



4 September 2020

Ric Bean  
Secretary, Tasmanian Branch  
Australian Rail, Tram and Bus Industry Union

Dear Ric Bean

**Re: – Financial reporting – Australian Rail, Tram and Bus Industry Union, Tasmanian Branch - for year ending 31 December 2019 (FR2019/329)**

I refer to the financial report of the Tasmanian Branch in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 29 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 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 do not have to take any further action in respect of the financial report lodged. However I make the following comments to assist when preparing the next report.

Nil activities disclosure

Reporting guideline (RG) 21 states that if any activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect<sup>1</sup> must be included either in the financial statements, the notes or in an officer's declaration statement. The financial statements and notes did not include nil activity information in respect of the following categories:

- RG13(c) – receive revenue from compulsory levies
- RG14(a) - incur fees as consideration for employers making payroll deductions of membership subscriptions
- RG14(e) - pay donations (i) \$1,000 or less; (ii) exceeding \$1,000
- RG14(k) – pay a penalty imposed under the RO Act or the Fair Work Act 2009
- RG15(a) – have a receivable from another reporting unit
- RG16(a) – have a payable to an employer for that employer making payroll deductions of membership subscriptions
- RG16(c) – have liabilities in relation to office-holders for (i) annual leave; (ii) long service leave; (iii) separation and redundancy; (iv) other employment provisions
- RG16(d) – have liabilities in relation to non-office-holder employees for (i) annual leave; (ii) long service leave; (iii) separation and redundancy; (iv) other employment provisions
- RG17(a) - have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch

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<sup>1</sup> Or nil line item balance (as illustrated in model statements)

- RG17(b) - transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- RG19 - have another entity administer the financial affairs of the reporting unit
- RG20 - make a payment to a former related party of the reporting unit

Please ensure all applicable nil activity disclosures are explicitly included in future reports.

In addition, nil activity disclosure for revenue from capitation fees and grants/donations was found in the Cash Flow statement and nil activity disclosure for revenue from recovery of wages was found in the committee of management statement.

I draw your attention to reporting guidelines RG13(b), 13(d) and 13(e) respectively which require disclosures for these categories in the statement of comprehensive income or related notes.

#### Audit scope - officer's declaration statement

Australian Auditing Standard ASA 700 Forming an Opinion and Reporting on a Financial Report paragraph 24(c) requires the auditor's statement to list the elements of the general purpose financial report. In the lodged auditor's report reference was made to an officer's declaration statement, however an officer's declaration statement was not included in the general purpose financial report lodged with the ROC.

In future years only those statements which form part of the auditor's scope should be identified in the auditor's report.

#### Section 272 Notice – duplication/outdated reference

Subsection 272(5) of the RO Act requires a general purpose financial report prepared under section 253 to include a notice setting out subsections 272(1), (2) and (3). The notice at Note 25 incorrectly referred to "General Manager" in the first subsection, and duplicated the reference.

Please ensure the section 272 notice in future reports correctly refers to "Commissioner" in the first subsection in accordance with the current version of the RO Act.

#### Committee of management statement – incorrect references

Reporting guideline 26 sets out the form of declarations for the committee of management statement. I identified the following errors in the committee of management statement at page 4 of the report.

- The declaration (e)(v) incorrectly referred to "General Manager" instead of "Commissioner" as set out at reporting guideline 26(e)(v).
- The declaration (e)(vi) incorrectly referred to "Registered Organisations Commission" instead of "Fair Work Commission" as set out at reporting guideline 26(e)(vi).

Please ensure the declarations in future committee of management statements reflect the correct references set out in the respective reporting guidelines.

#### New Accounting Standards – AASB 15 and AASB 1058

Australian Accounting Standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* are applicable to not-for-profit entities for periods beginning on or after 1 January 2019. When a new Australian Accounting Standard is adopted, Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28, requires that the entity disclose certain information about the new Australian

Accounting Standard such as the title, the nature of the change and, if applicable, a description of the transitional provisions.

The general purpose financial report does not appear to have included all disclosures required in relation to the above standards. I acknowledge however the advice received yesterday that the 2020 report will correctly reflect that the accounts comply with AASB 1058. For future reference I take this opportunity to draw attention to the following.

#### AASB 15 - Separate disclosure of revenue from contracts with customers<sup>2</sup>

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

#### AASB 15 - Disaggregation of revenue from contracts with customers<sup>2</sup>

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 - Disaggregation of income of not-for-profit entities<sup>2</sup>

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.

General purpose financial reports must include all/any relevant and required financial disclosures in accordance with AASBs 15 and 1058.

#### 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

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<sup>2</sup> See new model financial statements published on 25 June 2020 for the year ending 31 December 2020 containing illustrative information.



**RTBU**  
TASMANIA

**AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION, TASMANIA BRANCH**  
s268 Fair Work (Registered Organizations) Act 2009

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**  
Certificate for the year ended 31 December 2019

**I, Ric Bean**

being the Branch Secretary of the Tasmanian Branch of the Australian Rail, Tram and Bus Industry Union, certify :

- that the documents lodged herewith are copies of the full report for the Australian Rail, Tram & Bus Industry Union, Tasmania Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- The full report was provided to the members on 6 May 2020.
- The full report was presented to a meeting of the Committee of Management of the reporting unit in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* on 26 June 2020.

Signature of the Prescribed Designated Officer,

Name of Prescribed Designated Officer:

Title of Prescribed Designated Officer:

Dated: 29 June 2020

Ric Bean  
Branch Secretary

**Rail, Tram & Bus Union Tasmania** **The Power of Union**

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Australian Rail, Tram  
and Bus Union  
Tasmanian Branch  
Financial Statements  
31 December 2019

# Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

## OPERATING REPORT

for the period ended 31 December 2019

The officers of management present its operating report on the reporting unit for the year ended 31 December 2019.

### Principal activities

The Australian Rail, Tram and Bus Industry Union Tasmanian Branch is a branch of the federally registered Australian Rail, Tram and Bus Industry Union representing members whose usual place of work is located within the state of Tasmania. The Tasmanian Branch has members employed in Rail and Bus sectors who are employed by the public and private sectors. The reporting unit's activities are directed by the Tasmanian Branch Executive and Branch Council. There have been no changes in the nature of these activities during the year. The principal activities and results of these activities fell into the following categories.

#### Activities

Making Agreements with employers.

Implementation of Branch Council's membership agenda, including providing assistance and strategic advice to individual members in relation to workplace issues.

Attend meetings called by peak union bodies in Tasmania.

Training delegates and representatives.

#### 2019 Results

- Enterprise Agreements in progress:
- West Coast Wilderness Railway EA completed.
- TasRail General EA completed.
- Metro Tasmania EA negotiations ongoing.
- Received applications for admittance for 52 new members.
- Several members provided with extensive assistance with bullying claims, impending dismissals and high level incidences and Workers Compensation claims.
- Multiple cases of lower level advice and assistance also provided across both divisions.
- Media and political contact to support the Unions Bus EA campaign and other strategic matters.
- Attended 4 meetings called by Unions Tasmania
- 13 Workplace Officials trained.

It is noted that during the financial year the activities of the Branch were suitably carried out. No significant change in the nature of these activities occurred during the year.

The surplus/(deficit) from ordinary activities amounted to (\$2,762) for the period ending 31 December 2019 (2018: \$50,487). The total comprehensive income/(loss) of the Branch amounted to (\$2,762) (2018: \$50,487) for the period before mentioned.

### Financial Affairs

No significant changes were noted to the financial affairs of the Branch during the year.

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 December 2019

The committee of management present the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2019

|  | 2019           | 2018           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Categories of expenditures</b>  |                |                |
| Remuneration and other employment-related costs and expenses - employees | 1 48,247       | 36,743         |
| Advertising  | -              | -              |
| Operating costs  | 108,344        | 75,282         |
| Donations to political parties   | -              | -              |
| Legal costs  | 8,434          | -              |
| <b>Total</b>   | <b>165,025</b> | <b>112,025</b> |

- 1 This amount includes payments to casual employees (office holders & RTBU Members). Where RTBU Offices/delegates leave as per EA clause is exhausted, the RTBU then pays their wages & any superannuation guarantee for time away from their employer to attend union business or union training.

Signature of Designated Officer:

RBean

Name and Title of Designated Officer:

Ric Bean Branch Secretary

Dated:

19/4/20

### Superannuation Trustees/Directors

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such a position is that they are an officer or member of an organisation.

### Number of Members

The Branch had 408 members at the end of the reporting period (2018: 407).

### Right to Resign

Members have the right to resign from the entity by giving 2 weeks' notice of their intention to resign in writing. Members retain the right to resign from the Australian Rail, Tram and Bus Industry Union in accordance with rule 14, Resignation from Membership of the Rail Tram and Bus Industry Union.

### Number of Employees

The Branch employed 1 part time and 8 casual employees as at 31 December 2019 (2018: 0.62).

### Payments to Employers

Current Branch Secretary – no wage being paid by the Australian Rail, Tram and Bus Industry Union Tasmanian Branch, instead reimbursement of Lost Time costs to Employers have been made.

Former Branch Secretary – Legal action underway to recover monies allegedly owed to the Australian Rail, Tram and Bus Industry Union Tasmanian Branch.

### Names of Committee of Management Members and Period Positions Held During the Financial Year

Names and positions of the Committee of Management for the financial year 1 January 2019 to 31 December 2019 were:

| NAME           | DIVISION/POSITION                  | PERIOD OF APPOINTMENT |
|----------------|------------------------------------|-----------------------|
| Ric Bean       | Branch Secretary                   | 1.1.19 to 31.12.19    |
| Blair Chisholm | Branch President                   | 1.1.19 to 31.12.19    |
| Nigel Foden    | Branch Divisional President - Rail | 1.1.19 to 31.12.19    |
| Ric Bean       | Branch Divisional Secretary - Rail | 1.1.19 to 31.12.19    |
| Jody Nichols   | Branch Divisional Secretary - Bus  | 1.1.19 to 31.12.19    |
| Jamie Cole     | Branch Divisional President - Bus  | 1.1.19 to 31.12.19    |

Signature of Designated Officer:



Name and Title of Designated Officer:

Ric Bean Branch Secretary

Dated:

19/4/20



Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

COMMITTEE OF MANAGEMENT DECLARATION

for the period ended 31 December 2019

On the 19/4/2020 the Committee of Management of Australian Rail, Tram and Bus Industry Union – Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2019 :

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that 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 including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (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 with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisation Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signature of Designated Officer:

R Bean

Name and Title of Designated Officer:

Ric Bean / Branch Secretary

Dated:

19/4/20

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 31 December 2019

|  | Note | 2019<br>\$            | 2018<br>\$           |
|--|------|-----------------------|----------------------|
| REVENUE                                      | 3    |                       |                      |
| Revenue                                      |      | <u>162,263</u>        | <u>162,513</u>       |
| EXPENSES                                     | 4    |                       |                      |
| Depreciation Expense                         |      | 1,478                 | 1,338                |
| Affiliation fees, Capitation fees and Levies |      | 32,228                | 30,111               |
| Employee Expenses                            |      | 48,247                | 36,743               |
| Other Expenses                               |      | 83,072                | 43,834               |
| TOTAL EXPENSES                               |      | <u>165,025</u>        | <u>112,026</u>       |
| SURPLUS/(DEFICIT) FOR THE YEAR               |      | <u>(2,762)</u>        | <u>50,487</u>        |
| OTHER COMPREHENSIVE INCOME                   |      | -                     | -                    |
| TOTAL COMPREHENSIVE INCOME                   |      | <u><u>(2,762)</u></u> | <u><u>50,487</u></u> |

The accompanying notes form part of the financial statements

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

|                                      | Note  | 2019<br>\$           | 2018<br>\$           |
|--------------------------------------|-------|----------------------|----------------------|
| <b>CURRENT ASSETS</b>                |       |                      |                      |
| Cash & Cash Equivalents              | 5     | 62,863               | 58,475               |
| Trade Receivables                    | 6     | <u>1,062</u>         | <u>5,428</u>         |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>63,925</b>        | <b>63,903</b>        |
| <b>NON-CURRENT ASSETS</b>            |       |                      |                      |
| Property, Plant & Equipment          | 7     | <u>27,364</u>        | <u>27,308</u>        |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <b>27,364</b>        | <b>27,308</b>        |
| <b>TOTAL ASSETS</b>                  |       | <b><u>91,289</u></b> | <b><u>91,211</u></b> |
| <b>CURRENT LIABILITIES</b>           |       |                      |                      |
| Trade Payables                       | 9 (a) | 34,424               | 33,768               |
| Other Liabilities                    | 9 (b) | 3,200                | 1,725                |
| Employee Benefits                    | 10    | <u>2,074</u>         | <u>2,187</u>         |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>39,698</b>        | <b>37,680</b>        |
| <b>NON-CURRENT LIABILITIES</b>       |       |                      |                      |
| Employee Benefits                    | 10    | <u>822</u>           | <u>-</u>             |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <b>822</b>           |                      |
| <b>TOTAL LIABILITIES</b>             |       | <b><u>40,520</u></b> | <b><u>37,680</u></b> |
| <b>NET ASSETS</b>                    |       | <b><u>50,769</u></b> | <b><u>53,531</u></b> |
| <b>EQUITY</b>                        |       |                      |                      |
| Accumulated Surplus                  | 11    | <u>50,769</u>        | <u>53,531</u>        |
| <b>TOTAL EQUITY</b>                  |       | <b><u>50,769</u></b> | <b><u>53,531</u></b> |

The accompanying notes form part of the financial statements

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

STATEMENT OF CHANGES IN EQUITY

for the period ended 31 December 2019

|                                 | ACCUMULATED<br>FUNDS | TOTAL EQUITY |
|---------------------------------|----------------------|--------------|
|                                 | \$                   | \$           |
| Balance as at 31 December 2018  | 3,044                | 3,044        |
| Surplus for the year            | 50,487               | 50,487       |
| Other Comprehensive Income      | -                    | -            |
| Balance as at 31 December 2018  | 53,531               | 53,531       |
| Surplus/ (Deficit) for the year | (2,762)              | (2,762)      |
| Other Comprehensive Income      | -                    | -            |
| Balance as at 31 December 2019  | 11 50,769            | 50,769       |

The accompanying notes form part of the financial statements

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

CASH FLOW STATEMENT

for the period ended 31 December 2019

|   | Note | 2019<br>\$     | 2018<br>\$     |
|---|------|----------------|----------------|
| <b>OPERATING ACTIVITIES</b>   |      |                |                |
| <b>Cash received</b>  |      |                |                |
| Membership Subscriptions  |      | 163,275        | 176,357        |
| Capitation Fees   |      | -              | -              |
| Grants and Donations  |      | -              | -              |
| Interest Received   |      | 295            | 140            |
| Other receipts  |      | -              | 1,127          |
| <b>Cash used</b>  |      |                |                |
| Payments to suppliers & employees   |      | (123,042)      | (112,567)      |
| Payments to other reporting units   |      | (25,515)       | (14,180)       |
| Net cash from (used by) operating activities                                | 12   | <u>15,013</u>  | <u>50,877</u>  |
| <b>INVESTING ACTIVITIES</b>   |      |                |                |
| <b>Cash used</b>  |      |                |                |
| Purchase of Furniture & Fittings  |      | (1,533)        | -              |
| Net cash from (used by) investing activities                                |      | <u>(1,533)</u> | <u>-</u>       |
| <b>FINANCING ACTIVITIES</b>   |      |                |                |
| <b>Cash used</b>  |      |                |                |
| Loan Repayments to Other Reporting Units                                    |      | (9,092)        | (3,750)        |
| Net cash from (used by) financing activities                                |      | <u>(9,092)</u> | <u>(3,750)</u> |
| <b>Net increase (decrease) in cash held</b>                                 |      |                |                |
|   |      | <u>4,388</u>   | <u>47,127</u>  |
| <b>Cash &amp; cash equivalents at the beginning of the reporting period</b> |      |                |                |
|   |      | <u>58,475</u>  | <u>11,348</u>  |
| <b>Cash &amp; cash equivalents at the end of the reporting period</b>       |      |                |                |
|   | 5    | <u>62,863</u>  | <u>58,475</u>  |

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

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 Organisations) Act 2009* (the RO Act). For the purpose of preparing the general purpose financial statements, Australian Rail, Tram and Bus Industry Union - Tasmanian Branch is a not-for-profit entity.

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

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 Accounting judgements and estimates

The preparation of financial statements requires management to make judgements estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is described in note 10 where judgements have been made in relation to the value of employee entitlements.

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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 New Australian Accounting Standards (continued)

The accounting policies adopted are consistent with those of the previous financial year.

*Future Australian Accounting Standards Requirements*

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Branch include:

**AASB 16 Leases (AASB 16)**

AASB 16 was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

For NFP entities, AASB 16 commences from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The Branch did not have any leases in 2019.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Acquisition of assets and or liabilities that do not constitute a business combination

The Branch did not 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.6 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.

Donation income is recognised when it is received.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The Branch undertook a review of its revenue streams during the year applying the requirements of AASB15 *Revenue from Customer Contracts*. There was no difference in the accounting requirements under AASB15 and the Branch's existing accounting treatment.

1.7 Government Grants

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received. Branch did not receive any grants during 2019 financial year.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.



AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.8 Gains

*Sale of assets*

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

1.9 Capitalisation 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.

1.10 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.

1.11 Borrowing Costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.12 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Financial Instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

*Financial Assets*

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Other financial assets at amortised cost
- Other financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- Other financial assets at fair value through profit or loss
- Other financial assets designated at fair value through profit or loss

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Financial Instruments (continued)

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables and other financial assets.

iii) Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Branch has transferred substantially all the risks and rewards of the asset, or
  - the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Financial Instruments (continued)

iv) Impairment

Trade receivables

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

The Branch considers a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Financial Liabilities*

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables and borrowings.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.13 Financial Instruments (continued)

ii) Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Land, Buildings, Plant and Equipment

*Asset Recognition Threshold*

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position.

*Depreciation*

Depreciable property, 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.

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

|                        | 2019 | 2018 |
|------------------------|------|------|
| Buildings              | 2.5% | 2.5% |
| Furniture and Fittings | 10%  | 10%  |

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.14 Land, Buildings, Plant and Equipment (continued)

*Derecognition*

An item of land, buildings, furniture and fittings 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.

1.15 Impairment of Non-Financial Assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.17 Fair Value Measurement

The Branch measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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.

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.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.18 Going Concern

The Branch has received going concern support from the National Officer during 2017 and 2018 financial years by way of pause capitation payments to assist the cash flows being repayable over the years. This is an interest free agreement. Capitation is normally paid to National Office monthly and had been deferred until the Branch has reached financial stability. The Branch has reached its financial stability and during 2019 financial year and started to repay the loan amount on the monthly basis from 2019.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis

1.19 Inventories

Inventories are valued at the lower of cost or net realisable value.

2. EVENTS AFTER THE REPORTING PERIOD

The Branch is monitoring the challenges presented by the COVID-19 virus and its impact on the Rail, Tram and Bus industry. At the time of the financial statements being prepared, it is impossible to predict the impact of the COVID-19 on the Branch financial results due to the rapidly changing environment. However, the Branch considers negative impact of the COVID-19 on the services and employment of drivers within Metro Tasmania that might affect the membership subscriptions revenue of the Branch in 2020.

|                                  | 2019<br>\$     | 2018<br>\$     |
|----------------------------------|----------------|----------------|
| <b>3. REVENUE</b>                |                |                |
| Members' Subscriptions           | 160,984        | 160,242        |
| Rental Income & Rates Recovery   | 106            | 1,106          |
| Interest Received                | 295            | 140            |
| Sundry                           | 316            | 840            |
| Reimbursement Officials Expenses | 398            | 24             |
| RTBU Merchandise                 | 164            | 161            |
| Total Revenue                    | <u>162,263</u> | <u>162,513</u> |



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|   | 2019          | 2018          |
|---|---------------|---------------|
|   | \$            | \$            |
| <b>4. EXPENSES</b>  |               |               |
| <i>Depreciation of Non-Current Assets</i>                   |               |               |
| Land & Buildings  | 375           | 1,000         |
| Furniture & Fittings  | 1,103         | 338           |
| <b>Total Depreciation of Non-Current Assets</b>             | <b>1,478</b>  | <b>1,338</b>  |
| <br><i>Affiliation Fees, Capitation Fees and Levies</i>     |               |               |
| Unions Tasmania – affiliation fee                           | 2,894         | 3,681         |
| ACTU – affiliation fee                                      | 2,203         | 2,834         |
| ALP Tasmania- affiliation fee                               | 1,616         | 1,597         |
| RTBU National – capitation fee                              | 25,515        | 21,999        |
| Levies  | -             | -             |
| <b>Total Affiliation Fees, Capitation Fees and Levies</b>   | <b>32,228</b> | <b>30,111</b> |
| <br><i>Employee Expenses</i>                                |               |               |
| <b>Holders of Office</b>                                    |               |               |
| Wages and Salaries  | 10,822        | 3,360         |
| Superannuation  | 826           | 1,332         |
| Leave and Other Entitlements                                | -             | (4,046)       |
| Separation and Redundancies                                 | -             | -             |
| Other Employee Expenses                                     | -             | -             |
| <b>Subtotal employee expenses holders of office</b>         | <b>11,648</b> | <b>646</b>    |
| <br><b>Employees other than office holders</b>              |               |               |
| Wages and Salaries  | 30,531        | 29,891        |
| Superannuation  | 2,774         | 2,711         |
| Leave and Other Entitlements                                | 709           | 210           |
| Separation and Redundancies                                 | -             | -             |
| Other Employee Expenses                                     | -             | -             |
| <b>Subtotal employee expenses other than office holders</b> | <b>34,014</b> | <b>32,812</b> |
| <br><b>Other Payroll Expenses</b>                           |               |               |
| Payroll Tax   | 2,585         | 3,285         |
| <b>Subtotal Other Payroll Expenses</b>                      | <b>2,585</b>  | <b>3,285</b>  |
| <br><b>Total Employee Expenses</b>                          | <b>48,247</b> | <b>36,743</b> |

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|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
|  | \$                   | \$                   |
| <b>4. EXPENSES (continued)</b>             |                      |                      |
| <i>Other Expenses</i>                      |                      |                      |
| Accounting & Audit                         | 5,835                | 4,330                |
| Bank Charges                               | 1,238                | 1,190                |
| Fees & Allowances – meetings & conferences | 9,504                | 1,748                |
| Electricity                                | 1,005                | 969                  |
| Insurance                                  | 3,847                | 4,016                |
| Litigation fees                            | 8,434                | -                    |
| Lost Time                                  | 19,305               | 513                  |
| Refunds                                    | 466                  | 915                  |
| Telephone/NBN                              | 2,044                | 3,865                |
| Rates, Body Corp Levies                    | 3,917                | 2,063                |
| Subscriptions - MYOB                       | 1,084                | 1,079                |
| Stationery, Office expenses                | 6,715                | 5,197                |
| Motor Vehicle expenses                     | 3,568                | 2,356                |
| RTBU Merchandise                           | 6,967                | -                    |
| Meeting and Conference Expenses            | 1,985                | 1,018                |
| Rent                                       | -                    | 550                  |
| Bad Debts                                  | 2,403                | -                    |
| Doubtful Debts                             | 655                  | 13,748               |
| Staff Training & Welfare                   | 4,100                | 277                  |
| <b>Total Other Expenses</b>                | <b><u>83,072</u></b> | <b><u>43,834</u></b> |
| <b>5. CASH &amp; CASH EQUIVALENTS</b>      |                      |                      |
| Cash on Hand                               | 400                  | 400                  |
| Bendigo Cheque Account                     | 34,668               | 26,986               |
| Bendigo Training Account                   | 6,620                | 11,509               |
| Members Equity Account                     | 21,175               | 19,580               |
| <b>Total Cash &amp; Cash Equivalents</b>   | <b><u>62,863</u></b> | <b><u>58,475</u></b> |

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
 NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
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|                                | 2019         | 2018         |
|--------------------------------|--------------|--------------|
|                                | \$           | \$           |
| <b>6. TRADE RECEIVABLES</b>    |              |              |
| Trade Receivables (a)          | 1,062        | 1,109        |
| Other Receivables              | 13,747       | 17,067       |
| Provision for Impairment       | (13,747)     | (13,748)     |
| Members Receivable             | -            | 1,000        |
| <b>Total Trade Receivables</b> | <b>1,062</b> | <b>5,428</b> |

(a) Terms and Conditions

Terms and conditions relating to the above financial instruments:

(i) Trade debtors are non-interest bearing and generally on 30-day terms.

**7. PROPERTY, PLANT & EQUIPMENT**

|  |               |               |
|--|---------------|---------------|
| Land & Buildings – Suite 5, 113 Main Road Moonah | 40,000        | 40,000        |
| Less: Accumulated Depreciation                   | (14,170)      | (13,795)      |
| <b>Total Land &amp; Buildings</b>                | <b>25,830</b> | <b>26,205</b> |
| Furniture and Fittings                           | 25,979        | 24,446        |
| Less: Accumulated Depreciation                   | (24,446)      | (23,343)      |
| <b>Total Furniture &amp; Fittings</b>            | <b>1,533</b>  | <b>1,103</b>  |
| <b>Total Property, Plant &amp; Equipment</b>     | <b>27,363</b> | <b>27,308</b> |

(a) Reconciliations

*Land & Buildings*

|                                   |               |               |
|-----------------------------------|---------------|---------------|
| Opening Written Down Value        | 26,205        | 27,205        |
| Less Depreciation                 | (375)         | (1,000)       |
| <b>Closing Written Down Value</b> | <b>25,830</b> | <b>26,205</b> |

*Furniture & Fittings*

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Opening Written Down Value        | 1,103        | 1,441        |
| Add Purchases                     | 1,533        | -            |
| Less Disposals                    | -            | -            |
| Less Depreciation                 | (1,103)      | (338)        |
| <b>Closing Written Down Value</b> | <b>1,533</b> | <b>1,103</b> |

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
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8. INVESTMENT PROPERTY

As at 31 December 2019, Branch did not hold any investment properties.

|                                       | 2019          | 2018          |
|---------------------------------------|---------------|---------------|
|                                       | \$            | \$            |
| 9. TRADE PAYABLES & OTHER LIABILITIES |               |               |
| (a) Trade Payables                    |               |               |
| Income in Advance                     | 3,817         | 873           |
| Trade Payables                        | 32,291        | 33,492        |
| Credit Card                           | 687           |               |
| GST Liability                         | (2,371)       | (597)         |
| <b>Total Trade Payables</b>           | <b>34,424</b> | <b>33,768</b> |
| (b) Other Liabilities                 |               |               |
| PAYG Withholding                      | 2,542         | 1,294         |
| Superannuation Payable                | 658           | 431           |
| <b>Total Other Liabilities</b>        | <b>3,200</b>  | <b>1,725</b>  |

(c) Terms and Conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and normally settled on 30 day terms.

10. EMPLOYEE ENTITLEMENTS

The aggregate employee entitlement liability is comprised of:

**Current**

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Provision for Annual Leave         | 1,102        | 1,215        |
| Long Service Leave                 | 972          | 972          |
| <b>Total Employee Entitlements</b> | <b>2,074</b> | <b>2,187</b> |

**Non-Current**

|                                    |            |          |
|------------------------------------|------------|----------|
| Long Service Leave Provision       | 822        | -        |
| <b>Total Employee Entitlements</b> | <b>822</b> | <b>-</b> |

There are no other provisions relating to redundancies or other liabilities for employees of the Branch.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
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|  | 2019<br>\$ | 2018<br>\$ |
|--|------------|------------|
| <b>11. ACCUMULATED FUNDS</b>   |            |            |
| Balance at Beginning of Year   | 53,531     | 3,044      |
| Add Surplus/(Deficit) for the Year   | (2,762)    | 50,487     |
| Balance at End of Year   | 50,769     | 53,531     |
| <b>12. NOTES TO THE STATEMENT OF CASH FLOWS</b>                                |            |            |
| (a) Reconciliation of surplus/(deficit) to net cash from operating activities: |            |            |
| Net Surplus/(Deficit)  | (2,761)    | 50,487     |
| Adjustments for non-cash items   |            |            |
| Depreciation and Amortisation  | 1,478      | 1,338      |
| Bad & Doubtful Debts   | 3,058      | -          |
| Changes in assets/liabilities  |            |            |
| (Increase)/Decrease in Trade & Other Receivables                               | 1,307      | (1,940)    |
| Increase/(Decrease) in GST Receivable  | (1,774)    |            |
| Increase/(Decrease) in Trade Payables & Other Liabilities                      | 10,052     | 4,829      |
| Increase/(Decrease) in Income in Advance                                       | 2,944      | -          |
| Increase/(Decrease) in Employee Entitlements                                   | 709        | (3,837)    |
| Net Cash provided by (used in) Operating Activities                            | 15,013     | 50,877     |
| (b) Cash flows with Reporting Units  |            |            |
| Cash inflows   |            |            |
| RTBU National  | -          | -          |
| Cash outflows  |            |            |
| RTBU National  | (25,515)   | (17,930)   |
| Net Cash Flows with Reporting Units  | (25,515)   | (17,930)   |

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
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**13. RELATED PARTY DISCLOSURES**

The names of the Branch Council Members of Australian Rail, Tram and Bus Industry Union - Tasmanian Branch, during the financial year were:

| Name               | Division/Position   | Period of Appointment | Membership Subscriptions | Balance Outstanding as at 31/12/2019 |
|--------------------|---|-----------------------|--------------------------|--------------------------------------|
| Ric Bean           | Branch Secretary<br>Branch Divisional Secretary - Rail          | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Blair Chisholm     | Branch President  | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Susan Round        | Branch Vice President<br>Branch Divisional Rep to Council - Bus | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Nigel Foden        | Branch Divisional President - Rail                              | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Jody Nichols       | Branch Divisional Secretary - Bus                               | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Jamie Cole         | Branch Divisional President - Bus                               | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Christine Hewitt   | Branch Divisional Rep to Council - Bus                          | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Catherine Swirski  | Branch Divisional Rep to Council - Bus                          | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Liz Hynes          | Branch Divisional Rep to Council - Bus                          | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |
| Nicklas Shackleton | Branch Divisional Rep to Council - Rail                         | 1.1.19 to 31.12.19    | \$468                    | \$0                                  |

Blair Chisholm, Susan Round, Jody Nichols, Jamie Cole, Christine Hewitt & Liz Hynes are casual employees of the RTBU.

The other office holders are not employees of Australian Rail, Tram and Bus Industry Union - Tasmanian Branch and therefore they do not receive any remuneration or employee entitlements.

**Member loan**

There was a member loan to Mr Dayle Cook initiated in December 2018 and paid in full by October 2019. The loan was for \$1,000.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
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14. KEY MANAGEMENT PERSONNEL REMUNERATION

|   | Short-term<br>employee<br>benefits | Post-<br>employment<br>benefits | Long term<br>benefits | Other | Total |
|---|------------------------------------|---------------------------------|-----------------------|-------|-------|
| 2019  |                                    |                                 |                       |       |       |
| Total income paid or payable to all<br>Key Management personnel | -                                  | -                               | -                     | -     | -     |
| 2018  |                                    |                                 |                       |       |       |
| Total income paid or payable to all<br>Key Management personnel | 399                                | -                               | -                     | -     | 399   |

15. AUDITORS REMUNERATION

|      |      |
|------|------|
| 2019 | 2018 |
| \$   | \$   |

Amounts received or due and receivable by WLF Accounting  
& Advisory for:

- an audit of the financial report of the Branch (2018  
Crowe Horwath)

|              |              |
|--------------|--------------|
| 4,500        | 5,835        |
| <u>4,500</u> | <u>5,835</u> |

16. DESCRIPTION OF OPERATIONS

The principal activities of the Branch are to provide benefits to its members.

17. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

18. REGISTERED OFFICE

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch  
 Suite 5, 113 Main Rd  
 MOONAH TAS 7009

19. SEGMENT REPORTING

Australian Rail, Tram and Bus Industry Union - Tasmanian Branch operates predominantly in the one geographical region being Tasmania. Australian Rail, Tram and Bus Industry Union - Tasmanian Branch activities surround the provision of benefits and services to its members.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
 NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
 FOR THE PERIOD ENDED 31 December 2019

20. FINANCIAL INSTRUMENTS

(a) Financial Assets

|                           |   | 2019   | 2018   |
|---------------------------|---|--------|--------|
|                           |   | \$     | \$     |
| Cash and cash equivalents | 5 | 62,863 | 58,475 |
| Trade Receivables         | 6 | 1,062  | 5,428  |
| Total Financial Assets    |   | 63,925 | 63,903 |

(b) Financial Liabilities

|                              |   | 2019   | 2018   |
|------------------------------|---|--------|--------|
|                              |   | \$     | \$     |
| Trade and Other Payables     | 9 | 37,624 | 35,493 |
| Total Financials Liabilities |   | 37,624 | 35,493 |

21. FINANCIAL RISK MANAGEMENT

(a) Credit risk

Credit risk represents the risk that a counter-party will fail to perform contractual obligations under a contract.

The Branch 's maximum credit risk exposure at balance date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Branch does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

(b) Liquidity and cash flow risk

Liquidity risk is the risk that the Branch will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Cash flow risk is the risk that future cash flows associated with financial instruments will fluctuate in amount.

(c) Interest Rate Risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Branch does not have any material interest rate risk. Any risk arising is managed through floating rate investments.

22. CAPITATION FEES AND LEVIES



AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - TASMANIAN BRANCH  
NOTES TO AND FORMING PART OF THE FINANCIAL ACCOUNTS  
FOR THE PERIOD ENDED 31 December 2019

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.

23. GRANTS

There were no grants paid or received during the year.

24. LEGAL FEES

Legal costs incurred throughout the financial year, paid and payable at year end, related to the dispute resolution.

25. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirement of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 of that Act, which reads as follows:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (3) 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.
- (4) A reporting unit must comply with an application made under subsection (1).



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03 6223 6155  
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[www.wlf.com.au](http://www.wlf.com.au)  
Move Forward

**Auditor's Independence Declaration to the Committee of Management of  
Australian Rail, Tram and Bus Industry Union – Tasmanian Branch**

In relation to our audit of the financial report of the Australian Rail, Tram and Bus Industry Union – Tasmanian Branch for the financial year ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements as set out in the *Fair Work (Registered Organisations) Act 2009*; and any applicable code of professional conduct.

A handwritten signature in blue ink, appearing to read 'Nick Carter', is written over a faint, light blue horizontal line.

**NICK CARTER**

Partner

**Wise Lord & Ferguson**

Chartered Accountants

1/160 Collins Street  
HOBART TAS 7000

Dated: 4 May 2020

## INDEPENDENT AUDITOR'S REPORT

### Independent Audit Report to the Members of the Australian Rail, Tram and Bus Industry Union - Tasmanian Branch

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Rail, Tram and Bus Industry Union - Tasmanian 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 as at 31 December 2019, and notes to the financial statements, including a summary of significant accounting policies, and the Branch Council 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 - Tasmanian Branch as at 31 December 2019, and its financial performance and cash flows for the year ended on that date in accordance with:

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

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

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. We are independent of the Reporting 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 my audit of the financial report in Australia. We have 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.

#### Emphasis of Matter – Going Concern

We have assessed that management's use of the going concern basis of accounting in the preparation of the Branch Council's financial report appears appropriate.

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

The Branch Council 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 our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Branch Council for the Financial Report**

The Branch Council of the Reporting Unit are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Branch Council 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 Branch Council are responsible for assessing the Reporting Unit'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 Branch Council either intends to liquidate the Reporting Unit 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 is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Branch Council.
- Conclude on the appropriateness of the Branch Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit'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 Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for my audit opinion.

We communicate with the Branch Council 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.

I declare that I am an auditor registered under the RO Act.



**NICK CARTER**

Partner

**WLF Accounting & Advisory**

Member of Chartered Accountants Australia & New Zealand CAANZ

Registered Company Auditor: 450133

Registered Auditor no. AA2017/125

Holder of Public Practice Certificate

1/160 Collins Street

HOBART TAS 7000

Date: 4 May 2020