

14 August 2020

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

Dear Secretary

Re: – Financial reporting – Australian Rail, Tram and Bus Industry Union, South Australian and Northern Territory Branch - for year ending 31 December 2019 (FR2019/318)

I refer to the financial report of the South Australian and Northern Territory 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 15 June 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 sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 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 do not have to take any further action in respect of the financial report lodged. However I note that the report reflects advice I provided in February 2020 which did not include information specifically relating to new Accounting standards 15 and 1058, and 16. My advice preceded the issue by ROC of relevant reference material¹ on and from 25 June 2020 that may be used as guidance for the report for the year ending 31 December 2020. I make the following comments to assist when preparing the next report.

New Accounting Standards – AASB 16, 15 and 1058

I note the disclosures made in accordance with Australian Accounting Standard AASB 16. In relation to Australian Accounting Standards AASB 15 and 1058, the next report should present relevant disclosures as follows.

AASB 15 - Separate disclosure of revenue from contracts with customers

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately² unless already disclosed separately in the statement of comprehensive income.

¹ See new model financial statements and assessment checklists

² i.e. from income recognised under AASB 1058

AASB 15 - Disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

AASB 1058 - Separate disclosure of income of not-for-profit entities

Australian Accounting Standard AASB 1058 Income of Not-for-Profit Entities paragraph 26 requires an entity to disclose income recognised during the period, disaggregated into categories that reflect how the nature and amount of income are affected by economic factors based on the following categories:

- a. grants, bequests and donations of cash, other financial assets and goods;
- b. recognised volunteer services; and
- c. for government departments and other public sector entities, appropriation amounts recognised as income, by class of appropriation.

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



Stephen Kellett
Financial Reporting
Registered Organisations Commission

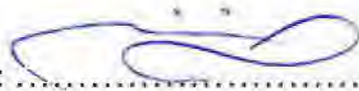
Australian Rail Tram & Bus Industry Union
(RTBU SA&NT Branch)

s.268 Fair Work (Registered Organisations) Act 2009

Certificate for the year ended 31 December 2019

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 period ended 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 the first meeting dated the 26th March 2020 in accordance with s.265; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 12th June 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: DARREN BRETT PHILLIPS

Title of prescribed designated officer: RTBU SA/NT BRANCH SECRETARY

Dated: 15 JUNE 2020

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION

SA & NT BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019.

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 2019 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 **\$28,775**

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 2019 was 951
- (b) The number of full-time equivalent persons who were employees of the reporting unit on 31 December 2019 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
Joanne Robb	01/12/2019 – 31/12/2019
Brett Dawson	01/12/2019 – 31/12/2019
Darren Phillips	01/12/2019 – 31/12/2019
Mark Edwards	01/12/2019 – 31/12/2019
Lyndon Fuller	01/12/2019 – 31/12/2019
Christopher Lennard	01/12/2019 – 31/12/2019
Malcolm Bond	01/12/2019 – 31/12/2019
Joshua Murdoch	01/12/2019 – 31/12/2019
Wayne Harker	01/12/2019 – 31/12/2019
Trevor Smith	01/12/2019 – 31/12/2019
Enzo Fregona	01/12/2019 – 31/12/2019
Lynden Rewko	01/12/2019 – 31/12/2019
Simon Haire	01/12/2019 – 31/12/2019
Paul Hamilton	01/12/2019 – 31/12/2019
David Brown	01/12/2019 – 31/12/2019

Signed in accordance with a resolution of Committee of Management


A handwritten signature in black ink, appearing to read 'Darren Phillips', is written over a horizontal dotted line.

Darren Brett Phillips

Branch Secretary

26th March 2020

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 2019


	2019	2018
Remuneration and other employment-related costs and expenses: employees	100,793	89,006
Advertising	-	-
Operating Costs	481,104	477,247
Donations to Political Parties	-	-
Legal Costs	443	1,035
TOTAL	582,340	567,288

2019 - Expenditure as required under s.255(2A) RO Act



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



Signed: 
Trevor Smith, Branch President

Date: 26th MARCH 2020

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

COMMITTEE OF MANAGEMENT'S STATEMENT

On 26th March 2020 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 2019.

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 2019;
- (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 2019 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 Fair Work Commission under section 273 of the RO Act.

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



Trevor Smith – Branch President

26th March 2020

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
INCOME			
Branch Levies		65,072	64,674
Capitation Fees		-	-
Grants and/or Donations		-	-
Membership Contributions	1(a)(i)	523,507	516,391
National Office Expense Reimbursement		708	170
Revenue from Recovery of Wages Activity		-	-
Workers' Compensation Recovered		3,062	10,218
Interest Received		15,299	15,587
Sundry Income		13	236
Profit (Loss) on Sale of Assets		3,453	1,421
TOTAL INCOME		<u>611,115</u>	<u>608,698</u>
EXPENDITURE			
Affiliation fees	4(a)	15,773	18,711
Bank charges		1,728	1,774
Capitation fees – National Office		75,909	75,555
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Conference & meeting expenses		2,375	2,473
Depreciation Expense		16,389	12,304
Diaries & Badges		5,972	4,555
Employee expenses		-	-
Fees/allowances – meeting and conferences		-	-
Finance Cost		-	-
Fringe Benefits Tax		5,824	5,212
General office expenses		13,007	16,410
Grants or donations	4(b)	-	-
Industrial Relations Expense		-	-
Insurance (Policy Held)		18,647	18,589
Emergency Transport & Funeral		19,746	11,184
Leave – Employees	1(a)(iii)	5,520	2,581
Leave – Officers	1(a)(iii)	11,912	17,908
Motor vehicle expenses		8,103	8,498
Penalties – via RO Act or RO Regulations		-	-
Professional services	5	5,943	6,535
Property Expenses		8,242	6,728
Sundry Expenses		-	-
Salaries & Wages – Employees		70,870	69,271
Salaries & Wages – Officials		197,327	198,648
Superannuation – Employees		24,404	17,154
Superannuation – Officials		33,520	27,243
Telephone & Information Technology		14,948	16,608
Training		6,199	5,908
Travel Expenses		11,891	10,460
Return to Work SA Premium		2,932	3,396
Workers' Compensation Expenses		5,159	9,579
TOTAL EXPENDITURE		<u>582,340</u>	<u>567,288</u>
NET SURPLUS/ (DEFICIT) FOR THE YEAR		<u>28,775</u>	<u>41,410</u>
OTHER COMPREHENSIVE INCOME			
Items recognised directly in Equity:			
Net increase in Asset Revaluation Reserve		-	-
TOTAL COMPREHENSIVE INCOME		<u>28,775</u>	<u>41,410</u>

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 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	823,280	793,585
Receivables	7	18,795	26,821
Accrued Interest		2,626	3,177
Prepayments		3,719	3,628
Total Current Assets		<u>848,419</u>	<u>827,211</u>
Non-Current Assets			
Land & Buildings	8(a)	442,868	435,000
Less: Accumulated Depreciation		(79,210)	(73,400)
Office Equipment & Furniture	8(b)	70,257	70,257
Less: Accumulated Depreciation		(66,717)	(66,026)
Motor Vehicles	8(c)	52,758	49,161
Less: Accumulated Depreciation		(7,577)	(14,380)
Right of Use Assets	8(d)	19,320	-
Less: Accumulated Depreciation		(966)	-
Total Non-Current Assets		<u>430,733</u>	<u>400,612</u>
TOTAL ASSETS		<u>1,279,153</u>	<u>1,227,822</u>
TOTAL LIABILITIES			
Current Liabilities			
Trade and other payables	9	8,033	17,502
GST Payable		4,013	4,622
FBT Payable		1,371	1,258
PAYG Payable		5,519	4,718
Superannuation Payable		5,109	9,175
Provision for Annual Leave - Employees	1(a)(iii)	12,693	11,995
Provision for Annual Leave – Officials	1(a)(iii)	73,473	67,821
Provision for Long Service Leave – Employees	1(a)(iii)	31,888	27,066
Provision for Long Service Leave – Officials	1(a)(iii)	49,461	43,201
Total Current Liabilities		<u>191,560</u>	<u>187,358</u>
Non-Current Liabilities			
Lease Liabilities		18,354	-
Total Non-Current Liabilities		<u>18,354</u>	<u>-</u>
NET ASSETS (LIABILITIES)		<u>1,069,239</u>	<u>1,040,464</u>
MEMBERS' FUNDS			
General Fund		589,473	590,521
Levy Fund		380,479	350,656
Asset Revaluation Reserve		99,287	99,287
ACCUMULATED FUNDS (LOSSES)		<u>1,069,239</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 CHANGES IN ACCUMULATED FUNDS (LOSSES) FOR THE YEAR ENDED 31 DECEMBER 2019

	General Fund	Levy Fund	Asset Revaluation Reserve	Total Accumulated Funds
	\$	\$	\$	\$
Balance at 1 January 2018	588,003	311,764	99,287	999,054
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>
Net Surplus (Deficit) for the year	(1,048)	29,823	-	28,775
Transfers to Reserves	-	-	-	-
Balance at 31 December 2019	<u>589,473</u>	<u>380,479</u>	<u>99,287</u>	<u>1,069,239</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 2019

	2019	2018
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	600,390	588,077
Payments to Suppliers and employees	(543,486)	(520,393)
Interest received	15,299	15,587
Net cash provided by (used in) operating activities (note B)	<u>72,202</u>	<u>83,270</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	(53,967)	(25,979)
Proceeds from Disposal of:		
Proceeds from sale of plant and equipment	<u>10,909</u>	<u>8,578</u>
Net cash provided by (used in) investing activities	<u>(43,057)</u>	<u>(17,401)</u>
Net increase (decrease) in cash held	29,144	65,869
Cash at the beginning of the year	<u>796,762</u>	<u>730,893</u>
Cash at the end of the year (note A)	<u>825,906</u>	<u>796,762</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 2019 cont.

2019

2018

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	252,130	236,769
Cash on Hand	1,000	1,000
Term Deposits	570,149	555,816
Accrued Interest	2,626	3,177
	<u>825,906</u>	<u>796,762</u>

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

Operating profit (loss) after tax	28,775	41,410
Depreciation	16,389	12,304
(Profit) / Loss on sale of property, plant and equipment	(3,453)	(1,421)
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	8,026	(2,823)
(Increase) decrease in prepayments	(91)	(62)
Increase (decrease) in trade creditors and accruals	(9,470)	7,675
Increase (decrease) in lease liabilities	18,354	-
Increase (decrease) in employee entitlements	14,168	25,932
Increase (decrease) in sundry provisions	(496)	256
Net cash provided by operating activities	<u>72,202</u>	<u>83,270</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 2019

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.

- a) (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 | 2019 | 2018 |
|------------------------------|----------------------------|-------------|-------------|
| 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 2019

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. New standards applicable in the current period are summarised as follows:

An application date of 1 January 2019 applied to AASB 1058, AASB 15 and AASB 16. These standards have been adopted during the financial year ending 31 December 2019. Adoption of AASB 1058 and AASB 15 had no material effect on the financial report in the current or previous period. Adoption of AASB 16 introduced a "Right of Use" Asset and corresponding Lease Liability. The operating result and Net Assets were not affected by the adoption of AASB 16.

All accounting policies adopted, except those affected by the above accounting standards, are consistent with those of the previous 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:

- 1) 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 2019

	2019 \$	2018 \$
4a. Affiliation Fees		
Australian Labor Party	5,297	5,321
SA Unions	5,692	5,598
National Office	3,863	6,330
Others	921	1,462
	<u>15,773</u>	<u>18,711</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	443	1,035
	<u>443</u>	<u>1,035</u>
	<u>5,943</u>	<u>6,535</u>
6. CASH AND CASH EQUIVALENTS		
Cash at Bank – at Call Deposits	252,130	236,769
Cash at Bank – Term Deposits	570,149	555,816
Cash on Hand	1,000	1,000
	<u>823,280</u>	<u>793,585</u>
7. RECEIVABLES		
Receivable from other reporting units*		
Net amount receivable	-	-
Less provision for doubtful debts*	-	-
	<u>-</u>	<u>-</u>
Other Receivables		
Debtors	18,795	26,821
	<u>18,795</u>	<u>26,821</u>

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
8. PROPERTY, PLANT & EQUIPMENT		
Reconciliation of opening and closing Balances		
(a) Land & Buildings		
Net book Value as at 1 January	361,600	366,833
Additions	7,868	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(5,810)	(5,233)
Disposals	-	-
Net book Value as at 31 December	<u>363,658</u>	<u>361,600</u>
(b) Office Equipment & Furniture		
Net book Value as at 1 January	4,231	5,126
Additions	-	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(691)	(895)
Disposals	-	-
Net book Value as at 31 December	<u>3,540</u>	<u>4,231</u>
(c) Motor Vehicles		
Net book Value as at 1 January	34,781	22,134
Additions	26,778	25,980
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(8,922)	(6,176)
Disposals	7,456	7,157
Net book Value as at 31 December	<u>45,181</u>	<u>34,781</u>
(c) Right of Use Assets		
Net book Value as at 1 January	-	-
Additions	19,320	-
Revaluations	-	-
Impairments	-	-
Depreciation Expense	(966)	-
Disposals	-	-
Net book Value as at 31 December	<u>18,354</u>	<u>-</u>
9. TRADE AND OTHER PAYABLES		
Trade and other payables	413	3,499
Other payables – legal costs in relation to litigation	-	-
Consideration to employers for payroll deductions	-	-
Payables to other reporting units		
National Office	7,620	14,003
	<u>8,033</u>	<u>17,502</u>

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Employees Benefits	2019	2018
Short-term Employee Benefits	202,979	210,512
Post-employment Benefits	33,520	27,243
Other Long-term Benefits	6,260	6,044
Termination Benefits	-	-
Share-based Payments	-	-
TOTAL	242,759	243,799

11. RELATED PARTIES

The Branch does not have any related party transactions.

Employees Benefits	Employees	Office Holders
Wages and Salaries	70,870	197,327
Superannuation	24,404	33,520
Leave and other entitlements	5,520	11,912
Separation and redundancies	-	-
Other Employee Expenses	-	-
TOTAL	100,794	242,759

Cash Flows with Other Reporting Units

	2019	2018
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National Office

Cash Inflows		
Expense Reimbursement	708	170
Cash Outflows		
Capitation Fees	(75,909)	(75,555)
	(75,201)	(75,385)

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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 those 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 those 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 those assets, net of any provision for doubtful debts, as disclosed below:

	2019 \$	2018 \$
Cash and cash equivalents	<u>823,280</u>	<u>793,585</u>
Net amount receivable - National Council Debtors	<u>18,795</u>	<u>26,821</u>
Total receivables	<u>18,795</u>	<u>26,821</u>

The cash and cash equivalents are held in a high quality Australian financial institution

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 2019 it had \$823,280 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 31 December 2019 totaled \$191,560

(d) *Market risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or 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).

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

(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

2019	Carrying Amount	+ 0.5%	- 0.5%
	\$	Profit \$	Loss \$
Cash Assets	<u>823,280</u>	<u>4,116</u>	<u>(4,116)</u>
2018			
Cash Assets	<u>793,585</u>	<u>3,967</u>	<u>(3,967)</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.

13. OTHER DISCLOSURES AS PER REPORTING GUIDELINES

No activity was recorded for the following categories as described under Section 253 of the RO Act:

- Receiving financial support from another reporting unit to continue as a going concern
- Providing financial support to another reporting unit to continue as a going concern
- Acquiring 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
- Having another entity administer the financial affairs of the Union
- Making a payment to a former related party of the reporting unit
- No funds from the "Levy Fund" have been invested in any assets

14. SUBSEQUENT EVENTS

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.

15. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

None

16. 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 2019, 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, the committee of management statement and the subsection 255(2A) report.

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 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 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 a registered auditor, a member of CPA Australia and hold a current Public Practice Certificate.



Natale Rugari, Principal

North Adelaide, 26th March 2020

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