



13 August 2019

Mr Darren Phillips
Branch Secretary, South Australian and Northern Territory Branch
Australian Rail, Tram and Bus Industry Union

cc. Mr Natale Rugari, Auditor

Dear Secretary,

Re: – Australian Rail, Tram and Bus Industry Union, South Australian and Northern Territory Branch - financial report for year ending 31 December 2018 (FR2018/357)

I refer to the financial report of the South Australian and Northern Territory Branch of the Australian Rail, Tram and Bus Industry Union. The documents were lodged with the Registered Organisations Commission (**ROC**) on 28 June 2019.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Audit scope to include subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act also encompasses the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the report in the audit report.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

Auditor declaration

The audit report contained a declaration consistent with previous requirements. However I draw attention to the new form of auditor declaration as set out in reporting guideline 29(a).

Recovery of wage revenue

A statement that the branch did not participate in recovery of wage activity was included at paragraph (f) of the committee of management statement. This activity should be in future included with the revenue items for the purposes of the statement of comprehensive income, in accordance with reporting guideline 13(e).

Nil activity disclosures

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The financial statements and notes contained all relevant nil activity disclosures except as follows:

- RG12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- RG16(c)(iii) - have a liability for separation and redundancy for office-holders
- RG16(c)(iv) - have a liability for other employment provisions for office-holders
- RG16(d)(iii) - have a liability for separation and redundancy for employees (other than office-holders)
- RG16(d)(iv) - have a liability for other employment provisions for employees (other than office-holders)
- RG19 - have another entity administer the financial affairs of the reporting unit

Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the names of Kym Harris and Joshua Sundqvist appeared in the previous year's operating report but did not appear in this year's operating report. ROC records show that their offices were subject to election declared on 7 August 2018 and that changes to the records of their offices were notified on 24 October 2018.¹ This appears to indicate that they continued to hold their positions for part of the year, and if this is correct, their names, and the respective periods, should have been included in the 2018 operating report.

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 reporting units use these model financial statements to assist in complying with the RO Act, the reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

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

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

¹ See notification in matter AR2018/98 (pp.49-52) and in matter E2018/81 at <https://www.roc.gov.au/find-a-registered-organisation/artbiu/australian-rail-tram-and-bus-industry-union>

Australian Rail Tram & Bus Industry Union
(RTBU SA&NT Branch)

s.268 Fair Work (Registered Organisations) Act 2009

Secretary's Certificate for the period ended 31 December 2018

I, **DARREN BRETT PHILLIPS**, being the Branch Secretary of the Australian Rail Tram and Bus Industry Union, South Australia & Northern Territory Branch, trading as the Rail Tram and Bus Industry Union, SA & NT Branch (RTBU SA & NT), certify:

- that the documents lodged herewith are copies of the full financial report for the Australian Rail Tram & Bus Industry Union South Australia & Northern Territory Branch for the year ending 31st December 2018 and an Auditor's Report dated the 29th March 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 Committee of Management of the reporting unit on the first meeting dated the 29th March 2019 in accordance with s.265; and
- that the full report was provided free of charge to members on the 29th March 2019 via facsimile, email or via Australia Post to all locations where RTBU members are employed and posted on the RTBU branch's website; and
- that the full report was presented to the Committee of Management of the reporting unit on the second meeting dated the 25th June 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Darren Phillips
Branch Secretary

Dated this 28th day of June 2019

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION

SA & NT BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION
SA & NT BRANCH

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AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

OPERATING REPORT

The Branch Executive, being the Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Australian Rail, Tram & Bus Industry Union SA & NT Branch (ARTBIU) for the financial year ended 31 December 2018.

The Union is a 'not for profit' entity, and a registered organisation under Fair Work Act (2009)

Review of the State's Principal Activities

The ARTBIU's principal activities for the reporting period were as follows:

- Implement National and Branch Council Decisions
Implement the Union's organizing agenda, including direct assistance and strategic advice on particular industry or site; organizing projects, the training and development of officials & delegates;
Industrial support including representation of individual member grievances, advice on legal and legislative matters, holding of union elections as provided for in the rules of the union, and responding to the needs of members as provide for within the rules of the union, within the scope of any statutory or legal obligations;
- The administration of Federal awards, the certification of Federal industrial agreements, and the variation of awards;
State media and communications to members and the broader community via media releases in support of campaigns; and
- Coordination of and negotiation of state industries, and assistance to members regarding workplace agreements.

Significant Changes in Principal Activities

There were no significant changes in the nature of the Branch's principal activities during the financial year.

Results of Principal Activities

During the year to 31 December 2018 the objectives and principal activities described above were generally achieved

The Branch's principal activities resulted in a surplus/(deficit) for the financial year of \$41,410

Significant Changes in Financial Affairs

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

The Right of Members to Resign

All members of the Union have the right to resign from the Union in accordance with Rule 14(1) and 14 (3) of the Union Rules, (and Section 254 (2)(c) of the Fair Work (Registered Organisations) Act 2009); namely by providing notice, addressed and delivered to the Secretary via email, post, facsimile or in person.

State Officers or Members who are Trustees of a Superannuation Entity

Except as stated below, to the best of our knowledge and belief, no officer of the Branch, by virtue of their office of the Australian Rail, Tram and Bus Industry Union Branch Council is:

1. A Trustee of a superannuation entity or exempt public sector superannuation scheme;
2. A director of a company that is trustee of a superannuation entity or an exempt public sector superannuation scheme; and
3. Where a criterion for the officer being trustee or director is that the officer is an officer of a registered organisation.

Other Relevant Information

The Branch Council is not aware of any other relevant information.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

Prescribed Information Required Under the Fair Work (Registered Organisations) Regulations 2009

- (a) The number of persons who were recorded in the register of members on 31 December 2018 was 956.
- (b) The number of persons who were employees of the reporting union on 31 December 2018 was 3.
- (c) The name of each person who has been a member of State Branch Council, at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Period Position Held
Carolyn Meridew	01/01/2018-24/09/2018
Jeanne Robb	09/10/2018-31/12/2018
Barran Cook	01/01/2018-24/09/2018
Brett Dawson	01/01/2018-31/12/2018
Barran Phillips	01/01/2018-31/12/2018
Mark Edwards	24/09/2018-31/12/2018
Lynden Fuller	01/01/2018-31/12/2018
Christopher Leonard	24/09/2018-31/12/2018
Malcolm Bond	24/09/2018-31/12/2018
Joshua Murdoch	01/01/2018-31/12/2018
Michael Kavanagh	01/01/2018-24/09/2018
Stephen Blight	01/01/2018-24/09/2018
Wayne Harker	01/01/2018-31/12/2018
Trevor Smith	01/01/2018-31/12/2018
Erzo Fregona	01/01/2018-31/12/2018
Lynden Rawke	01/01/2018-31/12/2018
Simon Haire	01/01/2018-31/12/2018
Paul Hamilton	09/10/2018-31/12/2018
David Brown	09/10/2018-31/12/2018

Signed in accordance with a resolution of Committee of Management



Barran Brett Phillips

Branch Secretary

20th March 2019

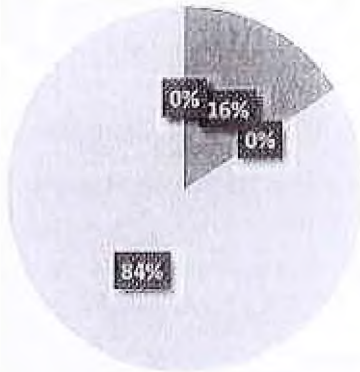
AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

Expenditure Report as required under s.255(2A) RO Act

The Committee of Management, for the purposes of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, presents its operating report of the Australian Rail, Tram and Bus Industry Union for the financial year ended 31 December 2018

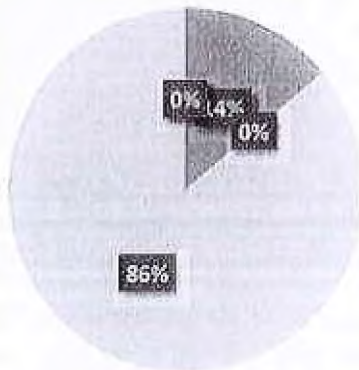
	2018	2017
Remuneration and other employment-related costs and expenses: employees	89,006	80,013
Advertising	-	-
Operating Costs	477,247	497,756
Donations to Political Parties	-	-
Legal Costs	1,035	-
TOTAL	567,288	577,769

2018 - Expenditure as required under s.255(2A) RO Act



- ☐ Remuneration and other employment-related costs and expenses: employees
- ☐ Advertising
- ☐ Operating Costs
- ☐ Donations to Political Parties

2017 - Expenditure as required under s.255(2A) RO Act



- ☐ Remuneration and other employment-related costs and expenses: employees
- ☐ Advertising
- ☐ Operating Costs

Signed:


Trevor Smith, Branch President

Date: 22/1/2019

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

COMMITTEE OF MANAGEMENT'S STATEMENT

On 29th March 2019 the Branch Executive of the Australian Rail, Tram and Bus Industry Union - SA & NT Branch passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch Council for the year ended 31 December 2018:

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 31 December 2018;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 31 December 2018 and since the end of the financial year:
 - (i) meetings of the Branch committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - (iv) as the organisation consists of two or more reporting units, the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) no information has been sought in any request by a member of the Branch or Commissioner duly made under Section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) no orders for inspection of financial records have been made by FairWork Commission under section 273 of the RO Act.
- (f) during the financial year ended 31 December 2018 the Branch did not participate in any recovery of wages activity

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



Trevor Smith = Branch President

29th March 2019

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION -SA & NT BRANCH

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
INCOME			
Branch Levies		64,674	61,749
Capitation Fees		-	-
Grants and/or Donations		-	-
Membership Contributions	1(a)(i)	516,391	494,334
National Office Expense Reimbursement		170	4,337
Workers' Compensation Recovered		10,218	9,446
Interest Received		15,587	15,053
Sundry Income		236	181
Profit (Loss) on Sale of Assets		1,421	-
TOTAL INCOME		608,698	585,100
EXPENDITURE			
Affiliation fees	4(a)	18,711	15,166
Bank charges		1,774	1,964
Capitation fees - National Office		75,555	72,158
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		2,473	1,705
Depreciation Expense		12,304	13,750
Diaries & Badges		4,555	5,298
Employee expenses		-	-
Fees/allowances = meeting and conferences		-	-
Finance Cost		-	-
Fringe Benefits Tax		5,212	5,183
General office expenses		16,410	14,777
Grants or donations	4(b)	-	500
Industrial Relations Expense		-	-
Insurance (Policy Held)		10,589	17,797
Emergency Transport & Funeral		11,184	19,590
Leave = Employees	1(a)(iii)	2,581	2,032
Leave = Officers	1(a)(iii)	17,908	9,877
Motor vehicle expenses		8,498	6,982
Penalties = via RO Act or RO Regulations		-	-
Professional services	a	5,535	5,500
Property Expenses		6,728	5,970
Sundry Expenses		-	-
Salaries & Wages = Employees		69,271	69,652
Salaries & Wages = Officials		198,648	214,853
Superannuation = Employees		17,154	8,329
Superannuation = Officials		27,243	27,870
Telephone & Information Technology		16,608	16,797
Training		5,908	6,480
Travel Expenses		10,460	15,258
Return to Work SA Premium		3,396	3,570
Workers' Compensation Expenses		9,579	16,676
TOTAL EXPENDITURE		567,288	577,769
NET SURPLUS/ (DEFICIT) FOR THE YEAR		41,410	7,330
OTHER COMPREHENSIVE INCOME			
Items recognised directly in Equity:			
Net increase in Asset Revaluation Reserve		-	99,287
TOTAL COMPREHENSIVE INCOME		41,410	106,617

The above statement should be read in conjunction with the notes

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	8(a)	793,585	727,826
Receivables	7	28,821	23,099
Accrued Interest		3,177	1,060
Prepayments		3,228	3,566
		<u>827,211</u>	<u>758,456</u>
Total Current Assets		827,211	758,456
Non-Current Assets			
Land & Buildings	8(a)	435,000	435,000
Less: Accumulated Depreciation		(73,400)	(88,167)
Office Equipment & Furniture	8(b)	70,257	70,257
Less: Accumulated Depreciation	m	(86,628)	(85,131)
Motor Vehicles	8(c)	49,161	44,781
Less: Accumulated Depreciation		(14,380)	(22,657)
		<u>400,613</u>	<u>394,093</u>
Total Non-Current Assets		400,613	394,093
TOTAL ASSETS		1,227,822	1,152,550
TOTAL LIABILITIES			
Current Liabilities			
Trade and other payables	9	17,502	9,827
GST Payable		4,622	4,426
FBT Payable		1,258	1,199
PAYG Payable		4,718	5,420
Superannuation Payable		9,175	3,030
Provision for Annual Leave - Employees	1(a)(iii)	11,995	11,722
Provision for Annual Leave - Officials	1(a)(iv)	67,821	55,957
Provision for Long Service Leave - Employees	1(a)(iii)	27,066	24,758
Provision for Long Service Leave - Officials	1(a)(iv)	43,201	37,157
		<u>187,358</u>	<u>153,496</u>
Total Current Liabilities		187,358	153,496
NET ASSETS (LIABILITIES)		1,040,464	999,054
MEMBERS' FUNDS			
General Fund		599,521	588,003
Lewy Fund		350,226	311,462
Asset Revaluation Reserve		99,287	99,287
		<u>1,040,464</u>	<u>999,054</u>
ACCUMULATED FUNDS (LOSSES)		1,040,464	999,054

The above statement should be read in conjunction with the notes

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	General Fund	Levy Fund	Asset Revaluation Reserve	Total Accumulated Funds
	\$	\$	\$	\$
Balance at 1 January 2017	801,203	291,224	-	892,437
Net Surplus (Deficit) for the year	(13,210)	20,540	-	7,330
Transfers to Reserves	-	-	99,287	99,287
Balance at 31 December 2017	<u>588,003</u>	<u>311,764</u>	<u>99,287</u>	<u>999,054</u>
Net Surplus (Deficit) for the year	2,518	38,892	-	41,410
Transfers to Reserves	-	-	-	-
Balance at 31 December 2018	<u>590,521</u>	<u>350,656</u>	<u>99,287</u>	<u>1,040,464</u>

The above statement should be read in conjunction with the notes

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – SA & NT BRANCH

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	588,077	573,822
Payments to Suppliers and employees	(520,393)	(551,551)
Interest received	15,587	15,053
Net cash provided by (used in) operating activities (note B)	<u>83,270</u>	<u>37,323</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(25,979)	-
Proceeds from Disposal of:		
Proceeds from sale of plant and equipment	8,578	-
Net cash provided by (used in) investing activities	<u>(17,401)</u>	<u>-</u>
Net increase (decrease) in cash held	65,869	37,323
Cash at the beginning of the year	<u>730,893</u>	<u>693,569</u>
Cash at the end of the year (note A)	<u>796,762</u>	<u>730,893</u>

The above statement should be read in conjunction with the notes

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – SA & NT BRANCH

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018 cont.

2018

2017

Note A: Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at Bank	236,769	184,645
Cash on Hand	1,000	1,000
Term Deposits	555,816	542,182
Accrued Interest	3,177	3,066
	<u>796,762</u>	<u>730,893</u>

Note B: Reconciliation of Net Cash Provided By/Used in Operating Activities to Net Profit

Operating profit (loss) after tax	41,410	7,330
Depreciation	12,304	13,790
(Profit) / Loss on sale of property, plant and equipment	(1,421)	
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	(2,823)	3,775
(Increase) decrease in prepayments	(62)	45
Increase (decrease) in trade creditors and accruals	7,875	1,800
Increase (decrease) in employee entitlements	25,932	12,880
Increase (decrease) in sundry provisions	256	(1,297)
Net cash provided by operating activities	<u>83,279</u>	<u>37,323</u>

The above statement should be read in conjunction with the notes

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*.

The financial report is for the Australian Rail, Tram & Bus Industry Union SA & NT Branch, an organisation registered under the RO Act. For the purpose of preparing the general purpose financial statements, the Australian Rail, Tram & Bus Industry Union SA & NT Branch is a not-for-profit entity.

The financial report has been prepared on an accrual basis and in accordance with historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(i) **Revenue**
All revenue been brought to account on an accrual basis during the course of the year.

(ii) **Expenditure**
Expenses represent amounts paid directly by the Branch for operational costs.

(iii) **Employee Entitlements**
Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment. There is no liability for Separation & Redundancies or Other Employee Provisions in respect to Office Holders or other Employees.

(iv) **Property, Plant and Equipment**
Depreciable property and equipment assets are written-off to their estimated residual values over their estimated useful lives using the following method of depreciation against each class of asset. 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. Depreciation rates applying to each class of depreciable assets along with depreciation method are based on the following useful lives:

	Depreciation Method	2018	2017
Building	Straight line	2.5%	2.5%
Furniture & Office Equipment	Diminishing Value	13 to 50%	13 to 50%
Motor Vehicles	Diminishing Value	25%	25%

(v) **Income Tax**
No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(vi) **Goods and Services Tax (GST)**
Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

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

Cash flows are included in the statement of cash flows on a gross basis

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

b) Going concern basis of accounting

The financial report has been prepared on the basis that the Branch is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Branch Council believes the going concern basis is appropriate.

The Branch does not provide or rely on any financial support to/from any other Branch of the Australian Rail, Trams & Bus Industry Union.

c) Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

d) Future Australian Accounting Standard requirements

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Branch's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER OF REGISTERED ORGANISATIONS COMMISSION

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

- D A member of a reporting unit, or the Commissioner of Registered Organisations Commission, 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)

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
4a. Affiliation Fees		
Australian Labor Party	5,321	3,903
SA Unions	5,598	5,494
National Office	6,330	3,894
Others	1,462	1,875
	<u>18,711</u>	<u>15,166</u>
4b. Grants or Donations \$1,000 or less*		
Grants	-	-
Donations	-	500
	<u>-</u>	<u>500</u>
Grants or Donations over \$1,000		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>
Total grants or donations	<u>-</u>	<u>500</u>
5. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report	5,000	5,000
- Other Services	500	500
	<u>5,500</u>	<u>5,500</u>
Legal Costs*		
Litigation	-	-
Other Legal Matters	1,035	-
	<u>1,035</u>	<u>-</u>
	<u>6,535</u>	<u>5,500</u>
6. CASH AND CASH EQUIVALENTS		
Cash at Bank = at Call Deposits	236,769	184,645
Cash at Bank = Term Deposits	556,816	542,182
Cash on Hand	1,000	1,000
	<u>793,585</u>	<u>727,827</u>
7. RECEIVABLES		
Receivable from other reporting units*		
Net amount receivable	-	-
Less provision for doubtful debts*	-	-
	<u>-</u>	<u>-</u>
Other Receivables		
Debtors	26,821	23,998
	<u>26,821</u>	<u>23,998</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

8. PROPERTY, PLANT & EQUIPMENT

Reconciliation of opening and closing Balances

(a)	Land & Buildings		
	Net book Value as at 1 January	366,833	272,842
	Additions	-	-
	Revaluations	-	99,287
	Impairments	-	-
	Depreciation Expense	(5,233)	(5,296)
	Disposals	-	-
	Net book Value as at 31 December	<u>361,600</u>	<u>366,833</u>
(b)	Office Equipment & Furniture		
	Net book Value as at 1 January	5,126	6,243
	Additions	-	-
	Revaluations	-	-
	Impairments	-	-
	Depreciation Expense	(895)	(1,117)
	Disposals	-	-
	Net book Value as at 31 December	<u>4,231</u>	<u>5,126</u>
(b)	Motor Vehicles		
	Net book Value as at 1 January	22,134	29,511
	Additions	25,980	-
	Revaluations	-	-
	Impairments	-	-
	Depreciation Expense	(6,176)	(7,377)
	Disposals	7,157	-
	Net book Value as at 31 December	<u>34,781</u>	<u>22,134</u>

9. TRADE AND OTHER PAYABLES

Trade and other payables	3,499	4,117
Other payables - legal costs	-	-
Consideration to employers for payroll deductions	-	-
Payables to other reporting units	14,003	5,719
National Office	17,502	9,857
	<u>17,502</u>	<u>9,857</u>

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Employees Benefits	2018	2017
Short-term Employee Benefits	210,512	210,532
Post-employment Benefits	27,243	27,870
Other Long-term Benefits	6,044	6,055
Termination Benefits	-	-
Share-based Payments	-	-
TOTAL	<u>243,799</u>	<u>244,457</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

11: RELATED PARTIES

The Branch does not have any related party transactions

Employees Benefits	Employees	Office Holders
Wages and Salaries	69,271	198,848
Superannuation	17,154	27,243
Leave and other entitlements	2,581	17,908
Separation and redundancies	-	-
Other Employee Expenses	-	-
TOTAL	89,006	343,799

Cash Flows with Other Reporting Units	2018	2017
National Office		
Cash Inflows		
Expense Reimbursement	570	4,337
Cash Outflows		
Capitation Fees	(75,555)	(72,156)
	(75,385)	(71,912)

12: FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

The Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing these risks and the methods used to measure them

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing these risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk and credit risk.

The Branch Audit & Finance Committee have overall responsibility for the determination of the Branch's risk management objectives and policies.

(b) *Credit risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of these assets, net of any provision for doubtful debts, as disclosed below:

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Cash and cash equivalents	<u>793,585</u>	<u>727,826</u>
The cash and cash equivalents are held in a high quality Australian financial institution		
Net amount receivable - National Council Debtors	<u>26,821</u>	<u>23,998</u>
Total receivables	<u>26,821</u>	<u>23,998</u>

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) *Liquidity risk*

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Branch is not significantly exposed to this risk; as at 31 December 2018 it had \$793,585 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 December 2018 totaled \$187,358

(f) *Market risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) *Interest rate risk*

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates on those financial assets and are summarised below;

Sensitivity Analysis

2018	Carrying Amount	± 0.5%	- 0.5%
	\$	Profit \$	Loss \$
Cash Assets	<u>793,585</u>	<u>3,967</u>	<u>(3,967)</u>
2017			
Cash Assets	<u>727,826</u>	<u>3,639</u>	<u>(3,639)</u>

(f) *Other Price Risks*

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) *Foreign Exchange Risk*

The Branch is not directly exposed to foreign exchange rate risk.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - SA & NT BRANCH

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

13. SUBSEQUENT EVENTS

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

14. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

None

15. ADDITIONAL BRANCH INFORMATION

The registered office and principal place of business of the Branch is:

Ray Hancox House
63 Ledger Road
Beverley, South Australia 5009

INDEPENDENT AUDITOR'S REPORT

To the members of the Australian Rail, Tram & Bus Industry Union SA & NT Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Rail, Tram & Bus Industry Union SA & NT Branch, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' declaration.

In our opinion the accompanying financial report of Australian Rail, Tram & Bus Industry Union SA & NT Branch, presents fairly, in all material respects the reporting unit's financial position as at 31 December 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*. It is also our opinion that management's use of the going concern basis of accounting is appropriate.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit 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.

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Australian Rail, Tram & Bus Industry Union SA & NT Branch operating report but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Declaration by the auditor

I, Natale Rugari, declare that I am an approved auditor, a member of CPA Australia and hold a current Public Practice Certificate.



Natale Rugari, Principal

North Adelaide, 29th March 2019

Registration Number AA2017/32 (as registered by the RO Commission under the Act)