



30 June 2016

Ms Luba Grigorovitch
Branch Secretary
Australian Rail, Tram and Bus Industry Union, Victorian Branch
Level 2, 365 Queen Street
Melbourne VIC 3000

By e-mail: rtbu@rtbuvic.com.au

Dear Ms Grigorovitch

**Australian Rail, Tram and Bus Industry Union, Victorian Branch
Financial Report for the year ended 31 December 2015 - FR2015/422**

I acknowledge receipt of the amended financial report for the year ended 31 December 2015 for the Australian Rail, Tram and Bus Industry Union, Victorian Branch. The financial report was lodged with the Fair Work Commission (FWC) on 29 June 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

Activities under Reporting Guidelines not disclosed

Item 17 of the reporting guidelines states that if the activities identified in item 16 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that no such disclosure has been made for item 16(i) expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

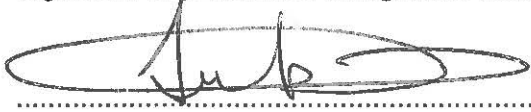
THE AUSTRALIAN RAIL, TRAM, BUS INDUSTRY UNION – VICTORIAN BRANCH
CERTIFICATE BY Victorian Branch Secretary

Certificate for the year ended 31 December 2015

I, Luba Grigorovitch, being the *Victorian Branch Secretary* of the *Australian Rail, Tram and Bus Industry Union – Victorian Branch* certify:

- that the documents lodged herewith are copies of the full report for the *Australian Rail, Tram and Bus Industry Union – Victorian Branch* for the year ended 31 December 2015 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 *24 June 2016* and
- that the full report was presented to *a meeting of the committee of management (branch executive)* of the reporting unit on *24 June 2016* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



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Name of prescribed designated officer: Luba Grigorovitch.....

Title of prescribed designated officer: Victorian Branch Secretary.....

Dated: 24 June 2016
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**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN
BRANCH**

ABN: 19 122 611 478

FINANCIAL REPORT

For the Year Ended 31 December 2015

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

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The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Committee of Management Statement

On 24 June 2016, the Committee of Management of The Australian Rail, Tram and Bus Industry Union - Victorian Branch ('the reporting unit') passed the following resolution in relation to the general purpose financial report ('GPFR') of the reporting unit for the financial year ended 31 December 2015:

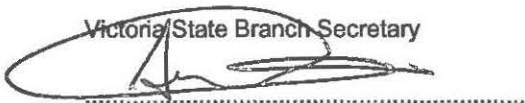
The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 to 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, that information has been provided to the member or General Manager; and
 - (vi) no orders have been made by the Fair work Commission under section 273 of the RO Act during the period and 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 on 24 June 2016.

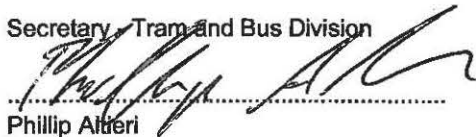
Signed on behalf of the Committee of Management:

Victoria State Branch Secretary



Luba Grigorovitch

Secretary, Tram and Bus Division



Phillip Alderi

Dated this 24 day of June 2016

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2015

		2015	2014
	Note	\$	\$
Membership subscription	2	4,580,721	4,262,066
Other income	2	84,516	172,791
Employee benefits expense	3	(1,770,043)	(1,578,758)
Finance costs	3	(2,133)	(12,472)
Depreciation and amortisation expense	3	(125,839)	(110,917)
Capitation fees	3	(563,043)	(593,696)
Affiliation fees	3	(74,349)	(88,296)
Administration and office expenses		(165,650)	(156,584)
Legal and professional fees	3,4	(562,251)	(705,846)
Motor vehicle costs		(82,585)	(69,198)
Commissions paid		(89,408)	(43,365)
Building repairs and maintenance		(286,643)	(256,488)
Other expenses	3	(832,270)	(734,974)
Profit/(loss) for the year		111,023	84,263
Income tax expense	1(b)	-	-
Profit/(loss) attributable to members of the entity		111,023	84,263
Other comprehensive income			
Gain on the revaluation of buildings		-	85,592
Total comprehensive income for the year		111,023	169,855
Total comprehensive income attributable to members of the entity		111,023	169,855

The accompanying notes form part of these financial statements.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Consolidated Statement of Financial Position

As At 31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,726,107	3,529,754
Trade and other receivables	6	268,766	306,013
Other assets	7	86,128	75,977
Financial assets	8	1,027,500	1,000,000
TOTAL CURRENT ASSETS		5,108,501	4,911,744
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,745,298	2,748,774
Investment property	10	2,713,270	2,713,270
TOTAL NON-CURRENT ASSETS		5,458,568	5,462,044
TOTAL ASSETS		10,567,069	10,373,788
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	439,590	382,545
Borrowings	12	-	98,000
Provisions	13	322,502	236,814
TOTAL CURRENT LIABILITIES		762,092	717,359
NON-CURRENT LIABILITIES			
Provisions	13	117,114	79,589
TOTAL NON-CURRENT LIABILITIES		117,114	79,589
TOTAL LIABILITIES		879,206	796,948
NET ASSETS		9,687,863	9,576,840
EQUITY			
Retained surplus		9,602,271	9,491,248
Revaluation reserve		85,592	85,592
TOTAL EQUITY		9,687,863	9,576,840

The accompanying notes form part of these financial statements.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2015

	Retained Surplus	Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2014	9,406,985	-	9,406,985
Profit for the year	84,263	-	84,263
Other comprehensive income	-	85,592	85,592
Balance at 31 December 2014	9,491,248	85,592	9,576,840
Balance at 1 January 2015	9,491,248	85,592	9,576,840
Profit for the year	111,023	-	111,023
Other comprehensive income	-	-	-
Balance at 31 December 2015	9,602,271	85,592	9,687,863

The accompanying notes form part of these financial statements.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	2015	2014
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received		
Receipts from members, investment property and other income	4,543,952	4,394,713
Interest received	100,953	99,323
Cash used		
Payments to suppliers and employees	(3,642,533)	(3,551,527)
Payments to Rail Tram and Bus Union National Office	(512,625)	(546,504)
Finance costs	(2,133)	(13,513)
Net cash provided by/(used in) operating activities	15 487,614	382,492
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash used		
Purchase of property, plant and equipment	(242,125)	(113,621)
Proceeds from disposal of property, plant and equipment	76,364	-
Cash invested in long term deposits	(27,500)	(272,759)
Net cash used by investing activities	(193,261)	(386,380)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash used		
Repayment of borrowings	(98,000)	(217,000)
Net cash used by financing activities	(98,000)	(217,000)
Net increase/(decrease) in cash and cash equivalents held	196,353	(220,888)
Cash and cash equivalents at beginning of financial year	3,529,754	3,750,642
Cash and cash equivalents at end of financial year	5 3,726,107	3,529,754

The accompanying notes form part of these financial statements.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies

The Australian Rail, Tram & Bus Industry Union - Victorian Branch ('the Union') is incorporated and domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. The Union is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated. The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statement was authorised for issue on 24 June 2016 by the Committee of Management.

Accounting Policies

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (The Australian Rail, Tram & Bus Industry Union - Victorian Branch) and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Union from the date on which control is obtained by the Union. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Union.

Pursuant to the deed of settlement (dated 1 January 2003), the responsible officers of the Union and also manage operations of the Tramways Holiday Trust as a result the financial results of the Trust are fully consolidated into the Union financial statements.

(b) Income Tax

The Union 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.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements

For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(b) Income Tax (continued)

Cash flows are included in the cash flow statement 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.

(c) Fair Value of Assets and Liabilities

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

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

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment of losses.

Property

Buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

Plant and equipment

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

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(d) Property, Plant and Equipment (continued)

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

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

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a diminishing value basis over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5%
Motor vehicles	15%
Office equipment	33.3% - 36%
Furniture, fixtures and fittings	7.5 - 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts recorded in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. in accordance with the revaluation model in AASB116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

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

(f) Investment property

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

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(f) Investment property (continued)

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

Revaluation – land and building:

After initial recognition, investment property is measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. When assessing fair value, the discounted cash flows of the property will be considered, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

- (i) a willing, but not anxious, buyer and seller on an arm's length basis;
- (ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;
- (iii) that the property will be reasonably exposed to that market;
- (iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
- (v) it only takes into account instructions given by the Union and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Union.

The investment property is considered one class of asset. Under AASB 140: Investment Property, adjustments to fair value are to be recognised directly in the statement of comprehensive income.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(g) Employee benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bond with terms to maturity that match the expected timing of cash flows.

(h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent managements best estimate of the expenditure required to set the present obligation at the end of each reporting period.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(i) Leases

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

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

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to a contractual provision to the instrument. For financial assets, this is equivalent to the date that Union commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(j) Financial instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(k) Financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

Impairment of financial assets

At the end of the reporting period the Union assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

(l) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Union uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or have expired.

The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(n) Revenue and other income

(i) *Membership subscriptions*

Revenue from membership subscriptions is recognised on an accruals basis and is recorded as revenue in the year to which it relates.

(ii) *Interest*

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

(iii) *Rent*

Rental revenue from operating leases is recognised on a straight-line basis over a period of the lease term so as to reflect a constant periodic rate of return on the net investment.

(iv) *Other income*

Other income is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(p) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payable are stated inclusive of GST.

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

(q) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(r) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Union prior to the end of the financial year that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(s) Comparative Figures

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

(t) Critical Accounting Estimates and Judgements

The Committee of Management evaluates estimates and judgments incorporated into the financial statement based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key estimates

Impairment

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

(u) Contingent Liabilities and Contingent Assets

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

(v) Going concern

The financial report of The Australian Rail, Tram & Bus Industry Union for the year ended December 2015 is prepared on a going concern basis.

The Union's ability to continue as a going concern is not reliant on the agreed financial support of another entity. The Union does not have to provide financial assistance to its subsidiary in order for the subsidiary to be able to pay its debts as and when they become payable. The subsidiary has sufficient assets available to meet any liabilities should that be required.

(w) Adoption of new and revised accounting standards

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

- AASB 9: Financial Instruments (December 2015) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These Standards will be applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

- AASB 15: Revenue from Contracts with Customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

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Notes to the Financial Statements For the Year Ended 31 December 2015

1 Summary of Significant Accounting Policies (continued)

(w) Adoption of new and revised accounting standards (continued)

This Standard, when effective, will replace the current accounting requirements applicable to revenue with a single, principles- based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non- monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers. The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five- step model:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the performance obligation is satisfied.

AASB 15 also requires enhanced disclosures regarding revenues. This Standard will require retrospective restatement and is available for early adoption.

The Union does not anticipate early adoption of any of the above Australian Accounting Standards. The Union anticipates that the adoption of AASB 9 and AASB 15 will not have a significant impact on the Union's financial statements.

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Notes to the Financial Statements For the Year Ended 31 December 2015

2 Revenue and Other Income

	2015	2014
	\$	\$
Revenue		
- Membership contributions received	4,303,667	4,034,890
- Interest received	100,953	111,268
- Rental revenue	176,101	115,908
	<u>4,580,721</u>	<u>4,262,066</u>
Other income	84,516	172,791
Total revenue	<u>4,665,237</u>	<u>4,434,857</u>

The Union did not receive capitation fees, donations, compulsory levies or any other financial support during the current and prior financial year. There was no recovery of wages activity during the current and prior financial year.

3 Expenses

Employee benefit expense:

Office holders

- Salaries and wages	651,565	736,595
- Superannuation	69,847	72,908
- Leave and other entitlements	163,022	158,645

Non-office holders

- Salaries and wages	707,772	492,537
- Superannuation	70,538	43,484
- Leave and other entitlements	107,299	74,589

Total employee benefit expense

<u>1,770,043</u>	<u>1,578,758</u>
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There were no separation and redundancies and any other employee expenses incurred for office holders and non-office holders during the current and prior financial year.

Capitation fees paid to Rail Tram and Bus Union National Office	<u>563,043</u>	593,696
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Legal costs- Litigation	542,666	650,890
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There were no legal costs incurred in relation to any other legal matters during the current and prior financial year.

Depreciation of non-current assets	125,839	110,917
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Affiliation fees paid to:

- ALP	33,973	35,645
- VTHC	15,033	21,828
- ACTU	22,186	27,875
- Various	3,157	2,948
	<u>74,349</u>	<u>88,296</u>

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Notes to the Financial Statements For the Year Ended 31 December 2015

3 Expenses (continued)	2015	2014
	\$	\$
Interest expense on financial liabilities at amortised cost:		
- external	2,133	12,472
Donations:		
Total paid that were \$1,000 or less	3,350	5,865
Total paid that exceeded \$1,000	-	8,620
	3,350	14,485
There were no grants paid during current and prior financial year.		
Industrial relations levy charged by ACTU	5,981	11,737
There was no other compulsory levies incurred during the current and prior financial year.		
Other Expenses		
- Campaign costs	19,165	-
- Functions	38,988	44,015
- Agency costs	42,690	83,969
- Stock Purchases	126,813	56,035
- Payroll Tax	90,399	80,933
- Fringe Benefit Tax	69,978	58,402
- Publication	118,744	71,825
Net losses on disposal of non-current assets:		
- motor vehicles	43,398	15,277
- office equipment	-	182
- plant and equipment	-	843
	43,398	16,302
Doubtful debts	55,238	-
Other operating expenses	217,526	297,271
The Union did not incur expenses relating to payroll deductions of membership subscriptions, grants, fees and/or allowances paid to persons in respect of their attendances as representatives of the Union at conferences or other meetings or penalties imposed under the RO Act with respect to the Union's conduct during the current and prior financial year.		
4 Remuneration of Auditors		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	19,585	42,776
- other services	-	12,180
	19,585	54,956
5 Cash and cash equivalents		
Cash on hand	870	870
Cash at bank	2,125,237	3,528,884
Short-term bank deposits	1,600,000	-
	3,726,107	3,529,754

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Notes to the Financial Statements For the Year Ended 31 December 2015

6 Trade and other receivables

	2015	2014
	\$	\$
CURRENT		
Trade receivables	319,521	299,918
Less: provision for doubtful debts	(55,238)	-
	<u>264,283</u>	<u>299,918</u>
Other receivables	4,483	6,095
	<u>268,766</u>	<u>306,013</u>

At balance date, there were no receivable balances owing from another reporting entity.

7 Other assets

CURRENT		
Prepayments	71,842	64,032
Accrued income	14,286	11,945
	<u>86,128</u>	<u>75,977</u>

8 Financial assets

CURRENT		
Term deposit	1,027,500	1,000,000

9 Property, plant and equipment

Buildings		
At fair value	2,681,486	2,681,486
Accumulated depreciation	(333,444)	(273,236)
	<u>2,348,042</u>	<u>2,408,250</u>
Furniture, fixtures and fittings		
At cost	352,241	350,410
Accumulated depreciation	(223,626)	(208,977)
	<u>128,615</u>	<u>141,433</u>
Motor vehicles		
At cost	260,985	260,910
Accumulated depreciation	(35,845)	(85,235)
	<u>225,140</u>	<u>175,675</u>
Office equipment		
At cost	121,520	82,540
Accumulated depreciation	(78,019)	(59,124)
	<u>43,501</u>	<u>23,416</u>
Total property, plant and equipment	<u>2,745,298</u>	<u>2,748,774</u>

Buildings are measured at fair value less accumulated depreciation and impairment losses. Independent valuations on Level 2, 365 Queen Street and Level 6, 1 Elizabeth Street were carried out by Knight Frank, with the market values at 17th February 2014 being \$1,650,000 and \$820,000 respectively. The net revaluation gain on these properties of \$85,592 was recorded in the Revaluation Reserve in prior year.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

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Notes to the Financial Statements For the Year Ended 31 December 2015

9 Property, plant and equipment (continued)

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
Consolidated	\$	\$	\$	\$	\$
Balance at 1 January 2015	2,408,250	141,433	175,675	23,416	2,748,774
Additions	-	1,831	201,313	38,981	242,125
Disposals	-	-	(119,762)	-	(119,762)
Revaluation	-	-	-	-	-
Depreciation expense	(60,208)	(14,649)	(32,086)	(18,896)	(125,839)
Carrying amounts at 31 December 2015	2,348,042	128,615	225,140	43,501	2,745,298
Balance at 1 January 2014	2,351,928	139,828	179,746	18,944	2,690,446
Additions	32,480	18,881	59,672	12,493	123,526
Disposals	-	(843)	(38,848)	(182)	(39,873)
Revaluation	85,592	-	-	-	85,592
Depreciation expense	(61,750)	(16,433)	(24,895)	(7,839)	(110,917)
Carrying amounts at 31 December 2014	2,408,250	141,433	175,675	23,416	2,748,774

10 Investment Property

	2015	2014
	\$	\$
Balance at beginning of the period	2,713,270	2,646,092
Additions	-	938
Depreciation	-	-
Net revaluation increment	-	66,240
Balance at end of the period	2,713,270	2,713,270

(a) Valuation

The investment properties are measured at fair value, being the amounts for which the properties could be exchanged between willing parties in arm's length transactions, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

Independent valuations on the investment properties at Level 1, 222 Kings Way and Level 14, 222 Kings Way were carried out by Knight Frank, with the market value at 17th February 2014 of \$990,000 and at 21st February 2014 at \$1,180,000 respectively. Refer to Note 1 (f) for key estimates relating to uncertainty regarding property valuations.

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Notes to the Financial Statements For the Year Ended 31 December 2015

10 Investment Property (continued)

(b) Lease arrangement

The investment property lease relating to suite 1 at Level 1, 222 Kings Way, South Melbourne is a non-cancellable lease with a three year term, which was extended for six months. The lease for suite 1 will expire in 23 February 2016. In the prior year, suite 2 at Level 1, 222 Kings way was vacant. A new lease for suite 2 at Level 1, 222 Kings Way has been signed on 14 March 2016.

The investment property lease relating to Level 14, 222 Kings Way, South Melbourne is a non-cancellable lease with a five year term and commenced in August 2014, expiring July 2019.

11 Trade and other payables

	2015	2014
	\$	\$
CURRENT		
A. Trade payables		
Trade creditors and accruals	203,386	131,925
B. Amount owed to Rail Tram and Bus Union National Office	50,418	47,192
C. Other payables		
Membership subscriptions received in advance	142,737	124,375
Other payables	20,782	36,596
Legal costs- Litigation	-	26,290
Superannuation	22,267	16,167
	<u>185,786</u>	<u>203,428</u>
	<u>439,590</u>	<u>382,545</u>

Trade payables

The average credit period on purchases of certain goods for the Union is one month. There is no interest charged on the outstanding trade payable balances. The Union has financial risk management policies in place to ensure that all payables are paid within the credit timeframe, as referred to in Note 19.

At balance date, there were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions and there were no payables in respect of any other legal matters.

12 Borrowings

	2015	2014
	\$	\$
CURRENT		
Bank loans secured	-	98,000

The Bill Facility commenced in October 2011 and expires 12 September 2020.

The carrying amounts of non-current assets pledged as security are:

Buildings (forms part of property, plant and equipment)	N/A	2,748,774
Investment property	N/A	2,713,270
	<u>-</u>	<u>5,462,044</u>

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Notes to the Financial Statements For the Year Ended 31 December 2015

13 Provisions

	2015	2014
	\$	\$
CURRENT		
Long service leave	56,378	56,357
Annual leave	266,124	180,457
	<u>322,502</u>	<u>236,814</u>
NON-CURRENT		
Long service leave	117,114	79,589
	<u>439,616</u>	<u>316,403</u>
Office holders		
- Long service leave	123,723	95,826
- Annual leave	169,387	114,623
	<u>293,110</u>	<u>210,449</u>
Non-office holders		
- Long service leave	49,769	40,120
- Annual leave	96,737	65,834
	<u>146,506</u>	<u>105,954</u>

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria for employee benefits have been included in Note 1 (g).

At balance date, there were no provisions for employee separation and redundancies.

14 Leasing Commitments Receivable

Operating Leases

Lease terms are non-cancellable with a three or five-year term, with rent payable monthly. Rent is reviewed annually in accordance with CPI movements.

Details of non-cancellable operating leases contracted but not capitalised in the financial statements are shown below:
Minimum lease payments under non-cancellable operating leases:

	2015	2014
	\$	\$
- not later than one year	112,794	124,820
- between one year and five years	284,018	389,601
	<u>396,812</u>	<u>514,421</u>

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Notes to the Financial Statements For the Year Ended 31 December 2015

15 Cash Flow Information

(a) Reconciliation of cash flows from operations with profit after income tax

	2015	2014
	\$	\$
Profit for the year	111,023	84,263
Adjustments for non-cash items:		
- depreciation	125,839	110,917
- loss on disposal of property, plant and equipment	43,398	16,302
- gain on revaluation of property, plant and equipment	-	(85,592)
- gain on revaluation of investment property	-	(66,240)
- doubtful debt	55,238	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(17,991)	62,064
- (increase)/decrease in prepayments and accrued income	(10,151)	-
- increase/(decrease) in trade and other payables	57,045	260,778
- increase/(decrease) in provisions	123,213	-
Cashflow from operations	<u>487,614</u>	<u>382,492</u>

(b) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	<u>3,726,107</u>	<u>3,529,754</u>
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16 Key Management Personnel Disclosures

Short-term employee benefits

Salaries (including annual leave taken and accrued)	1,059,870	1,180,367
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Post-employment benefits

Superannuation	83,677	90,199
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Other long term benefits

Long service leave	130,275	100,290
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Total compensation

<u>1,273,822</u>	<u>1,370,856</u>
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Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Union directly or indirectly, including its committee members is considered key management personnel and disclosed above.

17 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 December 2015 (31 December 2014: None).

18 Events Occurring After the Reporting Date

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

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable and bank borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

		2015	2014
		\$	\$
Financial Assets			
Cash and cash equivalents	5	3,726,107	3,529,754
Trade and other receivables	6	268,766	306,013
Other financial assets	8	1,027,500	1,000,000
Carrying amount of financial assets		<u>5,022,373</u>	<u>4,835,767</u>
Financial Liabilities			
Financial liabilities at amortised cost			
Trade and other payables	11&12	439,590	480,545
Carrying amount of financial liabilities		<u>439,590</u>	<u>480,545</u>

Financial risk management policies

The Committee of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific financial risk exposures and management

The main risks the Union is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

(a) Market Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial Instruments.

The source of interest rate risk to the Union is primarily long-term debt obligations, which has variable interest rate. The Union has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

Net Income and Expense from Financial Assets

	2015	2014
	\$	\$
Loans and receivables		
Interest revenue	100,953	111,268
Doubtful debts	55,238	-
Net gain/(loss) from loans and receivables	<u>156,191</u>	<u>111,268</u>

Sensitivity analysis

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

	Equity	Profit or loss
	\$	\$
Year ended 31 December 2015		
+/- 0.5 in interest rates	-	<u>7,329</u>
Year ended 31 December 2014		
+/- 0.5 in interest rates	-	<u>22,794</u>
Financial assets		
Cash and cash equivalents	3,726,107	3,529,754
Term deposit	1,027,500	1,000,000
	<u>4,753,607</u>	<u>4,529,754</u>
Financial liabilities		
Interest bearing liabilities	-	(98,000)
	-	(98,000)
Net exposure	<u>4,753,607</u>	<u>4,431,754</u>

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

The weighted average interest rates relating to the above financial assets and financial liabilities were as follows:

	2015	2014
	%	%
Financial assets		
Interest-bearing assets	2.99%	2.50%
Financial liabilities		
Interest-bearing liabilities	2.36%	3.22%

(b) Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Union manages this risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturing profiles of financial assets and financial liabilities.

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

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

	Within 1 Year		2 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Bank overdrafts and loans	-	98,000	-	-	-	-	-	98,000
Trade and other payables (excluding estimated annual leave)	361,680	382,545	-	-	-	-	361,680	382,545
Total expected outflows	361,680	480,545	-	-	-	-	361,680	480,545

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets - cash flows realisable								
Cash and cash equivalents	3,726,107	3,529,754	-	-	-	-	3,726,107	3,529,754
Trade, term and loans receivables	324,004	306,013	-	-	-	-	324,004	306,013
Term deposits	1,027,500	1,000,000	-	-	-	-	1,027,500	1,000,000
Total anticipated inflows	5,077,611	4,835,767	-	-	-	-	5,077,611	4,835,767

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed and reviewed regularly by the Committee of Management. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise cleared as being financially sound. Where the Union is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6. There is no collateral held by the Union securing trade and other receivables.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union. The trade receivables balance at 31 December 2015 and 31 December 2014 do not include any counterparties with external credit ratings.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Union policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

(d) Fair value estimation

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

	2015		2014	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	3,726,107	3,726,107	3,529,754	3,529,754
Trade and other receivables	268,766	268,766	306,013	306,013
Term deposit	1,027,500	1,027,500	1,000,000	1,000,000
Total financial assets	5,022,373	5,022,373	4,835,767	4,835,767
Financial liabilities				
Trade and other payables	361,680	361,680	382,545	382,545
Bank debt	-	-	98,000	98,000
Total financial liabilities	361,680	361,680	480,545	480,545

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

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payable exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) Borrowings balance is discounted, therefore its carrying value is considered equivalent to fair value.

The Union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(e) Fair Value Hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Measurements based on unobservable inputs for the asset or liability.

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Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation Techniques

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

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2014				
Recurring fair value measurements				
<i>Non-financial assets</i>				
Investment properties	-	2,713,270	-	2,713,270
Buildings	-	2,408,250	-	2,408,250
Total non-financial assets recognised at fair value	-	5,121,520	-	5,121,520

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
31 December 2015				
Recurring fair value measurements				
<i>Non-financial assets</i>				
Investment properties	-	2,713,270	-	2,713,270
Buildings	-	2,348,042	-	2,348,042
Total non-financial assets recognised at fair value	-	5,061,312	-	5,061,312

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

19 Financial Instruments (continued)

Description	Fair Value at 31 December 2015	Valuation technique	Inputs used
<i>Non-financial assets</i>	\$		
Investment properties	2,713,270	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology.	Price per square metre; market borrowing rate
Buildings	2,348,042	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology.	Price per square metre; market borrowing rate
	<u>5,061,312</u>		

(i) The fair value of the investment property and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the directors review the independent valuation and, when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Union to determine Level 2 fair values.

20 Segment Reporting

The Union operates predominately in one business and geographical segment being the representation of members in industrial relations matters in Victoria.

21 Notice required under the Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of the members is drawn to the provision of subsections (1) to (3) of Section 272(5) which reads as follows:

Information to be provided to members or General Manager:

(1) A member of a reporting unit, or a 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) 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).

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

22 Parent entity information

The following information has been extracted from the books and records of the Parent and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position

	2015 (\$)	2014 (\$)
Assets		
Current Assets	4,939,475	4,750,607
Non-current Assets	4,899,535	4,894,399
Total Assets	9,839,010	9,645,006
Current Liabilities	762,092	717,359
Non-current Liabilities	117,114	79,589
Total Liabilities	879,206	796,947
Total Equity	8,959,804	8,848,059

Statement of Comprehensive Income

	2015 (\$)	2014 (\$)
Total profit	111,746	163,553

23 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Rail Tram and Bus Union National Office

During the financial year, the Union incurred expenses in relation to capitation fees charged by the Rail Tram and Bus Union National Office of \$563,043 (2014:\$593,696). This balance also includes payables at financial year end of \$50,418 (2014: \$47,192) owed to the Rail Tram and Bus Union National Office.

Committee of Management Members Transactions

All Committee of Management members (branch executives) are required to hold a fully paid-up membership fee. Total membership fee received during 2015 is \$14,451 (2014: \$13,298).

The Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

Notes to the Financial Statements For the Year Ended 31 December 2015

24 Information about subsidiaries

The subsidiary listed below is a Trust that is solely controlled by the Union. The proportion of ownership interest held equals the voting rights held by the Union. The consolidated financial statements of the reporting entity include:

Name of entity	Principal Activity	Country of incorporation	Equity Interest 2015	Equity Interest 2014
Tramways Holiday Trust	Trust	Australia	100%	100%

There is no non-controlling interest outside of the Union. There is no changes in ownership and no consequences anticipated on changes in ownership.

Subsidiary's assets are available to meet any liabilities should that be required.

There are no transactions between the Subsidiary and the Union during the current and prior financial year.

Subsidiary financial statement used in the preparation of the consolidated financial statements has also been prepared as at the same reporting date as the Union's financial statements.

There are no significant restrictions over ability to access or use assets and settle liabilities.

25 Additional Disclosures- Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the RO Act Reporting Guidelines, the following disclosures are made:

- The Union has not acquired any assets or liabilities during the financial year as a result of an amalgamation under Part 2 of Chapter 3 of the *RO Act* in which it was the amalgamated organisation; a restructure; a determination by the General Manager Under subsection 245(1) of the *RO Act* of an alternative reporting structure; or a revocation by the General Manager under subsection 249(1) of the *RO Act* of a certificated issued to an organisation under subsection 245(1).
- The Union was not involved in a business combination during the financial year.

26 Union Details

The registered office and the principal place of the Union is:

The Australian Rail, Tram & Bus Industry Union - Victorian Branch
Level 2, 365 Queen Street

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH

Report on the Financial Statements

We have audited the accompanying financial statements of The Australian Rail, Tram & Bus Industry Union - Victorian Branch, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, the committee of management statement and notes comprising a summary of significant accounting policies and other explanatory information.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

Declaration

We are an approved auditor for the purposes of Fair Work (Registered Organisations) Act 2009 and we are a member of the ICAA and hold a Public Practice Certificate.

Opinion

In our opinion, the financial statements of The Australian Rail, Tram & Bus Industry Union - Victorian Branch for the year ended 31 December 2015 is prepared and presented fairly, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

We are also of the opinion that management's use of the going concern basis of accounting in the preparation of the financial statements was appropriate.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Hayley Underwood
Partner

Melbourne, dated 24 June 2016

**THE AUSTRALIAN RAIL, TRAM, BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The committee presents its report on the reporting unit for the financial year ended 31 December 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

[Insert relevant information—refer s.254(2)(a)]

Significant changes in financial affairs

[Insert relevant information—refer s.254(2)(b)]

Right of members to resign

[Insert relevant information—refer s.254(2)(c)]

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

[Insert relevant information—refer s.254(2)(d)]

Number of members

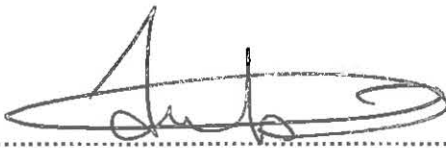
[Insert relevant information—refer regulation 159(a) and s.254(2)(f)]

Number of employees

[Insert relevant information—refer regulation 159(b) and s.254(2)(f)]

Names of Committee of Management members and period positions held during the financial year

[Insert relevant information—refer regulation 159(c)]

Signature of designated officer: 

Name and title of designated officer: Luba Grigorovitch

Dated: 24 June 2016

**THE AUSTRALIAN RAIL, TRAM, BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The committee presents its report on the reporting unit for the financial year ended 31 December 2015.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

1. Principal Activities of the Victorian Branch

The principal activities of the Victorian Branch of the Union, as conducted through the Victorian Branch, during the past year fell into the following categories:

ACTIVITIES
Making agreements with employers
Implementation of the decisions of the Executive
Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to members.
Industrial support including representation of individual member grievances, advice on legal and legislative matters, and responding to the needs of members as provided for within the rules of the union, within the scope of any statutory or legal obligations.
Media and communications to members, and the broader community via media releases.
Campaigns and negotiations with government, political parties and industry organisations, including with financial donations and/or other support, around issues of importance for members, eg EBA negotiations, training, skill shortages, fatigue laws.

These rule changes were made at the 2015 National Council:

1)

"That this meeting of Branch Council notes the proposed rule change to the ARTBIU Branch Rules endorsed by the Victorian Locomotive Divisional Committee that:

- a. *The words "Branch Divisional Assistant Secretary – Locomotive" be inserted after the words "Branch Divisional Assistant Secretary Tram & Bus" in sub-rule 161(2) of the ARTBIU Rules.*

- b. The words "Notwithstanding the provisions of Sub-Rule 47(3) the Office of Branch Divisional Assistant Secretary Locomotive shall be elected every four years" be deleted from sub-rule 161(4). This sentence is no longer necessary.
- c. The word "Assistant" be inserted before the word "Secretary" and the word "Full-time or" be inserted before the word "part-time" in the second sub-clause of sub-rule 161(4)

so that the sub-rule reads:

161– BRANCH OFFICES

(2) The office of Branch Secretary, Branch Divisional Secretary, (except for Branch Divisional Secretary, Branch Infrastructure Division; Branch Divisional Secretary, Branch Administrative, Supervisory, Technical and Professional Division; Branch Divisional Secretary, Branch Fleet Manufacture Division) Branch Divisional Assistant Secretary Tram & Bus, Branch Divisional Assistant Secretary – Locomotive, Branch Organiser (if any) and Branch Divisional Organiser (if any) shall be paid positions.

(4) Subject to Sub-Rule(3) above the Branch Offices, other than those specified in Sub-Rule 161(2) shall be honorary positions.

The Office of the Branch Divisional Assistant Secretary - Locomotive may be a full-time or part-time paid position.

This meeting of Branch Council moves that the proposed rule change be received."

Moved: Luba Grigorovitch

Seconded: Paris Jolly

MOTION:

"That the proposed rule change be adopted."

Moved: Paris Jolly

Seconded: Luba Grigorovitch

2) MOTION: Proposed Rule Change – Rule 156 Branch Structure and Organisation

"That this meeting of Branch Council notes the proposed rule change to the ARTBIU Branch Rules endorsed by the Victorian Rail Divisions Committees of Management that rule 156 of the ARTBIU

Branch Rules be changed so that the 'Western Region' becomes the 'Western/South Western Region' and adds to its current areas the following further areas:

- a. Geelong/Gheringhap*
- b. Warrnambool/Camperdown*
- c. Colac*

and that these areas be correspondingly removed from the 'Southern Region'.

So that the rule reads:

156 - BRANCH STRUCTURE AND ORGANISATION

- (5) *Regional Sub-Branches shall be established combining members within the Branch Administrative, Supervisory, Technical and Professional Division, the Branch Infrastructure Division, the Branch Rail Operations Division and the Branch Fleet Manufacture, Overhaul, Maintenance and Service Division employed within the following areas:-*

Western/South Western Region

*Ararat/Stawell
Mildura/Ouyen
Ballarat
Hamilton/Portland
Dimboola/Murtoa/Horsham
Geelong/Gheringhap
Warrnambool/Camperdown
Colac*

Northern Region

*Bendigo/Castlemaine/Woodend
Echuca/Korongvale/Swan Hill
Shepparton/Seymour/Numurkah
Benalla/Wangaratta*

Southern Region

*Geelong/Gheringhap
Warrnambool/Camperdown
Colac
Bairnsdale
Traralgon/Morwell
Warragul/Korumburra*

This meeting of Branch Council moves that the proposed rule change be received."

Moved: Luba Grigorovitch

Seconded: Bob Bassett

MOTION:

"That the proposed rule change be adopted."

Moved: Damien Dalton McCrea

Seconded: Darren Galea

This motion was carried

2. Details of any Significant Changes in Financial Affairs

The financial affairs of the Victorian Branch have altered marginally due to the following:

- The engagement of consultants Accounting for Good to implement a series of governing body recommendations.
- Legal expenses in relation to EBA Disputes during 2015.

Right of members to resign

3. Right of Members to Resign

All Members of the Union have the right to resign from the Union in accordance with Rule 14 of the Union Rules (and Section 174 of Fair Work (RO) Act 2009); namely by providing notice addressed and delivered to the Secretary of the relevant Branch, including via email.

14 - RESIGNATION FROM MEMBERSHIP

- (1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Note: The notice of resignation can be given electronically if the organisation's rules allow for this (see section 9 of the *Electronic Transactions Act 1999*).

- (2) A notice of resignation from membership of an organisation takes effect:
- (a) where the member ceases to be eligible to become a member of the organisation:
 - (i) on the day on which the notice is received by the organisation; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case:
 - (i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;whichever is later.
- (3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

4. Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

There are no officers or members in this position to our knowledge.

5. Number of members


Total financial numbers are 6867 members

6. Number of employees

Total number of employees are 20 full time and 1 part-time.

7. Names of Committee of Management members and period positions held during the financial year

Refer to attachment called committee of management

Signature of designated officer: 

Name and title of designated officer: *Luban Grigorisith*

Dated: *6 June 2016*

All Executives were appointed
for the full financial year.

Rail Tram & Bus Union
Victorian Branch

Group List - Detailed

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Branch Executive

MembNo	Name	Workplace	Phone	Fax	Mobile	Reference
	Phillip Altieri	RTBU Vic Branch				Branch Assistant Secretary - Tram and Bus Division
	John Anderson	RTBU Vic Branch				Branch Junior Vice President - Tram and Bus Division
	Phillip Barnett	Downer EDI Rail - Dynon Loco M/tenance				Divisional President - Workshops Division
	Robert Bassett	V/Line Ballarat Station				Divisional President - Rail Operations Division
	Paolo Ferraro	Metro Workshops - Epping Workshops Depot				
	Darren Galea	RTBU Vic Branch				Divisional Secretary - Rail Operations Division
	Luba Grigorovitch	RTBU Vic Branch				Branch Secretary
	Wayne Hicks	V/Line Passenger Southern Cross				Divisional President - Locomotive Division
	Paul Jumpertz	Bombardier - Melbourne Fuel Point				Divisional Secretary - Workshops Division
	Kevin Killender	Metro Infrastructure E Gate				Divisional President - Infrastructure Division
	Steven Kozmevski	Metro Infrastructure Admin				Divisional Secretary - Administration, Supervisory, Technical and Professional Division
	Darren Lamont	V/Line Passenger Geelong				Branch President
	Joe Maisano	METRO OPS & ADMIN - Newport Station				Divisional Secretary - Administration, Supervisory, Technical and Professional Division
	Marcello Marotta	V/Line Passenger Seymour				Divisional Secretary - Locomotive Division

Group List - Detailed

Sergio (John) Marotta	VLine Passenger Southern Cross		Divisional Vice President - Locomotive Division
Victor Moore	METRO OPS & ADMIN - Broadmeadows Station		Branch Senior Vice President - Administration, Supervisory, Technical and Professional Division
Mark Moran	Yarra Trams Ops - Southbank		Vice-President - Tram and Bus Division
Damian Morgan	METRO OPS & ADMIN - Cse Flinders St Station		Divisional Vice President - Rail Operations Division
Jonathan Saw	Metro Infrastructure Overhead		Divisional Secretary - Infrastructure Division
Mark Teasdale	Yarra Trams Ops - Brunswick		President- Tram and Bus
Grant Wainwright	RTBU Vic Branch		Organiser - Rail Operations Division