National Secretary Administrative, Supervisory, Technical and Professional	10/10/2018 to 31/12/2018
Keith McMahon	Assistant National Secretary Locomotive	01/01/2018 to 31/12/2018
Tom Brown	QLD Branch Delegate	01/01/2018 to 31/12/2018
Peter Allen	QLD Branch Delegate	01/01/2018 to 31/12/2018

Michael Cartwright	NSW Branch Delegate	01/01/2018 to 09/10/2018
Craig Turner	NSW Branch Delegate	10/10/2018 to 31/12/2018
Chris Preston	NSW Branch Delegate	10/10/2018 to 31/12/2018
Robert Hayden	NSW Branch Delegate	01/01/2018 to 31/12/2018
John Anderson	Vic Branch Delegate	01/01/2018 to 31/12/2018
Darren Galea	Vic Branch Delegate	01/01/2018 to 09/10/2018
Dave Esqueria	Vic Branch Delegate	10/10/2018 to 31/12/2018

ALLAN BARDEN

ASSISTANT NATIONAL SECRETARY

Dated: 14-05-2019

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION NATIONAL OFFICE

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December,2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December, 2018.

Categories of expenditures	2018 $	2017 $
Remuneration and other employment-related costs and expenses - employees	1,164,844	789,580
Advertising	1,517	119
Operating costs	1,251,312	1,382,491
Donations to political parties	16,024	24,961
Legal costs	31,374	82,958

Signature of designated officer: [signature]

ALLAN BARDEN
Assistant National Secretary

Dated: 14-05-2019

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

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

On 14/05/2019, 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 2018:

The Committee of Management declared that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that National Office will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

   (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the National Office; and

   (ii) the financial affairs of the National Office have been managed in accordance with the rules of the organisation including the rules of the National Office; and

   (iii) the financial records of the National Office have been kept and maintained in accordance with the RO Act; and

   (iv) the financial records of the National Office have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and

   (v) no further information has been sought in any request of a member of the National Office or Commissioner of the ROC under section 272 of the RO Act; and

   (vi) no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.

(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 by Allan Barden in accordance with such resolution as is passed by the committee of management.

A Barden

ALLAN BARDEN
Assistant National Secretary

Dated: 14/05/2019

AUSTRALIAN RAIL,TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 $	2017 $
REVENUE			
Capitation Fees	2A	2,122,279	1,944,631
Affiliation Fees	2B	164,376	160,280
Levies	2C	-	-
Investment (Losses) /Gains	2D	(16,324)	125,188
Rent Received	2E	104,400	104,400
Sponsorship Income		-	28,636
Gain on revaluation of investment property	9	1,250,000	250,000
Other Income		99,676	39,257
TOTAL REVENUE		3,724,407	2,652,392
EXPENSES			
Employee Expenses	3A	1,164,844	789,580
Affiliation Fees	3B	208,242	200,166
Administration Expenses	3C	646,310	927,585
Grants or Donations	3D	18,224	24,961
Depreciation and Amortisation	10 & 11	23,574	33,156
Legal Costs	3E	31,374	82,958
Audit Fees	19	21,088	17,338
Other Expenses	3G	351,420	204,366
Loss on Asset Disposal	3F	-	-
TOTAL EXPENSES		2,465,076	2,280,110
PROFIT FOR THE YEAR		1,259,331	372,282

The accompanying Notes form part of this Financial Report

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 $	2017 $
CURRENT ASSETS			
Cash and cash equivalents	4	2,341,195	2,056,889
Trade and Other Receivables	5	405,070	246,845
Financial Assets	6	2,234,728	2,276,123
Other	7	49,691	47,566
TOTAL CURRENT ASSETS		5,030,684	4,627,423
NON CURRENT ASSETS			
Financial Assets	8	20	20
Investment Property	9	7,000,000	5,750,000
Plant & Equipment	10	104,257	120,281
Intangible Assets	11	7,942	15,492
TOTAL NON CURRENT ASSETS		7,112,219	5,885,793
TOTAL ASSETS		12,142,903	10,513,216
CURRENT LIABILITIES			
Trade and Other Payables	12	225,775	144,814
Provisions	13	747,034	433,849
Income in Advance	14	-	23,790
TOTAL CURRENT LIABILITIES		972,809	602,453
TOTAL LIABILITIES		972,809	602,453
NET ASSETS		11,170,094	9,910,763
ACCUMULATED SURPLUS			
Accumulated Surplus		11,170,094	9,910,763
ACCUMULATED SURPLUS		11,170,094	9,910,763

The accompanying Notes form part of this Financial Report

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Retained Surplus $	Total $
Balance at 1 January 2017	15	9,538,481	9,538,481
Profit for the Year		372,282	372,282
Balance at 31 December 2017		9,910,763	9,910,763
Profit for the Year		1,259,331	1,259,331
Balance at 31 December 2018		11,170,094	11,170,096

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 2018

	Note	2018 $	2017 $
CASH FLOW FROM OPERATING ACTIVITIES:			
Receipts from other reporting units	5	2,257,282	2,081,382
Other Income			15,073
Payments to other reporting units		-	-
Payments to Suppliers and Employees		(2,107,083)	(2,506,685)
Rent Received		114,840	114,840
Interest Received		19,265	10,519
Net cash provided/(used) by operating activities	**16**	284,303	(284,872)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		-	(1,026)
Net cash used in investing activities		-	(1,026)
Net increase/(decrease) in cash and cash equivalents held		284,303	(285,898)
Cash and cash equivalents at the beginning of the year		2,056,889	2,342,787
Cash and cash equivalents at the end of the year	4	2,341,195	2,056,889

The accompanying Notes form part of this Financial Report

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

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

Accounting Policies

(a) Income Tax

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

(b) Fair Value of Assets and Liabilities

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

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and wiling 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.

Accounting Policies (Con't)

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.

(f) Investment Property

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

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

Accounting Policies (Con't)

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:

	2018	**2017**
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.

Accounting Policies (Con't)

(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 changed 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 the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

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

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

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

– amortised cost; or

– fair value through profit or loss.

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

– a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;

– held for trading; or

– initially designated as at fair value through profit or loss.

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

Accounting Policies (Con't)

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

A financial liability is held for trading if:

– it is incurred for the purpose of repurchasing or repaying in the near term;

– part of a portfolio where there is an actual pattern of short-term profit taking; or

– a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

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

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

A financial liability cannot be reclassified.

Financial guarantee contracts

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

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

– the amount of loss allowance determined in accordance with AASB 9.3.25.3; and

– the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

– amortised cost;

– fair value through other comprehensive income; or

– fair value through profit or loss.

Accounting Policies (Con't)

Measurement is on the basis of two primary criteria:

– the contractual cash flow characteristics of the financial asset; and

– the business model for managing the financial assets.

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

– the financial asset is managed solely to collect contractual cash flows; and

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

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

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

– the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

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

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

– it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

– it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

– it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

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

Derecognition

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

Accounting Policies (Con't)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

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

Derecognition of financial assets

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

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

– the right to receive cash flows from the asset has expired or been transferred;

– all risk and rewards of ownership of the asset have been substantially transferred; and

– the Union no longer controls the asset (ie the Union has no practical ability to make a unilateral decision to sell the asset to a third party).

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

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

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

Impairment

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

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

- lease receivables;

- contract assets (eg amounts due from customers under construction contracts);

- loan commitments that are not measured at fair value through profit or loss; and

- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

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

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

Accounting Policies (Con't)

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

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

- the general approach

- the simplified approach

- the purchased or originated credit impaired approach; and

- low credit risk operational simplification.

General approach

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

- the credit risk of the financial instrument has increased significantly since initial recognition, the Union measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or

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

Simplified approach

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

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

- lease receivables.

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

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Union measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Accounting Policies (Con't)

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;

- a breach of contract (eg default or past due event);

- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;

- high probability that the borrower will enter bankruptcy or other financial reorganisation; and

- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Union assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Union applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;

- the borrower has strong capacity to meet its contractual cash flow obligations in the near term;

- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

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

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

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

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

Accounting Policies (Con't)

(l) Impairment of Assets

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

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

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

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

(m) Revenue

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.

(n) Gains - Sale of Assets

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

(o) Goods and Services Tax (GST)

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

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

Accounting Policies (Con't)

(p) 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.

(q) 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.

(r) 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.

(s) Adoption of new 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 and applicable now or in future reporting periods are set out below:

Initial application of AASB 9: Financial Instruments

The Union has adopted AASB 9: Financial Instruments with a date of initial application of 1 January, 2018.

The only financial assets held by the Union in the current and prior period are trade and other receivables. There were no assets subject to reclassification upon application of AASB 9.

The only financial liabilities held in the current or prior period are accounts payable and other payables. There were no liabilities subject to reclassification upon application of AASB9.

The committee of management has determined that the changes in accounting policies required by AASB 9 have not had any material effect the Union's financial statements either in the current or prior periods presented.

New Accounting Standards for application in future periods

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.

Accounting Policies (Con't)

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 does not anticipate that the adoption of AASB 16 will impact the Union’s financial statements given the Union is currently on a rolling lease arrangement.

AASB 1058: Income for Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

This standard provides guidance on income recognition and will work in conjunction with AASB15.

AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value, and to the receipt of volunteer services

The committee of management does not anticipate that the adoption of AASB 1058 will impact the Union’s financial statements.

		2018	2017
		$	$
2	**INCOME**		
	2A: Capitation Fees		
	NSW Branch	870,066	830,219
	QLD Branch	382,482	363,333
	SA & NT Branch	75,555	72,158
	VIC Branch	663,799	555,334
	TAS Branch	23,324	21,488
	WA Branch	107,053	102,098
		2,122,279	1,944,631
	2B: Affiliation Fees		
	NSW Branch	76,469	74,775
	QLD Branch	35,131	33,766
	SA & NT Branch	5,032	5,191
	VIC Branch	38,091	36,807
	TAS Branch	1,901	2,282
	WA Branch	7,751	7,457
		164,376	160,280
	2C: Levies		
	NSW Branch	-	-
	QLD Branch	-	-
	SA & NT Branch	-	-
	VIC Branch	-	-
	TAS Branch	-	-
	WA Branch	-	-
		-	-
	2D: Investment Income		
	Interest Received	19,463	10,829
	(Losses)/Income & Gains on IFP	(35,787)	114,359
		(16,324)	125,188
	2E: Rent Received		
	Property at Redfern	104,400	104,400
		104,400	104,400
3	**EXPENSES**		
	3A: Employee Expenses		
	Holders of Office:		
	Wages and Salaries	274,769	350,256
	Superannuation	13,385	16,075
	Leave and Other Entitlements	68,153	(49,174)
	Separation and Redundancies	-	-
	Retirement Benefit Expenses	205,689	(3,746)
		561,996	313,411
	Employees Other then Officeholders:		
	Wages and Salaries	502,537	391,277
	Superannuation	54,773	43,504
	Leave and Other Entitlements	45,538	41,388
	Separation and Redundancies	-	-
	Other Employee Expenses	-	-
		602,848	476,169
		1,164,844	789,580

3B: Affiliation Fees		
ACTU	164,739	160,280
International Transport Workers Federation	22,662	19,934
Rail Industry Safety Standards Board	4,455	4,455
The Mckell Institute	4,000	4,000
Law Society of NSW	-	-
Tracksafe	10,000	10,000
Union Aid Abroad	2,387	1,498
	208,242	200,166
3C: Administration Expenses		
Consideration to employers for payroll deductions	-	-
Compulsory Levies		
ACTU 2016 IR Levy	-	-
ACTU 2017 IR Levy	-	-
Fee/Allowances – Meeting and Conferences		
Attendance	301	582
Council Executive Expenses and Lost Time	5,110	100,579
Conference and Meeting Expenses		
Accommodations	29,004	99,600
Airfares & Travelling Expenses	228,140	261,447
Conference and Meetings	26,588	74,848
National Executive	-	-
Accountancy	67,830	69,155
Advertising	1,517	119
Bank Charges & Fees	13,096	20,990
Consultants	83,591	98,331
Property Expenses		
Building Expenses	9,299	23,603
Rates & Land Taxes	18,358	13,819
Rent Paid	88,139	86,908
Office Expenses		
General Expenses	21,982	23,292
Postage	1,184	719
Printing and Stationery	13,584	22,847
Subscription and Membership	14,469	8,373
Telephone	24,114	20,131
Website	-	2,243
	646,310	927,585
3D: Grants or Donations		
Grants	-	-
Donations		
Total paid that were $1,000 or less	560	5,220
Total paid that exceeded $1,000	17,664	19,741
	18,224	24,961
3E: Legal Costs		
Litigation	-	48,660
Other Legal Matters	31,374	34,299
	31,374	82,959
3F: Net Losses on Asset Disposal		
Motor Vehicles	-	-
	-	-

3G: Other Expenses

Campaigns	167,500	-
Fringe Benefit Tax	(1,064)	4,040
Fines	-	-
General Expense	31,416	35,014
Insurances – General	-	-
Interest	21,415	26,571
Motor Vehicle Expenses	20,255	16,047
Penalties - via RO Act or RO Regulations	-	-
Repairs and Maintenance	-	487
Badges & Other Items	10,691	27,594
Doubtful Debt Expenses	101,205	94,612
	351,420	204,366

4 CASH AND CASH EQUIVALENTS

Cash at Bank and on Deposit	2,341,195	2,056,889
	2,341,195	2,056,889

5 TRADE AND OTHER RECEIVABLES

Receivables from the Branches	717,612	459,573
Other Receivables	7,118	
		5,728
Provision for doubtful debts	(319,660)	(218,455)
	405,070	246,845

Receivables from the Branches

	VIC	NSW	SA/NT	QLD	TAS	WA	TOTAL
Opening Balance - Receivables	122,136	23,018	7,138	63,544	20,535	223,201	459,573
Amounts Charged to Branches							
Capitation Fees	730,179	957,073	83,111	420,730	25,657	117,758	2,334,507
Affiliation Fees	41,900	84,116	5,536	38,645	2,091	8,526	180,814
ACTU Levies	-	-	-	-	-	-	-
Other Reimbursements			-	-	-	-	-
Total amounts charged to branches	772,079	1,041,189	88,646	459,375	27,748	126,284	2,515,321
Amount Received from Branches							
Capitation Fees	(699,368)	(783,485)	(76,245)	(449,878)	(12,813)	(54,679)	(2,076,468)
Affiliation Fees	(41,900)	(84,116)	(5,536)	(38,645)	(2,091)	(8,526)	(180,814)
ACTU Levies	-	-	-		-	-	-
Total amounts received from branches	(741,268)	(867,601)	(81,781)	(488,523)	(14,904)	(63,204)	(2,257,282)
Closing Balance 31/12/2018	152,947	196,607	14,003	34,395	33,379	286,281	717,612

6 FINANCIAL ASSETS - CURRENT

Opening Investment with Industry Fund Services	2,276,123	2,181,610
(Losses)/Income & Gains on IFP (Note 2D)	(35,787)	114,359
Management Fees	(5,608)	(19,846)
Investment with Industry Fund Services	2,234,728	2,276,123

7 OTHER CURRENT ASSETS

Prepayments	49,691	47,566

8 FINANCIAL ASSETS - NON-CURRENT

	20	20
Shares Encompass Credit Union	20	20

	2018	2017
	$	$
9 INVESTMENT PROPERTY		
Redfern Property – at Valuation	7,000,000	5,750,000

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, and a report issued on 6th February, 2019. The valuation determined a market value of $7,000,000. The net revaluation gain on the property of $1,250,000 was recorded in the Statement of Comprehensive Income.

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

Rental income earned and received from the investment property during the year was $104,400 (2017: $104,400).

Direct expenses incurred in relation to the investment property that generated rental income during the year were $24,623 (2017: $34,520). 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	194,574	60,079	354,041
Less: Accumulated Depreciation	(26,590)	(184,625)	(38,570)	(249,785)
	72,798	9,949	21,509	104,257

10 PROPERTY, PLANT AND EQUIPMENT (Con't)

MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT

31 December 2017

	Leasehold Improvements	Plant & Equipment	Motor Vehicle	Total
Balance at Beginning of Year	80,663	21,049	35,812	137,524
Additions	-	1,026	-	1,026
Disposals	-	-	-	-
Depreciation	(4,033)	(6,177)	(8,059)	(18,269)
Carrying Amount at End of Year	76,630	15,898	27,753	120,281

31 December 2017

	Leasehold Improvements	Plant & Equipment	Motor Vehicles	Total
Balance at Beginning of Year	76,630	15,898	27,753	120,281
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	(3,831)	(5,948)	(6,245)	(16,025)
Carrying Amount at End of Year	72,798	9,949	21,509	104,257

11 INTANGIBLE ASSETS

Website Development	78,547	78,547
Less: Accumulated Amortisation	(70,604)	(63,055)
	7,942	15,492
Balance at Beginning of Year	15,492	30,379
Additions	-	-
Disposals	-	-
Amortisation	(7,549)	(14,887)
Carrying Amount at End of Year	7,942	15,492

12 TRADE AND OTHER PAYABLES

Consideration to Employers for Payroll Deductions	-	-
Payable to the Branches		
NSW Branch	125	886
TAS Branch	-	7,082
QLD Branch	9,263	-
WA Branch	-	-
SA Branch	-	-
VIC Branch	1,520	-
Trade Creditors	60,417	57,959
Other Payables and Accruals	154,452	78,887
	225,775	144,814

	2018	2017
	$	$
13 PROVISIONS		
Officeholders:		
Provision for Annual Leave	116,758	80,064
Provision for Long Service Leave	152,062	133,112
Provision for ADO	55,131	42,621
Provision for Retirement Benefits	180,631	(25,058)
Provision for Separations and Redundancies	-	-
	504,582	230,740
Employees Other than Officeholders:		
Provision for Annual Leave	149,134	125,590
Provision for Long Service Leave	64,924	57,209
Provision for ADO	28,394	20,309
Provision for Separations and Redundancies	-	-
	242,452	203,108
	747,034	433,849

Movement during the Year:

	Annual Leave	Long Service Leave	ADO	Retirement Benefits
Benefits Balance at the Beginning of the Year	205,654	190,322	62,931	(25,058)
Increase/(Decrease) in Provision	60,237	26,664	20,594	205,689
Balance at the End of Year	265,891	216,986	83,525	180,631

14 INCOME IN ADVANCE

	2018	2017
Capitation Fees in Advance - RTBU NSW	-	23,790

15 EQUITY

	2018	2017
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	1,259,331	372,282
Adjustments for non-cash items:		
Depreciation	23,574	33,156
Losses /(Gains) on Financial Assets	41,396	(94,513)
(Gain) on revaluation of investment property	(1,250,000)	(250,000)
Changes in assets and liabilities:		
Decrease/(Increase) in receivables	(160,353)	(149,067)
(Decrease)/Increase in payables	80,961	(25,756)
(Decrease)/Increase in Income in Advance	(23,790)	(152,038)
(Decrease)/Increase in provisions	313,185	(18,934)
Net cash flows from operations	284,303	(284,872)

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 –

	2018	2017
Present Value at the Beginning of the Year	1,141,673	1,076,919
Opening PV adjustment	22,622	10,611
Current Service Cost	3,691	3,580
Interest Cost	29,636	28,780
Contributions by Funds Participants	1,852	1,890
Actuarial Gains	205,357	45,976
Benefits Paid	(115,199)	(25,312)
Taxes, Premiums & Expenses Paid	(273)	(771)
Present Value at the End of the Year	1,289,359	1,141,673

	2018 $	2017 $
Fair Value at the Beginning of the Year	1,190,923	1,098,231
Opening FV adjustment	13,062	(9,052)
Interest Income	30,703	29,297
Actual Return	(13,820)	79,813
Employer Contributions	-	-
Contributions by Funds Participant	1,828	1,882
Benefits (Paid) Transferred In	(113,699)	(8,975)
Taxes, Premiums & Expenses Paid	(269)	(273)
Fair Value at the End of the Year	1,108,728	1,190,923

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

Australian Equities	19.3	22.4
Overseas Equities	26.2	29.6
Australian Fixed Interest	5.6	6.9
Overseas Fixed Interest	3.5	3.6
Property	8.9	8.7
Cash	9.8	6.9
Other	26.7	19.3

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

Description of risks

There is 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-18
Discount rate	2.33% pa
Salary increase rate (excluding promotional increases)	2.7% p.a. for 2018/19; 3.2% p.a. thereafter
Rate of CPI increase	2.00% for 2018/19, 2.25% for 2019/20; 2.50% p.a. thereafter

18 RELATED PARTY DISCLOSURES

18A: RELATED PARTY TRANSACTIONS

Revenue Received from	**VIC**	**NSW**	**SA/NT**	**QLD**	**TAS**	**WA**
Capitation Fees	635,789	712,259	69,314	408,980	11,648	49,708
Affiliation Fees	38,091	76,469	5,032	35,131	1,901	7,751
ACTU Levies	-	-	-	-	-	-
	673,880	788,728	74,346	444,112	13,549	57,459
Amount owed by						
	152,947	196,607	14,003	34,395	33,379	286,281
	152,947	196,607	14,003	34,395	33,379	286,281
Income in advance						
	-	-	-	-	-	-
	-	-	-	-	-	-

18A: RELATED PARTY TRANSACTIONS (Con't)

	2018	2017
	$	**$**
18B: KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefit		
Salary (including annual leave taken)	274,769	350,256
Annual Leave Accrued	116,758	80,064
ADO Accrued	55,131	42,621
Performance Bonus	-	
	446,658	472,942
Post-Employment Benefits		
Superannuation	13,385	16,075
Retirement Benefit Accrued	180,631	(25,058)
	194,016	(8,983)
Other Long-Term Benefits:		
Long-Service Leave Accrued	152,062	133,112
	152,062	133,112
Total	792,736	597,071

19 AUDITORS' REMUNERATION

	2018	2017
Remuneration of the auditor for:		
- auditing or reviewing the financial report	21,088	17,338
- other services	29,592	-
	50,680	17,338

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

	2018	2017
Cash and cash equivalents	2,341,195	2,056,889
Trade and other receivables	724,730	465,300
Financial assets	2,234,728	2,276,123
Carrying amount of financial assets	5,300,652	4,798,313

Financial Liabilities

	2018	2017
Financial liabilities at amortised cost		
Trade and other payables	225,775	144,814
Carrying amount of financial liabilities	225,775	144,814

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	19,463	10,829
Income & Gains on IFP	(35,787)	114,359
Net gain from cash and receivables	(16,324)	125,187

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 2017

	Fixed Interest Rate	Floating Interest Rate	Non Interest	Total
	$	$	$	$
Cash and Cash Equivalents	119,628	1,937,261	-	2,056,889
Financial Assets	-	2,276,123	-	2,276,123
Trade and Other Receivables	-	-	465,300	465,300
	119,628	4,213,384	465,300	4,798,313

Weighted Average Interest Rate 1.9%

31 December 2018

	Fixed Interest Rate	Floating Interest Rate	Non Interest	Total
	$	$	$	$
Cash and Cash Equivalents	120,728	2,220,467	-	2,341,195
Financial Assets	-	2,234,728	-	2,234,728
Trade and Other Receivables	-	-	724,730	724,730
	120,728	4,455,194	724,730	5,300,652

Weighted Average Interest Rate 2.6%

Sensitivity analysis

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

Sensitivity analysis of the risk that the Union is exposed to for 2017	**Change in risk variable %**	**Effect on**	
		Equity	**Profit or Loss**
Interest Rate risk	+/- 0.5%	21,665	21,665

Sensitivity analysis of the risk that the Union is exposed to for 2018	**Change in risk variable %**	**Effect on**	
		Equity	**Profit or Loss**
Interest Rate risk	+/- 0.5%	22,880	22,880

(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 2017

Financial liabilities due for payment	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade & Other Payables (excluding leave provisions)	144,814	-	-	-	-	**144,814**
Total expected outflows	**144,814**	**-**	**-**	**-**	**-**	**144,814**

Contractual maturities for financial liabilities 2018

Financial liabilities due for payment	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade & Other Payables (excluding leave provisions)	225,775	-	-	-	-	**225,775**
Total expected outflows	**225,775**	**-**	**-**	**-**	**-**	**225,775**

Contractual maturities for financial assets 2017

Financial assets - cash flows realisable	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Cash and cash equivalents	2,008,096	48,794	-	-	-	**2,056,890**
Trade and other receivables	465,300	**-**	**-**	**-**	**-**	**465,300**
Financial assets	2,276,123	-	-	-	-	**2,276,123**
Total expected inflows	**4,749,520**	**48,794**	**-**	**-**	**-**	**4,798,314**

Contractual maturities for financial assets 2018

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
Financial assets - cash flows realisable		$	$	$	$	$
Cash and cash equivalents	2,291,632	49,563	-	-	-	**2,341,195**
Trade and other receivables	724,730	-	-	-	-	**724,730**
Financial assets	2,234,728	-	-	-	-	**2,234,728**
Total expected inflows	**5,251,090**	**49,563**	**-**	**-**	**-**	**5,300,652**

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 2018 and 31 December 2017 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-.

(c) Credit Risk (Con't)

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	$
Trade and other receivables	150,687	26,973	52,924	16,263	**246,846**

Ageing of financial assets that were past due but not impaired for 2018

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	$
Trade and other receivables	167,953	130,718	94,233	12,166	**405,070**

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.

(a) Fair Value Hierarchy (Con't)

Valuation Techniques

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

-Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

-Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

-Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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

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

31 December, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				-
Non-financial assets	-	-	-	-
Investment property	-	5,750,000	-	5,750,000
Total non-financial assets recognised at FV	-	5,750,000	-	5,750,000

31 December, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring fair value measurements				-
Non-financial assets	-	-	-	-
Investment property	-	7,000,000	-	7,000,000
Total non-financial assets recognised at FV	-	7,000,000	-	7,000,000

Description	**Fair Value at 31-Dec 2018**	**Valuation technique**	**Inputs used**
Investment property	7,000,000	Market approach using recent observable market data for similar properties;	Price per square metre

(a) Fair Value Hierarchy (Con't)

(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 Commissioner:

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

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

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

22 REGISTERED OFFICE

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

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

23 RECOVERY WAGES

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

24 GOING CONCERN

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

25 FINANCIAL SUPPORT

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

26 ASSETS & LIABILITIES ACQUIRED

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

27 OPERATING LEASE COMMITMENTS - AS LESSOR

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

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
Australia
Ph: (612) 9263 2600
Fx: (612) 9263 2800

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

Opinion

We have audited the financial report of Australian Rail, Tram and Bus Industry Union National Office, which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Rail, Tram and Bus Industry Union National Office as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Union is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. We are independent of the Reporting Union in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Union audit. We remain solely responsible for our audit opinion.
- We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I declare that Mr. Graham Webb is an auditor registered under the RO Act.

Report on Other Legal and Regulatory Requirements

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

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

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Graham Webb
Partner
Dated: 14 May 2019

Registration Number: AA2017/22

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

I,Allan Barden, being the Assistant National Secretary of the Australian Rail, Tram and Bus Union National Office, declare that the following activities did not occur during the reporting period ending 31 December,2018.

The reporting unit did not:

* agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
* agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
* acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
* receive periodic or membership subscriptions
* receive donations or grants
* receive revenue from undertaking recovery of wages activity
* incur fees as consideration for employers making payroll deductions of membership subscriptions
* pay capitation fees to another reporting unit
* pay compulsory levies
* pay a grant that was $1,000 or less
* pay a grant that exceeded $1,000
* pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
* incur expenses due to holding a meeting as required under the rules of the organisation
* pay legal costs relating to litigation
* pay a penalty imposed under the RO Act or the Fair Work Act 2009
* have a payable to an employer for that employer making payroll deductions of membership subscriptions
* have a payable in respect of legal costs relating to litigation
* have a payable in respect of legal costs relating to other legal matters
* have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
* transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
* have a balance within the general fund
* provide cash flows to another reporting unit and/or controlled entity
* receive cash flows from another reporting units and/or controlled entity
* have another entity administer the financial affairs of the reporting unit
* make a payment to a former related party of the reporting unit

Signed by the officer: A Barden

Dated: 14.05.2019