



2 June 2020

Mr Owen Doogan
Secretary, Queensland Branch
Australian Rail, Tram and Bus Industry Union

cc. Mr Graeme Kent, Auditor

Dear Secretary

Re: – Financial reporting – Australian Rail, Tram and Bus Industry Union, Queensland Branch - for year ending 31 December 2019 (FR2019/317)

I refer to the financial report of the Queensland Branch of the Australian Rail, Tram and Bus Industry Union in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 21 May 2020.

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 2020 may be subject to an advanced compliance review.

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

Officer's declaration statement – nil activity disclosures

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, notes to the financial statements or officer's declaration statement. The officer's declaration statement provides reporting units with an option to disclose nil activities not reported elsewhere. Please note that nil activities should be disclosed only once.

I note that the officer's declaration statement included a nil activity disclosure '*have other employee provisions in respect of holders of office*' for which there was already an equivalent nil disclosure at Note 10A.

I note that the officer's declaration statement included a nil activity disclosure for '*have a payable in respect of legal costs relating to other legal matter*' but Note 9B disclosed a balance of \$3,440 for 'other legal matters'. I also note that there was neither a balance disclosure nor a nil activity disclosure in respect of a liability (payable) for 'litigation'.¹

¹ See RG16(b)(i)

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](#).

Yours faithfully

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

Stephen Kellett
Financial Reporting
Registered Organisations Commission



RTBU

General Manager
Registered Organisations Commission
Level 4, 414 LaTrobe Street
MELBOURNE VIC 3000

Dear Sir/Madam,

Re: Certificate for the period ended 31 December 2019

I, Owen Doogan, being the Branch Secretary of the Australian Rail, Tram and Bus Industry Union, Queensland Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Rail, Tram and Bus Industry Union, Queensland Branch for the period ended 31 December 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 13 May 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 15 May 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*

Signature of prescribed designated officer:

Name of prescribed designated officer: **Owen Doogan**
Title of prescribed designated officer: **Branch Secretary**
Date: **21 May 2020**

Section 268(c) of the Act requires a certificate by a prescribed designated officer to be lodged with the reports, certifying the documents lodged are copies of the documents provided to members and the committee.

Reg. 162 provides that a prescribed designated officer is the secretary or an officer other than the secretary authorised by the organisation's rules to sign the certificate.

Rail, Tram & Bus Union (Brisbane Office) The Power of Union

Office: First Floor, 457 Upper Edward Street Brisbane
Phone: 3839 4988 **Fax:** 3832 1278 **Email:** info@rtbu.com.au

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

ABN 53 954 546 469

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Operating Report

The Committee of Management presents its report on the operations of the Australian Rail, Tram and Bus Industry Union – Queensland Branch (the Branch) for the financial year ended 31 December 2019.

Principal Activities

The RTBU (Qld Branch) is a member based, federally registered trade union representing members whose usual place of work is located within the State of Queensland. The representation of rail, tram and bus members is across employment within both the public and private arena. The reporting unit's activities are directed by the Queensland Branch Council in accordance with its objectives and rules of registration.

- Implementation of the decisions of the Branch Council
- Provision of industrial support including representation of individual member grievances; access to legal advice through the continuing provision of a legal clinic
- Continued utilisation of the divisional structure of the Union to maximise member representation and participation in bargaining for new agreements
- Continued promotion and secure participation of a Women's Forum to provide relevant links to all female members of the Union through an educative and empowerment process
- Management of information and communications as an instrument designed to support organising:
 - the on-going development, training and enhancement of electronic information management system to assist in the assembly of relevant data and the capture of knowledge to develop strategic direction in organising members and increasing the profile and relevance of the unions in general and the RTBU in particular
 - continue to engage members via social media (Facebook, Instagram)
 - continue to develop formal system appraisals to ensure integrity of data and extracted information leading to relevant knowledge

There have been no changes in the principal activities of the Branch during the year.

Operating Result

The RTBU has been successful in continuing to improve the effectiveness of the organisation despite significant challenges brought about by hostile employers and tough negotiating environments in all sectors

The RTBU is continuing with the process of reviewing and implementing new representative structures in the rules for Divisional Committees, Sub-Branches and Branch Council. This is aimed at ensuring that the Union remains contemporary with the changing face of the industries we represent.

The Union has continued to engage with women members, supported by a Women's Officer and committee. The committee has been active in campaigning around International Women's Day and involvement in the Emma Miller and Anna Stuart programs which provide opportunities for women to learn new skills and get recognition for their contribution to our industry, along with involvement in RTBU national activities.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
COMMITTEE OF MANAGEMENT'S OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Operating Result (Continued)

The Branch continues to reform our communication systems, attempting to best cater to the modes and channels of communication most relevant to members. Social media has become an important means for members to interact with the Branch and we continue to review how we can best engage with these modes to improve communication.

The statutory surplus for the financial year amounted to \$382,630; however this was heavily influenced by the gain on revaluation of investment properties, which comprised of \$342,731. Excluding this accounting impact, the operating surplus of the Branch for the year ended 31 December 2019 amounted to \$39,899. No provision for tax was necessary as the Branch is considered exempt.

Significant Changes in Financial Affairs

There were no significant changes to the financial affairs of the Branch during the year.

Aurizon continued to restructure and progressively downsize its operations leading to a steady decline of membership in this Company.

Queensland Rail has slowly increased employee numbers in stations, and Traincrew and brought some positions back in-house in infrastructure. This has led to a pleasing increase in membership numbers in that company.

We have also seen some membership growth in Pacific National's companies.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in future financial years.

Members Right to Resign

All members of the Australian Rail, Tram & Bus Industry Union (Qld Branch) have the right to resign from the Union in accordance with *Rule 14, Resignation from Membership*, of the Rules of the Rail Tram and Bus Union and Chapter 6, Part 3 of the *Fair Work (Registered Organisations) Act 2009*.

This is by providing notice addressed and delivered to the Secretary of the Queensland Branch, including via email.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Number of Employees

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis is 12.79.

Number of Members

Total number of members at 31 December 2019: 6,603.

Officer or Members who are superannuation Fund Trustees/ Directors of a Company that is a Superannuation fund Trustee

No officers or members of the Branch hold a position of trustee or director of an entity, scheme or company as described in s.254 (2)(d) of the *Fair Work (Registered Organisations) Act 20 09*, where a criterion of such entity is that the holder of such position must be a member or official of a registered organisation.

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period, and the period for which he or she held such as position is as follows:

Name	Position	Period of Office
<i>Branch Executive</i>		
Bruce Mackie	Branch President	01/01/19 – 31/12/19
Les Moffitt	Branch Senior Vice-President	01/01/19 – 31/12/19
Craig Allen	Branch Junior Vice-President	01/01/19 – 31/12/19
Peter Allen	Branch Junior Vice- President	01/01/19 – 31/12/19
Tom Brown	Branch Junior Vice-President (Tram & Bus) and Assistant Branch Secretary	01/01/19 – 31/12/19
Wendy Hodgson	Branch Junior Vice-President (Tram & Bus	01/01/19 – 31/12/19
Owen Doogan	Branch Secretary	01/01/19 – 31/12/19
<i>Regional Councillors</i>		
Carl Nielsen	North-West Councillor	01/01/19 – 31/12/19
Alannah McCulloch	Central-West Councillor	01/01/19 – 31/12/19
Col Greer	South West Councillor	01/01/19 – 15/04/19
<i>Locomotive Division Committee</i>		
Wayne Peardon	Committee Member Passenger	01/01/19 – 31/12/19
Kelvin Steer	Committee Member Passenger	01/01/19 – 31/12/19
David Bulloch	Committee Member Coal	01/01/19 – 31/12/19
Keith Heinemann	Committee Member Coal	01/01/19 – 31/12/19
John Dundas	Committee Member Freight	01/01/19 – 31/12/19
Rod MacNamara	Committee Member Freight	01/01/19 – 31/12/19

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Members of the Committee of Management (Continued)

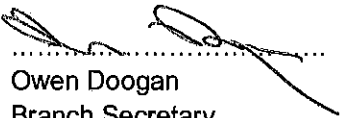
Name	Position	Period of Office
<i>Operations Division Committee</i>		
Jacqui Wright	Committee Member Southern District	01/01/19 – 30/01/19
Vacant	Committee Member Southern District	31/01/19 – 10/06/19
Mellissa Mackie	Committee Member Southern District	11/06/19 – 31/12/19
Josephine Burke	Committee Member Northern District	01/01/19 – 30/08/19
Vacant	Committee Member Northern District	31/08/19 – 31/12/19
Shane Weatherall	Committee Member Central District	01/01/19 – 31/12/19
Neil Trapp	Committee Member Private Sector	01/01/19 – 31/12/19
<i>Infrastructure Division Committee</i>		
Trent Howard	Committee Member Southern District	01/01/19 – 31/12/19
Greg Gillett	Committee Member Northern District	01/01/19 – 31/12/19
Andrew Wells	Committee Member Central District	01/01/19 – 31/12/19
<i>Fleet Manufacture Overhaul, Maintenance & Service Division Committee</i>		
Barry Monaghan	Committee Member Southern District	01/01/19 – 31/12/19
Greg Tatnell	Committee Member Northern District	01/01/19 – 31/12/19
Jared Falls	Committee Member Central District	01/01/19 – 31/12/19
<i>Administrative, Supervisor, Technical & Provisional Division Committee</i>		
Sean Clinton	Committee Member Southern District	01/01/19 – 31/12/19
David Smith	Committee Member Northern District	01/01/19 – 31/12/19
Erin O'Heir	Committee Member Central District	01/01/19 – 19/06/19
Vacant	Committee Member Central District	20/06/19 – 20/08/19
Emma Irvine	Committee Member Central District	21/08/19 – 31/12/19
Noel Morris	Committee Member Metropolitan	01/01/19 – 31/12/19
<i>Women Delegates to Branch Council</i>		
Jodie Wickens	Female Delegate Central & Northern (All Divisions)	01/01/19 – 31/12/19
Julie Irving	Female Delegate Southern (All Divisions)	01/01/19 – 31/12/19
<i>Tram & Bus Division Committee</i>		
Darryl Lewis	President	01/01/19 – 31/12/19
Leanne Gorman	Vice President	01/01/19 – 31/12/19
Tom Brown	Secretary	01/01/19 – 31/12/19
Wendy Hodgson	Junior Vice President	01/01/19 – 31/12/19
Mark Lahey	Junior Vice President (Tram & Bus)	01/01/19 – 31/12/19
Bennett Roche	Branch Organiser (Tram & Bus)	01/01/19 – 31/12/19
John Meikle	Committee Member	01/01/19 – 31/12/19
Leanne Gorman	Committee Member	01/01/19 – 31/12/19

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 8.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:


.....
Owen Doogan
Branch Secretary

13 May 2020

Spring Hill

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF THE
AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – QUEENSLAND BRANCH**

As lead auditor for the audit of the Australian Rail, Tram and Bus Industry Union – Queensland Branch for the year ended 31 December 2019; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.F

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

13 May 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

On 13 May 2020, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2019.

The Committee of Management declares in relation to the GPFR that in its opinion:

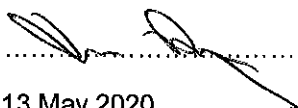
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit 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 and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the *RO Act*;
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - v. where information has been sought in any request of a member of the reporting unit or the Commissioner duly made under section 272 of the *RO Act*, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records made by the Fair Work Commission under section 273 of the *RO Act* during the year, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Name of Designated Officer: Owen Doogan

Title of Designated Officer: Branch Secretary

Signature:


.....

Date: 13 May 2020

Independent Audit Report to the Members of Australian Rail, Tram and Bus Industry Union – Queensland Branch

Report on the Audit of the Financial Report

Opinion

e. info@mgisq.com.au
w. www.mgisq.com.au

We have audited the financial report of the Australia Rail, Tram and Bus Industry Union – Queensland Branch (the Branch), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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 the Australian Rail, Tram and Bus Industry Union – Queensland Branch as at 31 December 2019, 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 Branch is appropriate.

Basis for Opinion

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

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or 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.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Branch 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 Branch'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 Branch 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 my 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 my 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch 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 Branch to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Branch's audit. We remain solely responsible for our audit opinion.

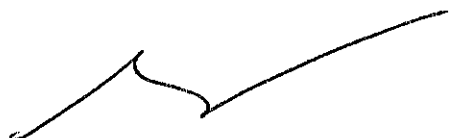
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Declaration

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

M.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

13 May 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscriptions		2,725,137	2,637,480
Levies	5A	977,936	938,531
Interest	5B	88,506	89,243
Rental income	5C	114,560	110,372
Grants or donations	5D	-	240
Other revenue	6D	25,832	11,532
Gain on revaluation of investment properties	8B	342,731	-
Total revenue		4,274,702	3,787,398
Expenses			
Employee expenses	6A	(2,354,202)	(2,154,399)
Sustentation fees	6B	(395,365)	(382,482)
Affiliation fees	6C	(159,766)	(156,053)
Audit and accounting fees	14	(56,000)	(31,000)
Legal costs	6D	(21,293)	(22,268)
Grants or donations	6E	(51,731)	(12,145)
Depreciation and amortisation	6F	(47,128)	(56,899)
Finance costs	6G	(37,636)	(36,010)
Administration expenses	6H	(249,988)	(233,722)
Conference and meetings expenses	6I	(105,430)	(101,177)
Organising and campaign costs	6J	(10,950)	(26,150)
Communication and IT costs	6K	(163,186)	(183,360)
Property costs	6L	(155,526)	(154,463)
Fund objectives	3	(83,871)	(85,139)
Loss on sale of property, plant and equipment		-	(2,897)
Total expenses		(3,892,072)	(3,638,164)
Surplus for the year		382,630	149,234
Other comprehensive income			
Revaluation of land and buildings (net of income tax)		-	-
Total comprehensive income for the year		382,630	149,234

The above statement should be read in conjunction with the notes.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 \$	Revised 2018 \$	Revised 2017 \$
ASSETS				
Current Assets				
Cash and cash equivalents	7A	4,216,506	3,952,230	3,659,934
Trade and other receivables	7B	64,810	83,569	85,237
Other current assets	7C	99,212	94,675	93,552
Total current assets		4,380,528	4,130,474	3,838,723
Non-Current Assets				
Land and buildings	8A	2,660,396	2,660,396	2,660,396
Investment properties	8B	1,620,000	1,274,439	1,274,439
Furniture and fittings	8C	106,321	106,988	117,765
Office equipment	8D	32,852	35,633	35,393
Motor vehicles	8E	83,528	108,692	145,633
Total non-current assets		4,503,097	4,186,148	4,233,626
Total assets		8,883,625	8,316,622	8,072,349
LIABILITIES				
Current Liabilities				
Trade payables	9A	101,966	84,426	96,515
Other payables	9B	150,829	171,392	154,264
Employee provisions	10A	1,003,300	855,000	765,000
Total current liabilities		1,256,095	1,110,818	1,015,779
Non-Current Liabilities				
Employee provisions	10A	39,096	-	-
Total non-current liabilities		39,096	-	-
Total liabilities		1,295,191	1,110,818	1,015,780
Net assets		7,588,434	7,205,804	7,056,570
EQUITY				
Retained earnings		7,588,434	7,205,804	7,056,570
Total equity		7,588,434	7,205,804	7,056,570

The above statement should be read in conjunction with the notes.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	General Fund	Sickness & Accident Fund	Retirement Fund	Mortality Fund	Union Picnic Fund	Fighting Fund	Fighting & Divisional Objects Fund	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 January 2018	6,169,449	445,807	155,340	121,784	16,539	116,971	3,680	7,056,570
Surplus for the year	137,797	80	1,632	3,090	4,549	164	1,922	149,234
Other comprehensive income	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2018	6,334,246	445,887	156,972	124,874	21,088	117,135	5,602	7,205,804
Surplus/ (deficit) for the year	372,113	3,573	(6,401)	(3,160)	16,305	2,807	(2,607)	382,630
Other comprehensive income	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2019	6,706,359	449,460	150,571	121,714	37,393	119,942	2,995	7,633,434

The above statement should be read in conjunction with the notes.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

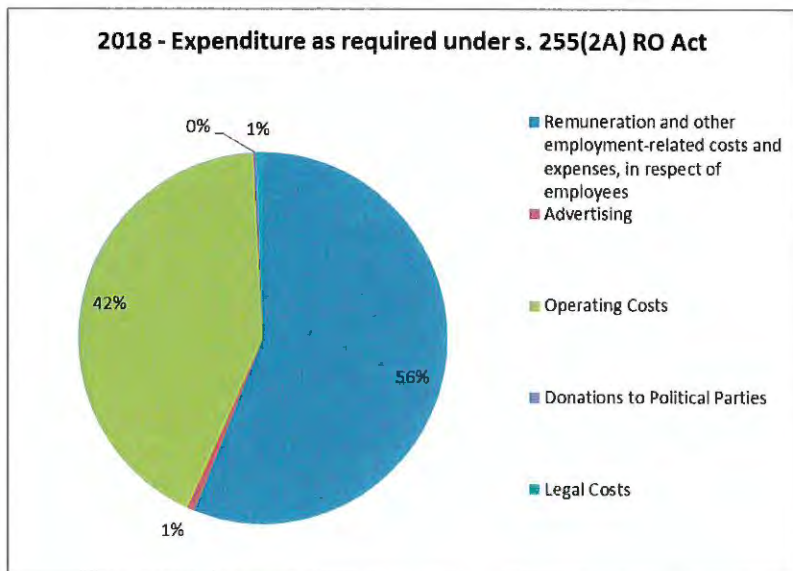
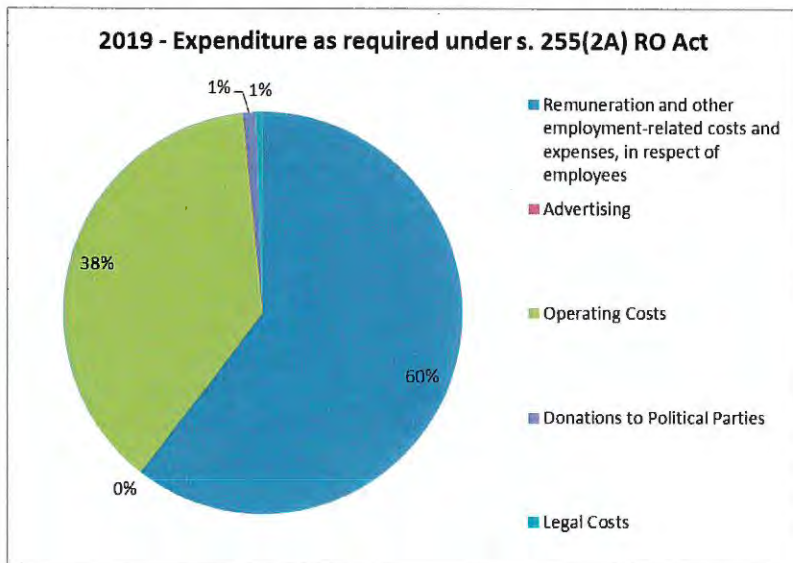
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	11B	20,343	-
Receipts from other customers		4,227,463	3,685,316
Interest received		90,403	98,477
Cash used			
Finance Costs		(37,636)	(36,010)
Payments to employees and suppliers		(3,529,662)	(2,954,647)
Payments to other reporting units	11B	(485,289)	(488,523)
Net cash provided by operating activities	11A	285,622	304,613
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	24,069
Payments for property, plant and equipment		(21,346)	(36,383)
Net cash used in investing activities		(21,346)	(12,314)
FINANCING ACTIVITIES			
		-	-
Net increase in cash held		264,276	292,299
Cash & cash equivalents at the beginning of the reporting period		3,952,230	3,659,931
Cash & cash equivalents at the end of the reporting period	11A	4,216,506	3,952,230

The above statement should be read in conjunction with the notes.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
REPORT REQUIRED UNDER SUBSECTION 255(2A) OF THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009
FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Branch for the year ended 31 December 2019:




 Owen Doogan
 Branch Secretary

Spring Hill
 13 May 2020

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Rail, Tram and Bus Industry Union – Queensland Branch (the Branch) is a not-for-profit entity.

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Key Judgements

Useful lives of plant and equipment

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (Continued)

Key Judgements (Continued)

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

AASB 16 Leases

The adoption of this standard has not had a material impact on the Division for the 2019 financial year.

AASB 15 Revenue from Contracts from Customers

The adoption of this standard has not had a material impact on the Branch for the 2019 financial year.

AASB 1058 Income of Not for Profit Entities

The adoption of this standard has not had a material impact on the Branch for the 2019 financial year.

Future Australian Accounting Standards Requirements

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the Australian Accounting Standards Board (AASB). None of these Standards or amendments to existing Standards have been adopted early by the Division.

The Committee of Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Branch's financial statements.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 1 Summary of significant accounting policies (Continued)

1.5 Revenue

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits (Continued)

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

Under the rules of the Union, those employees who have undertaken 5 or more years of continuous service are entitled to have their Long Service Leave balance paid upon termination (on a pro-rata basis). The Branch does not have an unconditional right to deferred settlement (for those employees with greater than 5 or more consecutive years of service), resulting in Long Service Leave entitlements to be reported at reporting date as current liabilities.

1.9 Leases

Accounting Policy for Leases – 2019 Financial Year

For any new contracts entered into on or after 1 January 2019, the Branch considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Branch assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Branch;
- the Branch has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract;
- the Branch has the right to direct the use of the identified asset throughout the period of use. The Branch assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Branch recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Branch, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Branch depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Branch also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Branch measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Branch's incremental borrowing rate.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.9 Leases (Continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Branch has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Accounting Policy for Leases – 2018 Financial Year

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, that are transferred to the Branch are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Branch will obtain ownership of the asset or over the term of the lease.

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

1.10 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Branch commits itself to either the purchase or sale of the asset (i.e. 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 15.63.

Classification and Subsequent Measurement of Financial Assets

Financial liabilities

Financial liabilities are subsequently measured at:

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

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

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

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

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 an effective hedging relationship).

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.

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 is not subsequently reclassified to profit or loss. Instead, it is 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 value (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 to AASB 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

Financial assets

Financial assets are subsequently measured at:

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

on the basis of the two primary criteria:

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

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

- 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 is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

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

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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

The Branch 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 to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as 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; and
- 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.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Branch made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Branch's accounting policy.

Derecognition

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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. 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 the following criteria need to be satisfied for the derecognition of a 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 Branch no longer controls the asset (i.e. it has no practical ability to make unilateral decisions 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 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 investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

Impairment

The Branch 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 (e.g. amount due from customers under 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.

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 Branch use the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

General approach

Under the general approach, at each reporting period, the Branch assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Branch measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the Branch measured 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 results from transactions that are within the scope of AASB 15: Revenue from Contracts with Customers, that 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 (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit impaired approach

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Branch measured 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

Evidence of credit impairment includes:

- a breach of contract (e.g. default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable 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 Branch assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Branch applied 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; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, 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 lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial Instruments (Continued)

Recognition of expected credit losses in financial statements

At each reporting date, the Branch recognised 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. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. 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.

1.12 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.13 Plant and Equipment

Asset Recognition Threshold

Purchases of land, buildings, plant and equipment and motor vehicles are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Property

Freehold land and buildings are measured on the cost basis and therefore carried at cost less accumulated depreciation and any impairment losses in the event that the carrying amount of the land and buildings are greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated reversible amount and impairment losses are recognised either in profit or loss.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Branch Executive to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with that item will flow to the Branch and the costs of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.13 Plant and Equipment (Continued)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2019	2018
Furniture and fittings	3 – 9 years	3- 9 years
Office equipment	2 -3 years	2 -3 years
Motor vehicles	4 years	4 years

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.14 Investment properties

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any gain or loss arising from a change in fair value is recognised in the profit or loss in the period. The valuation of investment properties is a key area of accounting estimation and judgement for the Branch.

Subsequent costs

Subsequent costs are recognised in the carrying amount of an investment property if it is probable that the future economic benefits embodied within the item will flow to the Branch and the cost can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Derecognition of investment property

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 the profit or loss in the period in which the property is derecognised.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.15 Impairment of non-financial assets

At the end of each reporting period, the Branch assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information 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 (e.g. 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 Branch 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.

1.16 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.17 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 1 Summary of significant accounting policies (Continued)

1.17 Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.18 Investment Property

Investment properties are initially recognised at cost including any acquisition costs and subsequently stated at fair value at each balance date. Fair value is based on the latest independent valuation adjusting for capital expenditure and capitalisation and amortisation of lease incentives since the date of the independent valuation report. Any gain or loss arising from a change in fair value is recognised in the profit or loss in the period. The valuation of investment properties is a key area of accounting estimation and judgement for the Branch.

Subsequent costs

Subsequent costs are recognised in the carrying amount of an investment property if it is probable that the future economic benefits embodied within the item will flow to the Branch and the cost can be measured reliably. All other costs are recognised in the profit or loss as an expense as incurred.

Derecognition of investment property

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 the profit or loss in the period in which the property is derecognised.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2 Prior period error

A prior period error has been identified in the 2018 financial statements in respect to the accounting for property, plant and equipment and investment properties. During the current year it was identified that:

1. The Branch owns multiple rental units located 2A Bulcock Street, Caloundra, which is held predominately for rental yield and capital appreciation as property, plant and equipment (i.e. the Branch does not conduct regular union business from these units). Therefore in accordance with AASB 140 – Investment Property, these assets have been reclassified from property, plant and equipment to investment property (refer Note 8B).
2. The Branch owns land and buildings at 197 Ross River Road, Aikenvale which has previously been revalued (and the gain reflected in the Branch's statement of financial position). However, not all assets within the class of land and buildings were revalued and therefore this is inconsistent with paragraph 36¹ of AASB 116 – Property, Plant and Equipment. As a result, this prior period revaluation has been reversed at 31 December 2019.

In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the Branch has assessed the impact of these prior period errors have had on comparative amounts previously detailed in prior year financial statements. The impact is as follows:

Statement of comprehensive income

The above disclosed prior period error did not impact the statement of comprehensive income.

Statement of cash flows

The above disclosed prior period error did not impact the statement of cash flows.

¹ Paragraph 36 of AASB 116 states that if an item of property, plant and equipment is revalued, then the entire class of property, plant and equipment to which that asset belongs must also be revalued.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 2 Prior period error (continued)

Statement of financial position

Note	Previously Audited (31 December 2017)	Adjustments	Revised (31 December 2017)	Previously Audited (31 December 2018)	Adjustments	Revised (31 December 2018)
ASSETS						
Current Assets						
Cash and cash equivalents	3,659,934	-	3,659,934	3,952,230	-	3,952,230
Trade and other receivables	85,237	-	85,237	83,569	-	83,569
Other current assets	93,552	-	93,552	94,675	-	94,675
Total current assets	3,838,723	-	3,838,723	4,130,474	-	4,130,474
Non-Current Assets						
Land and buildings	4,109,835	(1,449,439)	2,660,396	4,109,835	(1,449,439)	2,660,396
Investment properties	-	1,274,439	1,274,439	-	1,274,439	1,274,439
Furniture and fittings	117,765	-	117,765	106,988	-	106,988
Office equipment	35,393	-	35,393	35,633	-	35,633
Motor vehicles	145,633	-	145,633	108,692	-	108,692
Total Non-current assets	4,408,626	(175,000)	4,233,626	4,361,148	(175,000)	4,186,148
Total assets	8,247,349	(175,000)	8,072,349	8,491,622	(175,000)	8,316,622
LIABILITIES						
Current Liabilities						
Trade Payables	96,515	-	96,515	84,426	-	84,426
Other Payables	154,264	-	154,264	171,392	-	171,392
Employee Provisions	765,000	-	765,000	855,000	-	855,000
Total current liabilities	1,015,779	-	1,015,779	1,110,818	-	1,110,818
Non-Current Liabilities						
Employee Provisions	-	-	-	-	-	-
Total non-current liabilities	-	-	-	-	-	-
Total liabilities	1,015,779	-	1,015,779	1,110,818	-	1,110,818
Net Assets	7,231,570	(175,000)	7,056,570	7,380,804	(175,000)	7,205,804
EQUITY						
Retained earnings	7,056,570	-	7,056,570	7,205,804	-	7,205,804
Asset revaluation reserve	175,000	(175,000)	-	175,000	(175,000)	-
Total equity	7,231,570	(175,000)	7,056,570	7,380,804	(175,000)	7,205,804

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 3 Events after the reporting period

There were no events that occurred after 31 December 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

2019	2018
\$	\$

Note 4 Operating surplus and fund details

Note 4A – Consolidated operating surplus

The Branch's operating surplus comprises of:

General fund	16,474	137,797
Sick and accident fund	3,573	80
Retirement fund	(6,401)	1,632
Mortality fund	(3,160)	3,090
Union picnic fund	16,305	4,549
Fighting fund	2,807	164
Divisional objects fund	(2,607)	1,922
Total consolidated operating surplus	26,991	149,234

Note 4B – General fund

Revenue

Membership subscriptions/ levies	3,611,370	3,496,611
Interest	72,814	72,199
Rental income	114,560	110,372
Other revenue	25,832	11,532
Total revenue	3,824,576	3,690,714

Expenses

Employee expenses	(2,354,202)	(2,154,399)
Sustentation fees	(395,365)	(382,482)
Affiliation fees	(159,766)	(156,053)
Audit and accounting fees	(56,000)	(31,000)
Legal costs	(21,293)	(22,268)
Grants or donations	(51,731)	(12,145)
Depreciation and amortisation	(47,128)	(56,899)
Finance costs	(37,537)	(35,902)
Administration expenses	(249,988)	(233,722)
Conference and meetings expenses	(105,430)	(101,177)
Organising and campaign costs	(10,950)	(26,150)
Communication and IT costs	(163,186)	(183,360)
Property costs	(155,526)	(154,463)
Loss on sale of property, plant and equipment	-	(2,897)
Total expenses	(3,808,102)	(3,552,917)

Surplus for the year	16,474	137,797
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AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$

Note 4 Operating surplus and fund details (Continued)

Note 4C – Sick and accident fund

Revenue

Levies	12,444	12,547
Interest	6,747	7,381
Total revenue	<u>19,191</u>	<u>19,928</u>

Expenses

Payments (Rule 40(a))	(12,800)	(17,223)
Transfer to Divisional Objects Fund	(2,580)	(2,580)
Medical fees	(97)	-
Union fees	(91)	-
Bank fees	(50)	(45)
Total expenses	<u>(15,618)</u>	<u>(19,848)</u>

Surplus for the year	<u>3,573</u>	<u>80</u>
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Note 4D – Retirement fund

Revenue

Levies	8,289	8,353
Interest	1,884	2,037
Total revenue	<u>10,173</u>	<u>10,390</u>

Expenses

Payments (Rule 40(b))	(15,814)	(8,010)
Transfer to Divisional Objects Fund	(720)	(720)
Bank fees	(40)	(28)
Total expenses	<u>(16,574)</u>	<u>(8,758)</u>

(Deficit)/ surplus for the year	<u>(6,401)</u>	<u>1,632</u>
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AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 4 Operating surplus and fund details (Continued)		
Note 4E – Mortality fund		
Revenue		
Levies	8,290	8,353
Interest	2,510	2,711
Total revenue	<u>10,800</u>	<u>11,064</u>
Expenses		
Payments (Rule 40(c))	(12,161)	(7,000)
Transfer to Divisional Objects Fund	(960)	(960)
Union fees	(839)	-
Bank fees	-	(14)
Total expenses	<u>(13,960)</u>	<u>(7,974)</u>
(Deficit)/ surplus for the year	<u>(3,160)</u>	<u>3,090</u>

Note 4F – Union picnic fund

Revenue		
Levies	33,174	33,425
Interest	4	6
Total revenue	<u>33,178</u>	<u>33,431</u>
Expenses		
Amusements and rides	(2,700)	(12,138)
Catering	(11,203)	(13,866)
Equipment hire	(335)	(352)
Truck rental	(465)	(541)
Motor vehicle fund	(138)	(44)
Prizes	(802)	(1,050)
Ground hire	(1,100)	(880)
Wages and salaries	(130)	-
Bank fees	-	(11)
Total expenses	<u>(16,873)</u>	<u>(28,882)</u>
(Deficit)/ surplus for the year	<u>16,305</u>	<u>4,549</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 4 Operating surplus and fund details (Continued)		
Note 4G – Fighting fund		
Revenue		
Interest	4,547	4,909
Total revenue	<u>4,547</u>	<u>4,909</u>
Expenses		
Transfer to Divisional Objects Fund	(1,740)	(4,740)
Bank fees	-	(5)
Total expenses	<u>(1,740)</u>	<u>(4,745)</u>
 Surplus for the year	 <u>2,807</u>	 <u>164</u>

Note 4H – Divisional objects fund

Revenue		
Levies	16,597	16,722
Transfer from investment account	-	3,000
Transfer from sickness and accident fund	2,580	2,580
Transfer from retirement fund	720	720
Transfer from mortality fund	960	960
Transfer from fighting fund	1,740	1,740
Total revenue	<u>22,597</u>	<u>25,722</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 4 Operating surplus and fund details (Continued)		
Note 4H – Divisional objects fund (Continued)		
Expenses		
Hire fee	-	(260)
Bank fees	(10)	(5)
Floral tributes	(210)	(197)
Computer expenses/ repairs	(448)	(5,987)
Stationery	(1,057)	(817)
Wages and salaries	(4,996)	(5,086)
Legal fees	(2,000)	-
Meeting/ training costs	(1,041)	(588)
Donations	-	(400)
Internet	(5,474)	(5,533)
Fares	-	(23)
International Women's Day	(2,237)	(1,663)
Banners/ Coreflutes	-	(53)
Motor vehicle costs (fuel/ parking etc.)	(2,672)	(1,029)
Plaques	(879)	(907)
Union fees	-	(180)
Merchandise	(3,700)	(1,072)
Survey costs	(284)	-
Charity golf day costs	(196)	-
Total expenses	<u>(25,204)</u>	<u>(23,800)</u>
 (Deficit)/ surplus for the year	 <u>(2,607)</u>	 <u>1,922</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 5 Revenue		
Note 5A: Levies		
Organising/ training levy	857,264	820,768
Sick and accident fund levy	12,444	12,547
Retirement fund levy	8,289	8,353
Mortality fund levy	8,290	8,353
Union picnic levy	33,174	33,425
Divisional fund objectives levy	16,597	16,722
Traincrew levy	41,878	38,363
Total Levies	<u>977,936</u>	<u>938,531</u>

Levies

Levies are raised on members to assist in funding the operations of each of the above Funds and to provide additional funds to support the Branch's organising/ training activities.

Note 5B: Interest

Deposits	88,506	89,243
Total interest	<u>88,506</u>	<u>89,243</u>

Note 5C: Rental income

Upper Edward Street, Spring Hill	37,660	35,649
Car park rental income	17,532	17,291
Caloundra units	59,368	57,432
Total rental income	<u>114,560</u>	<u>110,372</u>

Note 5D: Donations

Donations	-	240
Total donation income	<u>-</u>	<u>240</u>

Note 5E: Other revenue

Merchandise sales	1,032	2,298
Distress, Mortality and Training Fund income	24,800	9,234
Total Other revenue	<u>25,832</u>	<u>11,532</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 6 Expenses		
Note 6A: Employee expenses		
Holders of office:		
Wages and salaries	738,059	1,329,058
Superannuation	116,744	196,650
Leave and other entitlements	120,731	102,534
Subtotal employee expenses holders of office	<u>975,534</u>	<u>1,628,242</u>
Employees other than office holders:		
Wages and salaries	1,061,219	341,052
Superannuation	132,559	51,706
Leave and other entitlements	102,889	28,363
Subtotal employee expenses employees other than office holders	<u>1,296,667</u>	<u>421,121</u>
Add: Payroll tax expense/ FBT expense	82,001	105,036
Total employee expenses	<u>2,354,202</u>	<u>2,154,399</u>
Note 6B: Sustainment fees		
Australian Rail, Tram and Bus Industry Union	395,365	382,482
Total Sustainment fees	<u>395,365</u>	<u>382,482</u>
Note 6C: Affiliation fees		
Australian Labor Party (State of Queensland)	46,425	48,753
Queensland Council of Unions	48,069	46,681
Ipswich Trades Hall	30	33
Brisbane labour History Association	100	100
Australian Council of Trade Union (paid to RTBU National Office)	34,840	35,131
Industrial Relations Society	341	335
Queensland Conservation	100	150
Union Shopper	20,434	15,997
Australian Palestine Advocacy Network	400	873
Queensland Community Alliance	9,027	8,000
Total affiliation fees	<u>159,766</u>	<u>156,053</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 6 Expenses (Continued)		
Note 6D: Legal costs		
Litigation	2,361	2,890
Other legal matters	18,932	19,378
Total legal costs	<u>21,293</u>	<u>22,268</u>
Note 6E: Grants or donations		
Donations:		
Total paid that were \$1,000 or less	7,631	545
Total paid that exceeded \$1,000	44,100	11,600
Total grants or donations	<u>51,731</u>	<u>12,145</u>
Note 6F: Depreciation and amortisation		
Depreciation		
Furniture and fittings	10,755	10,776
Office equipment	11,209	9,231
Motor vehicles	25,164	36,892
Total depreciation	<u>47,128</u>	<u>56,899</u>
Amortisation expense	-	-
Total depreciation and amortisation	<u>47,128</u>	<u>56,899</u>
Note 6G: Finance costs		
Bank fees and charges	37,636	36,010
Total finance costs	<u>37,636</u>	<u>36,010</u>
Note 6H: Administration expense		
Insurance	41,673	37,578
Repairs and maintenance	24,000	39,812
Mortality benefit	48,000	52,000
Motor vehicle expenses	54,446	47,709
Labour day expenses	30,035	21,655
Advertising/ promotional costs	24,297	21,118
Training and development	23,901	5,289
Other administration expenses	3,636	8,561
Total administration expense	<u>249,988</u>	<u>233,722</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 6 Expenses (Continued)		
Note 6I: Conference and meetings expense		
Meetings – industrial	44,900	43,532
Meetings – union governance	45,147	46,538
Meetings – national office	15,383	11,107
Total conference and meeting expense	<u>105,430</u>	<u>101,177</u>
Note 6J: Organising and campaign costs		
Organising – campaigning	10,175	26,150
Organising – membership	775	-
Total organising and campaign costs	<u>10,950</u>	<u>26,150</u>
Note 6K: Communication and IT costs		
Internet and telephone	81,269	76,589
Media and member communications	21,639	33,665
Postage	30,826	40,072
Printing and stationery	26,546	31,116
Subscriptions	2,906	1,918
Total communication and IT costs	<u>163,186</u>	<u>183,360</u>
Note 6L: Property costs		
Rates and body corporate costs	66,417	66,637
Regional office costs	20,010	18,516
Storage costs	5,785	5,499
Holiday unit costs	53,156	54,440
Electricity	10,158	9,371
Total property costs	<u>155,526</u>	<u>154,463</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 7 Current Assets		
Note 7A: Cash and Cash Equivalents		
Cash on hand	300	500
Cash at bank – current account	319,423	290,090
Cash at bank – investment account	202,489	202,489
Term deposits	3,694,294	3,459,151
Total cash and cash equivalents	<u>4,216,506</u>	<u>3,952,230</u>
Note 7B: Trade and Other Receivables		
Receivables from other reporting units		
RTBU – National Office	7,277	9,263
Receivables from other reporting units (net)	<u>7,277</u>	<u>9,263</u>
Other receivables:		
Other trade receivables	2,731	16,092
Accrued interest	41,894	43,791
Accrued membership	12,908	14,423
Less: Provision for doubtful debtors	-	-
Total other receivables	<u>44,625</u>	<u>74,306</u>
Total trade and other receivables (net)	<u>64,810</u>	<u>83,569</u>
Note 7C: Other Current Assets		
Prepayments	76,266	71,987
Rental deposit	10,178	9,920
Stock on hand	12,768	12,768
Total other current assets	<u>99,212</u>	<u>94,675</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8 Non-current Assets		
Note 8A: Land and Buildings		
Land and Buildings:		
at cost – 457 Upper Edward Street, Spring Hill	2,373,413	2,373,413
at cost – Astor Terrace car park	121,983	121,983
at cost – 197 Ross River Road, Aitkenvale	165,000	165,000
accumulated depreciation	-	-
Total Land and Buildings	2,660,396	2,660,396

Reconciliation of Opening and Closing Balances of Land and Buildings

As at 1 January		
Gross book value	2,660,396	2,660,396
Accumulated depreciation and impairment	-	-
Net book value 1 January	2,660,396	2,660,396
Additions:		
By purchase	-	-
By revaluation	-	-
Depreciation expense	-	-
Disposals:		
By sale	-	-
Net book value 31 December	2,660,396	2,660,396
Net book value as of 31 December represented by:		
Gross book value	2,660,396	2,660,396
Accumulated depreciation and impairment	-	-
Net book value 31 December	2,660,396	2,660,396

Valuation Details

197 Ross River Road, Aitkenvale

On 25 March 2020, the land and buildings at 197 Ross River Road, Aitkenvale was valued by Mr Jamison Sayce AAPI CPV of Herron Todd White (North Queensland) Pty Ltd. The land and buildings valuation was based on a highest and best use, which was determined as office building held for rental yields (the assets current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for land and buildings comparable in size and location to those held by the Branch and to market based yields for comparable properties.

The land and building was valued at \$210,000.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8B: Investment properties		
Investment properties:		
at valuation - Unit 1, 3, 4 & 5 – 2A Bulcock Street, Caloundra	1,620,000	1,274,439
accumulated depreciation	-	-
Total investment properties	1,620,000	1,274,439

Reconciliation of Opening and Closing Balances of Investment Properties

As at 1 January		
Gross book value	1,274,439	1,274,439
Accumulated depreciation and impairment	-	-
Net book value 1 January	1,274,439	1,274,439
Additions:		
By purchase	2,830	-
By revaluation	342,731	-
Depreciation expense	-	-
Disposals:		
By sale	-	-
Net book value 31 December	1,620,000	1,274,439
Net book value as of 31 December represented by:		
Gross book value	1,620,000	1,274,439
Accumulated depreciation and impairment	-	-
Net book value 31 December	1,620,000	1,274,439

Valuation Details

Unit 1, 3, 4 & 5 – 2A Bulcock Street, Caloundra

On 30 March 2020 (effective date 31 December 2019), the investment properties located at Unit 1, 3, 4 & 5 2A Bulcock Street, Caloundra was valued by Mr Jaydon McDowell AAPI CPV of Herron Todd White (Sunshine Coast) Pty Ltd. The investment property valuation was based on a highest and best use, which was determined as a residential unit complex (the assets current use).

Fair value is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Fair value is determined by direct reference to recent market transactions on arm's length terms for residential unit dwellings comparable in size and location to those held by the Branch and to market based yields for comparable properties.

The collective value of the residential units was valued at \$1,620,000.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8C: Furniture and Fittings		
Furniture, fittings and office equipment:		
at cost	286,443	276,354
accumulated depreciation	(180,122)	(169,366)
Total Furniture and Fittings	106,321	106,988

Reconciliation of Opening and Closing Balances of Furniture and Fittings

As at 1 January		
Gross book value	276,354	276,354
Accumulated depreciation and impairment	(169,366)	(158,590)
Net book value 1 January	106,988	117,764
Additions:		
By purchase	10,088	-
Depreciation expense	(10,755)	(10,776)
Disposals:		
By sale	-	-
Net book value 31 December	106,321	106,988
Net book value as of 31 December represented by:		
Gross book value	286,443	276,354
Accumulated depreciation and impairment	(180,122)	(169,366)
Net book value 31 December	106,321	106,988

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8D: Office Equipment		
Office equipment:		
at cost	300,097	308,043
accumulated depreciation	(267,245)	(272,650)
Total Office Equipment	32,852	35,633

Reconciliation of Opening and Closing Balances of Office Equipment

As at 1 January		
Gross book value	308,043	308,043
Accumulated depreciation and impairment	(272,650)	(272,650)
Net book value 1 January	35,633	35,393
Additions:		
By purchase	8,428	9,471
Depreciation expense	(11,209)	(9,231)
Disposals:		
By sale	-	-
Net book value 31 December	32,852	35,633
Net book value as of 31 December represented by:		
Gross book value	300,097	308,043
Accumulated depreciation and impairment	(267,245)	(272,650)
Net book value 31 December	32,852	35,633

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 8E: Motor Vehicles		
Motor Vehicles:		
at cost	242,078	242,078
accumulated depreciation	(158,550)	(133,386)
Total Motor Vehicles	83,528	108,692

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 January		
Gross book value	242,078	250,594
Accumulated depreciation and impairment	(133,386)	(104,961)
Net book value 1 January	108,692	145,633
Additions:		
By purchase	-	26,916
Depreciation expense	(25,164)	(36,892)
Disposals:		
By sale	-	(26,965)
Net book value 31 December	83,528	108,692
Net book value as of 31 December represented by:		
Gross book value	242,078	242,078
Accumulated depreciation and impairment	(158,550)	(133,386)
Net book value 31 December	83,528	108,692

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 9 Current Liabilities		
Note 9A: Trade payables		
Trade creditors and accrued expenses	57,570	50,031
Subtotal trade payables	<u>57,570</u>	<u>50,031</u>
Payables to other reporting units		
RTBU – National Office	44,396	34,395
Subtotal payables to other reporting units	<u>44,396</u>	<u>34,395</u>
Total trade payables	<u><u>101,966</u></u>	<u><u>84,426</u></u>

Settlement is usually made within 30 days.

Note 9B: Other payables

FBT payable	9,940	17,796
PAYG payable	46,266	46,839
Superannuation payable	28,141	34,298
Legal costs		
Other legal matters	3,440	-
GST payable (net)	57,118	66,035
Other)	5,924	6,424
Total other payables	<u>150,829</u>	<u>171,392</u>

Total other payables are expected to be settled in:

No more than 12 months	150,829	171,392
More than 12 months	-	-
Total other payables	<u>150,829</u>	<u>171,392</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 10 Provisions		
Note 10A: Employee Provisions		
Office Holders:		
Annual leave	447,977	375,000
Long service leave	369,658	365,000
Other employee provisions	-	60,000
<i>Subtotal employee provisions—office holders</i>	817,635	800,000
Employees other than office holders:		
Annual leave	130,970	20,000
Long service leave	93,791	35,000
<i>Subtotal employee provisions—employees other than office holders</i>	224,761	55,000
Total employee provisions	1,042,396	855,000
Current	1,003,095	855,000
Non-Current	39,096	-
<i>Total employee provisions</i>	1,042,396	855,000

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 11 Cash Flow		
Note 11A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	4,216,506	3,952,230
Statement of financial position	4,216,506	3,952,230
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
Surplus for the year	382,630	149,233
Adjustments for non-cash items		
Gain on revaluation of investment properties	(342,731)	-
Depreciation/ amortisation	47,128	56,899
Loss on disposal of property, plant and equipment	-	2,896
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	18,759	(1,067)
(Increase)/ decrease in other current assets	(4,537)	(1,123)
Increase/ (decrease) in trade and other payables	(3,023)	7,775
Increase/ (decrease) in provisions	187,396	90,000
Net cash used in operating activities	<u>285,622</u>	<u>304,613</u>
Note 11B: Cash flow information		
Cash inflows from other reporting units		
RTBU – National Office	20,343	-
Total cash inflows	<u>20,343</u>	<u>-</u>
Cash outflows to other reporting units		
RTBU – National Office	(485,289)	(488,523)
Total cash outflows	<u>(485,289)</u>	<u>(488,523)</u>

Note: Cash flow information to/ from other reporting units disclosed include 10% GST on applicable transactions.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 11 Cash Flow (Continued)		

Note 11C: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2018: Nil).

Note 11D: Net debt reconciliation

Cash and cash equivalents	4,216,506	3,952,230
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>4,216,506</u>	<u>3,952,230</u>

Note 11E: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
Net debt at 1 January 2018	3,659,931	-	-	3,659,931
Cash flows	292,299	-	-	292,299
Net debt at 31 December 2018	3,952,230	-	-	3,952,230
Cash flows	264,276	-	-	264,276
Net debt at 31 December 2019	<u>4,216,506</u>	-	-	<u>4,216,506</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 12		
Contingent Liabilities, Assets and Commitments		

Note 12A: Commitments and Contingencies

Capital commitments

At 31 December 2019 the Branch did not have any capital commitments (2018: Nil).

Other contingent assets or liabilities (i.e. legal claims)

The Committee of Management is not aware of any other contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

Note 13 **Related Party Disclosures**

Note 13A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Australian Rail, Tram and Bus Industry Union is divided into the following separate reporting units (and deemed related parties):

- RTBU – National Office
- RTBU – QLD Branch
- RTBU – NSW Branch
- RTBU – VIC Branch
- RTBU – TAS Branch
- RTBU – SA/ NT Branch
- RTBU – WA Branch
- RTBU – WA PTA Branch

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from RTBU – National Office includes the following:

Reimbursement of travel expenses	11,563	5,576
Reimbursement of wages	5,645	3,163
Other operating expense reimbursement	200	-

Amounts owed by RTBU – National Office includes the following:

Reimbursement of travel expenses	4,280	6,100
Reimbursement of wages	2,997	3,163

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 13 Related Party Disclosures (Continued)

**Note 13A: Related Party Transactions for the Reporting Period
Holders of office and related reporting units (Continued)**

	2019	2018
	\$	\$
Expenses paid to RTBU – National Office includes the following:		
Sustentation fees	395,365	382,482
ACTU affiliation fees	34,839	35,131
Campaign contribution	-	25,000
Other operating costs	2,019	1,424
Amounts owed to CRTBU – National Office includes the following:		
Sustentation fees	34,815	34,395
ACTU affiliation fees	9,581	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 13 Related Party Disclosures (Continued)

Note 13A: Related Party Transactions for the Reporting Period

Holders of office and related reporting units (Continued)

	2019	2018
	\$	\$

Key Management Personnel

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Bruce Mackie (Branch President)
- Owen Doogan (Branch Secretary)
- Tom Brown (Branch Assistant Secretary/ Branch Junior Vice-President (Tram & Bus))
- Les Moffitt (Branch Senior Vice-President)
- Craig Allen (Branch Junior Vice-President)
- Peter Allen (Branch Junior Vice-President)
- All remaining members of the Committee of Management.

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	836,731	1,431,592
Other	-	-

Total short-term employee benefits	836,731	1,431,592
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Post-employment benefits:

Superannuation	116,744	196,650
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Total post-employment benefits	116,744	196,650
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Other long-term benefits:

Long-service leave	22,059	-
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Total other long-term benefits	22,059	-
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Termination benefits

Total	975,534	1,628,242
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No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services – current year	23,000	17,000
Financial statement audit services – prior year	18,000	-
Other services	15,000	14,000
Total remuneration of auditors	56,000	31,000

During the 2019 financial year, the Branch's auditors changed from Adrian J Bellotti Chartered Accountants to MGI Audit Pty Ltd. Prior year audit fees and other services were performed by Adrian J Bellotti Chartered Accountants.

Note 15 Financial Instruments

Financial Risk Management Policy

The Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership income across a diversified membership base.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

On a geographical basis, the Branch's trade and other receivables are all based in Australia.

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 15 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2019

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	57,533	-	-	-	-	57,533
Receivables from other reporting units	7,277	-	-	-	-	7,277
Total	64,810	-	-	-	-	64,810

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

	Within trading terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	74,306	-	-	-	-	74,306
Receivables from other reporting units	9,263	-	-	-	-	9,263
Total	83,569	-	-	-	-	83,569

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2019, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2019 (2018: Nil).

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 15 Financial Instruments (Continued)

(b) Liquidity Risk

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

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	101,966	84,426	-	-	-	-	101,966	84,426
Other payables	150,829	171,392	-	-	-	-	150,829	171,392
Total expected outflows	252,795	255,818	-	-	-	-	252,795	255,818
Financial assets – cash flow receivable								
Cash and cash equivalents	4,216,506	3,952,230	-	-	-	-	4,216,506	3,952,230
Trade and other receivables	64,810	83,569	-	-	-	-	64,810	83,569
Total anticipated inflows	4,281,316	4,035,799	-	-	-	-	4,281,316	4,035,799
Net inflow on financial instruments	4,028,521	3,779,981	-	-	-	-	4,028,521	3,779,981

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 15 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments are as follows:

	Weighted Average Effective Interest Rate			
	2019	2018	2019	2018
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	1.91	2.22	4,216,506	3,952,230

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 31 December 2019		
+1% in interest rates	42,165	42,165
-1% in interest rates	(39,281)	(39,281)
Year ended 31 December 2018		
+1% in interest rates	39,522	39,522
-1% in interest rates	(36,641)	(36,641)

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Note 15 Financial Instruments (Continued)

(c) Market Risk (continued)

- ii. Foreign exchange risk
The Branch is not exposed to direct fluctuations in foreign currencies.

- iii. Price risk
The Branch is not exposed to any material commodity price risk.

Note 16 Fair Value Measurements

Fair Values

Fair value estimation

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

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 16 Fair Value Measurements (Continued)

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Footnote	2019		2018	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	4,216,506	4,216,506	3,952,230	3,952,230
Accounts receivable and other debtors	(i)	64,810	64,810	83,569	83,569
Total financial assets		4,281,316	4,281,316	4,035,799	4,035,799
Financial liabilities					
Trade payables	(i)	101,966	101,966	84,426	84,426
Other payables	(i)	150,829	150,829	171,392	171,392
Total financial liabilities		252,795	252,795	255,818	255,818

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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 measurement into one of the 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 of liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Note 16 Fair Value Measurements (Continued)

Fair Value Hierarchy (Continued)

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.

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2019

	Note	Date of Valuation	Level 1	Level 2	Level 3
		\$	\$	\$	\$
Assets measured at fair value					
Investment properties – Unit 1, 3,4 & 5 – 2A Bulcock Street, Caloundra	7B	31 Dec 2019	-	1,620,000	-
Total			-	1,830,000	-

The Branch does not have any other assets or liabilities that are recorded using a fair value technique.

Fair value hierarchy – 31 December 2018

The Branch does not have any assets or liabilities that are recorded using a fair value technique.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Note 17 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 Commission:

- (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).

Note 18 Branch Details

The registered office of the Branch is:

RTBU – Queensland Branch
Level 1, 457 Upper Edward Street
BRISBANE QLD 4000

Note 19 Segment Information

The Branch operates solely in one reporting business segment being the provision of trade union services.

The Branch operates from one reportable geographical segment being the state of Queensland.

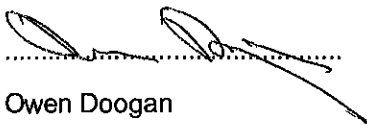
AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - QUEENSLAND BRANCH

OFFICER DECLARATION STATEMENT

I Owen Doogan, being the Branch Secretary of the Australian Rail, Tram and Bus Industry Union – Queensland Branch declare that the following did not occur during the reporting period ended 31 December 2019:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired 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 of revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- 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 compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay separation and redundancy to holders of office
- Pay other employee expenses to holders of office
- Pay separation and redundancy to holders of office (other than holders of office)
- Pay other employee expenses to holders of office (other than holders of office)
- 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 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 other legal matters
- Have a long service leave provision in respect of holders of office
- Have a separation and redundancy provision in respect of holders of office
- Have other employee provisions in respect of holders of office
- Have a separation and redundancy provision in respect of holders of office (other than holders of office)
- Have other employee provisions in respect of holders of office (other than holders of office)
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



Owen Doogan

Branch Secretary

13 May 2020