



12 July 2017

Ms Luba Grigorivitch  
Secretary, Victorian Branch  
Australian Rail, Tram and Bus Industry Union

By email: [luba.grigorovitch@rtbuvic.com.au](mailto:luba.grigorovitch@rtbuvic.com.au)

CC: Auditor, William Lam

Dear Ms Grigorivitch,

**Australian Rail, Tram and Bus Industry Union, Victorian Branch - Financial Report for the year ended 31 December 2016 - [FR2016/412]**

I refer to the financial report of the Victorian Branch of the Australian Rail, Tram and Bus Industry Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 23 June 2017. A copy of the Designated Officer's certificate and an amended audit report were received today.

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

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 that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

**Reporting Requirements**

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

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

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**From:** KELLETT,Stephen  
**Sent:** Wednesday, 12 July 2017 1:03 PM  
**To:** 'luba.grigorovitch@rtbuvic.com.au'  
**Cc:** 'William Lam'  
**Subject:** Financial reporting - y/e 31 Dec 2016 - filing [SEC=UNCLASSIFIED]

Dear Ms Grigorivitch,

Please see attached my letter in relation to the above.

Yours faithfully

**STEPHEN KELLETT**  
Senior Adviser  
Financial Reporting  
**Registered Organisations Commission**

Tel: (02) 6746 3283  
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**Australian Government**  
**Registered Organisations Commission**



ARTBIU VIC FR2016  
412 (primary final).pdf

**From:** William Lam [mailto:wlam@shinewing.com.au]  
**Sent:** Wednesday, 12 July 2017 10:25 AM  
**To:** KELLETT, Stephen  
**Cc:** luba.grigorovitch@rtbuvic.com.au; Chloe Beaton  
**Subject:** RE: Financial reporting - y/e 31 Dec 2016 - further documentation required [SEC=UNCLASSIFIED]

Hi Stephen,

Further to your request, please find attached the following documents relating to RTBU:

1. Secretary's signed certificate;
2. Statement of donations; and
3. Financials with amended auditor's report

Please don't hesitate to contact us, if you have any further queries on the attachments.

Thanks,

William

**William Lam**  
Assistant Manager  
Assurance and Advisory Services

ShineWing Australia

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RTBU Financial



Statement of



Certificate by

Report 31 Dec 2016\_Donations - RTBU VIIPrescribed Designate

**THE AUSTRALIAN RAIL, TRAM, BUS INDUSTRY UNION – VICTORIAN BRANCH**

s.268 *Fair Work (Registered Organisations) Act 2009*

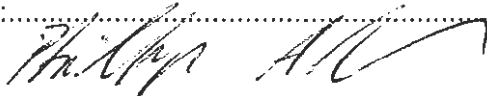
**CERTIFICATE BY VICTORIAN BRANCH SECRETARY**

Certificate for the period ended 31 December 2016

I, Phillip Altieri being the Assistant 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 period ended 31 December 2016 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 31 May 2017; and
- that the full report was presented to a meeting of the Branch Executive of the reporting unit on 14 June 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....



Name of prescribed designated officer:

PHILLIP ALTIERI

Title of prescribed designated officer:

ASSISTANT BRANCH SECRETARY

Dated: 11 - JULY - 2017

.....

**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN  
BRANCH**

**ABN: 19 122 611 478**

**FINANCIAL REPORT**

**For the Year Ended 31 December 2016**

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

ABN: 19 122 611 478

## Contents

For the Year Ended 31 December 2016

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

ABN: 19 122 611 478

## Committee of Management Statement

On 31 May 2017 the Victorian RTBU Branch Executive 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 2016:

The Victorian RTBU Branch Executive 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 Victorian RTBU Branch Executive 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) where any order for inspection of financial records has been made by the Fair Work 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 Victorian RTBU Branch Executive on 31 May 2017

Signed on behalf of the Victorian RTBU Branch Executive:

Victoria State Branch Secretary



Luba Grigorovitch

Assistant Branch Secretary



Phillip Altieri

Dated this 31 day of MAY 2017



# 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 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>			
Membership subscription	2	4,422,185	4,195,905
Capitation fees		-	-
Levies	2	282,950	107,762
Interest	2	89,488	100,953
Rental revenue	2	211,861	176,101
<b>Total revenue</b>		<b>5,006,484</b>	<b>4,580,721</b>
<b>Other income</b>			
Grants and/or donations	2	1,895	-
Other income	2	33,068	84,516
Gain on the revaluation of investment property	10	1,206,730	-
<b>Total other income</b>		<b>1,241,693</b>	<b>84,516</b>
<b>Total income</b>		<b>6,248,177</b>	<b>4,665,237</b>
<b>Expenses</b>			
Employee benefits expense	3A	(1,800,271)	(1,770,043)
Capitation fees	3B	(565,600)	(563,043)
Legal and professional fees	3C,4	(523,258)	(562,251)
Depreciation and amortisation expense	3D	(123,026)	(125,839)
Affiliation fees	3E	(94,811)	(74,349)
Finance costs	3F	-	(2,133)
Grants or donations	3G	(9,750)	3,350
Other expenses	3H	(1,281,124)	(1,459,906)
<b>Total expenses</b>		<b>(4,397,840)</b>	<b>(4,554,214)</b>
<b>Profit for the year</b>		<b>1,850,337</b>	<b>111,023</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</b>			
Fair value gain on available-for-sale financial assets		4,830	-
<b>Total other comprehensive income for the year</b>		<b>4,830</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,855,167</b>	<b>111,023</b>

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 2016

	Note	2016 \$	2015 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	3,380,925	3,329,285
Trade and other receivables	6	304,858	268,766
Other assets	7	73,267	86,128
Financial assets	8	1,600,000	1,027,500
<b>Total current assets</b>		<u>5,359,050</u>	<u>4,711,679</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	2,602,571	2,745,298
Investment property	10	3,920,000	2,713,270
Financial assets	8	408,865	396,822
<b>Total non-current assets</b>		<u>6,931,436</u>	<u>5,855,390</u>
<b>Total assets</b>		<u>12,290,486</u>	<u>10,567,069</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	303,576	439,590
Provisions	12	327,577	322,502
<b>Total current liabilities</b>		<u>631,153</u>	<u>762,092</u>
<b>Non-Current Liabilities</b>			
Provisions	12	116,303	117,114
<b>Total non-current liabilities</b>		<u>116,303</u>	<u>117,114</u>
<b>Total liabilities</b>		<u>747,456</u>	<u>879,206</u>
<b>Net assets</b>		<u>11,543,030</u>	<u>9,687,863</u>
<b>EQUITY</b>			
Retained surplus		11,452,608	9,602,271
Revaluation reserve	13	85,592	85,592
Financial asset reserve	13	4,830	-
<b>Total equity</b>		<u>11,543,030</u>	<u>9,687,863</u>

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 2016

	Retained Surplus	Revaluation Reserve	Financial Asset Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 January 2015</b>	9,491,248	85,592	-	9,576,840
Profit for the year	111,023	-	-	111,023
Other comprehensive income	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>9,602,271</b>	<b>85,592</b>	<b>-</b>	<b>9,687,863</b>
<b>Balance at 1 January 2016</b>	9,602,271	85,592	-	9,687,863
Profit for the year	1,850,337	-	-	1,850,337
Other comprehensive income	-	-	4,830	4,830
<b>Balance at 31 December 2016</b>	<b>11,452,608</b>	<b>85,592</b>	<b>4,830</b>	<b>11,543,030</b>

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 2016

	2016	2015
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Cash received</b>		
Receipts from members, investment property and other income	5,224,504	5,000,380
Interest received	89,488	100,953
<b>Cash used</b>		
Payments to suppliers and employees	(4,076,048)	(3,992,239)
Payments to Rail Tram and Bus Union National Office	(622,160)	(619,347)
Finance costs	-	(2,133)
<b>Net cash from/(used by) operating activities</b>	15 <b>615,784</b>	<b>487,614</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
<b>Cash received</b>		
Proceeds from disposal of property, plant and equipment	20,000	76,364
<b>Cash used</b>		
Purchase of property, plant and equipment	(4,431)	(242,125)
Cash invested in long term deposits/investments	(579,713)	(424,322)
<b>Net cash from/(used by) investing activities</b>	<b>(564,144)</b>	<b>(590,083)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
<b>Cash used</b>		
Repayment of borrowings	-	(98,000)
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>(98,000)</b>
<b>Net (decrease)/increase in cash and cash equivalents held</b>	<b>51,640</b>	<b>(200,469)</b>
Cash and cash equivalents at beginning of financial year	<b>3,329,285</b>	<b>3,529,754</b>
<b>Cash and cash equivalents at end of financial year</b>	5 <b>3,380,925</b>	<b>3,329,285</b>

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 2016

### 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.

The financial statements have been prepared on an accrual basis and in accordance with the 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.

The financial statement was authorised for issue on 31 May 2017 by the Victorian RTBU Branch Executive.

#### 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 2016

### 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 (i.e. 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 2016

### 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 Victorian RTBU Branch Executive 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:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
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 2016

### 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

##### **Short term employee benefits**

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Union's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in 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 2016

### 1 Summary of Significant Accounting Policies (continued) (g) Employee benefits (continued)

#### Long term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

#### (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.

#### (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.

# 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 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (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 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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

##### *(ii) Available for sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

# 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 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Financial assets (continued)

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current 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.

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.

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.

#### (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).

# 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 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (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 2016

### 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.

A reclassification between cash and cash equivalents and financial assets had been adjusted in the comparatives of the Statement of Financial Position as at 31 December 2016. The reclassification occurred as an investment was being classified as cash and cash equivalents in the prior year which should have been classified as financial assets. The impact on the Statement of Financial Position relating to the comparative period as at 31 December 2015 was that cash and cash equivalents decreased by \$396,822 and financial assets increased by \$396,822. The reclassification had no impact on the prior year financial results.

Within the prior year Statement of Comprehensive, a reclassification between membership subscriptions and levies had occurred. The reclassification provides further information on legal levies collected as part of the membership subscription fees. The impact on the Statement of Comprehensive Income relating to the comparative for the year ended 31 December 2015 was that membership subscriptions decreased by \$107,762 and levies increased by \$107,762. The reclassification had no impact on the prior year financial results.

#### (t) Critical Accounting Estimates and Judgements

The Victorian RTBU Branch Executive 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

##### (i) 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 2016 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.

# 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 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (w) 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. The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 Financial Instruments.

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent aligns the relief available in AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures in respect of the financial reporting requirements for Australian groups with a foreign parent.

The adoption of the amendments did not have an impact on the Australian, Rail, Tram & Bus Industry Union – Victorian Branch.

##### ***Future Australian Accounting Standard Requirements***

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Union, together with an assessment of the potential impact of such pronouncements on the Union when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Union on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

# 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 2016

### 1 Summary of Significant Accounting Policies (continued)

#### (w) New Australian Accounting Standards (continued)

Although the Victorian RTBU Branch Executive anticipate that the adoption of AASB 9 may have an impact on the Union's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-8: *Amendments to Australian Accounting Standards – Effective Date of AASB 15*).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Apart from 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 the Standard 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 process:

- 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(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the Victorian RTBU Branch Executive anticipate that the adoption of AASB 15 may have an impact on the Union's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

# 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 2016

### (w) New Australian Accounting Standards (continued)

- AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

- The main changes introduced by the new Standard are as follows:
- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application

The Victorian RTBU Branch Executive anticipate that the adoption of AASB 16 will not materially impact the Union's financial statements, given that the Union does not have any operating leases from which lessee accounting is applied.



# 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 2016

### 2 Revenue and Other Income

	2016	2015
	\$	\$
<b>Revenue</b>		
- Membership contributions received	4,422,185	4,195,905
- Capitation fees <sup>1</sup>	-	-
- Levies <sup>2</sup>	282,950	107,762
- Interest received	89,488	100,953
- Rental revenue collected on Investment Property	211,861	176,101
	<u>5,006,484</u>	<u>4,580,721</u>
Other income	33,068	84,516
Grants or donations	1,895	-
Gain on revaluation of investment property	1,206,730	-
<b>Total Income</b>	<u>6,248,177</u>	<u>4,665,237</u>

<sup>1</sup> The Union did not receive capitation fees or any other financial support during the current year and prior financial year. There was no recovery of wages activity during the current and prior financial year.

<sup>2</sup> Levies collected during the year relate to funds set aside for the legal representation of members of the Union in the event of industrial/legal matters. These levies are deposited in a separate legal funds bank account from the Union's operational bank account.

### 3 Expenses

#### 3A Employee benefit expense:

<b>Holders of office:</b>		
- Salaries and wages	719,963	651,565
- Superannuation	79,843	69,847
- Leave and other entitlements	150,919	163,022
- Separation and redundancies	-	-
- Other employee expenses	-	-
	<u>950,725</u>	<u>884,434</u>
<b>Subtotal employee expenses holders of office</b>		
<b>Employees other than office holders:</b>		
- Salaries and wages	611,841	707,772
- Superannuation	76,931	70,538
- Leave and other entitlements	142,522	107,299
- Separation and redundancies	18,252	-
- Other employee expenses	-	-
	<u>849,546</u>	<u>885,609</u>
<b>Subtotal employee expenses employees other than office holders</b>		
<b>Total employee benefit expense</b>	<u>1,800,271</u>	<u>1,770,043</u>

#### 3B Capitation fees paid to Rail Tram and Bus Union National Office

<u>565,600</u>	<u>563,043</u>
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# 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 2016

3 Expenses (continued)	2016	2015
	\$	\$
<b>3C Legal and Professional Fees</b>		
- Legal costs - litigation	423,019	542,666
- Other Professional Fees	57,989	-
	<u>481,008</u>	<u>542,666</u>
<b>3D Depreciation of non-current assets</b>	<u>123,026</u>	125,839
<b>3E Affiliation fees paid to:</b>		
- ALP	34,576	33,973
- VTHC	19,846	15,033
- ACTU	37,067	22,186
- Various	3,322	3,157
<b>Total affiliation fees/subscriptions</b>	<u>94,811</u>	<u>74,349</u>
<b>3F Interest expense on financial liabilities at amortised cost:</b>		
- external	-	2,133
	<u>-</u>	<u>2,133</u>
<b>3G Grants or Donations:</b>		
<b>Grants:</b>	-	-
	<u>-</u>	<u>-</u>
<b>Donations:</b>		
Total paid that were \$1,000 or less	2,750	3,350
Total paid that exceeded \$1,000	7,000	-
<b>Total donations</b>	<u>9,750</u>	<u>3,350</u>
<b>3H Other Expenses:</b>		
- Agency costs	37,184	42,690
- Stock Purchases	59,885	126,813
- Compulsory levy (Industrial relations levy charged by ACTU)	-	5,981
- Payroll Tax	92,506	90,399
- Fringe Benefit Tax	60,554	69,978
- Accounting Fees	44,439	-
- Consideration to employers for payroll deductions	-	-
- Fees/allowances – meeting and conferences	-	-
- Conference and meeting expenses	9,361	-
- Penalties – via RO Act or RO Regulations	-	-
- Doubtful debts	173,600	55,238
- Publication	44,581	118,744
- Administration and office expenses	161,564	165,650
- Motor vehicle costs	70,942	82,585
- Commissions paid	72,857	89,408

# 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 2016

3 Expenses (continued)	2016	2015
	\$	\$
<b>3H Other Expenses (continued)</b>		
- Building repairs and maintenance	227,273	286,643
- Other	226,378	325,777
<b>Total Other Expenses</b>	<u>1,281,124</u>	<u>1,459,906</u>
<b>4 Remuneration of Auditors</b>		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	27,250	19,585
- other services	15,000	-
<b>Total remuneration of auditors</b>	<u>42,250</u>	<u>19,585</u>
<b>5 Cash and Cash Equivalents</b>		
Cash on hand	870	870
Cash at bank	2,325,510	1,728,415
Short-term bank deposits	1,054,545	1,600,000
<b>Total cash and cash equivalents</b>	<u>3,380,925</u>	<u>3,329,285</u>
<b>6 Trade and Other Receivables</b>		
Receivables from other reporting entity	-	-
Trade debtors	530,907	319,521
Less: provision for doubtful debts	(228,838)	(55,238)
<b>Total trade receivables (net)</b>	<u>302,069</u>	<u>264,283</u>
Other receivables	2,789	4,483
<b>Total trade and other receivables (net)</b>	<u>304,858</u>	<u>268,766</u>
<b>7 Other Assets</b>		
Prepayments	46,022	71,842
Accrued income	27,245	14,286
<b>Total other current assets</b>	<u>73,267</u>	<u>86,128</u>
<b>8 Financial Assets</b>		
<b>CURRENT</b>		
Term deposit	1,600,000	1,027,500
<b>NON-CURRENT</b>		
Available for sale asset	408,865	396,822
<b>Total financial assets</b>	<u>2,008,865</u>	<u>1,424,322</u>

# 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 2016

9 Property, Plant and Equipment	2016	2015
	\$	\$
Buildings		
At fair value	2,681,486	2,681,486
Accumulated depreciation	(392,145)	(333,444)
<b>Total buildings</b>	<b>2,289,341</b>	<b>2,348,042</b>
Furniture, fixtures and fittings		
At cost	352,602	352,241
Accumulated depreciation	(240,954)	(223,626)
<b>Total furniture, fixtures and fittings</b>	<b>111,648</b>	<b>128,615</b>
Motor vehicles		
At cost	229,005	260,985
Accumulated depreciation	(58,788)	(35,845)
<b>Total motor vehicles</b>	<b>170,217</b>	<b>225,140</b>
Office equipment		
At cost	125,591	121,520
Accumulated depreciation	(94,226)	(78,019)
<b>Total office equipment</b>	<b>31,365</b>	<b>43,501</b>
<b>Total property, plant and equipment</b>	<b>2,602,571</b>	<b>2,745,298</b>

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 2014. Buildings are independently revalued on at least a triennial basis as stated in Note 1(d).

### (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	\$	\$	\$	\$	\$
<b>Balance at 1 January 2016</b>	2,348,042	128,615	225,140	43,501	2,745,298
Additions	-	361	-	4,071	4,432
Disposals	-	-	(24,133)	-	(24,133)
Revaluation	-	-	-	-	-
Depreciation expense	(58,701)	(17,328)	(30,790)	(16,207)	(123,026)
<b>Carrying amounts at 31 December 2016</b>	<b>2,289,341</b>	<b>111,648</b>	<b>170,217</b>	<b>31,365</b>	<b>2,602,571</b>

# 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 2016

### 9 Property, Plant and Equipment (continued)

	Buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Office Equipment	Total
Consolidated	\$	\$	\$	\$	\$
<b>Balance at 1 January 2015</b>	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)
<b>Carrying amounts at 31 December 2015</b>	<b>2,348,042</b>	<b>128,615</b>	<b>225,140</b>	<b>43,501</b>	<b>2,745,298</b>

	2016 \$	2015 \$
<b>10 Investment Property</b>		
Balance at beginning of the period	2,713,270	2,713,270
Additions	-	-
Net revaluation increment	1,206,730	-
<b>Balance at end of the period</b>	<b>3,920,000</b>	<b>2,713,270</b>

#### (a) Valuation

The valuations were performed by Knight Frank and Prescott Valuations, accredited independent valuers with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was \$211,861 (2015: \$176,101).

An independent valuation on the investment property at 781 Point Nepean Road, Rosebud was carried out by Prescott Valuations, with the market value of \$1,750,000 adopted at 31 March 2017.

Independent valuations on the investment properties at Level 1, 222 Kings Way and Level 14, 222 Kings Way were last carried out by Knight Frank, at 17 February 2014 and 21 February 2014 respectively. The Victorian RTBU Branch Executive had made an assessment of these investment property's valuation as at 31 December 2016 and determined that the valuation adopted is still relevant.

The fair value of investment property is included within Level 2.

# 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 2016

### 11 Trade and Other Payables

	2016	2015
	\$	\$
<b>A. Payables to other reporting entities</b>	-	-
<b>B. Trade payables</b>		
Trade creditors	97,714	107,482
Accruals	84,028	95,904
<b>Total trade payables</b>	<b>181,742</b>	<b>203,386</b>
<b>C. Amount owed to Rail Tram and Bus Union National Office</b>	<b>33,927</b>	<b>50,418</b>
<b>D. Other payables</b>		
Membership subscriptions received in advance	72,324	142,737
Other payables	14	20,782
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Superannuation	15,569	22,267
<b>Total other payables</b>	<b>87,907</b>	<b>185,786</b>
<b>Total trade and other payables</b>	<b>303,576</b>	<b>439,590</b>

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 17.

### 12 Provisions

<b>CURRENT</b>		
Long service leave	70,491	56,378
Annual leave	257,086	266,124
	<b>327,577</b>	<b>322,502</b>
<b>NON-CURRENT</b>		
Long service leave	116,303	117,114
<b>Total employee provisions</b>	<b>443,880</b>	<b>439,616</b>
<b>Office holders:</b>		
- Long service leave	140,324	123,723
- Annual leave	170,935	169,387
<b>Subtotal employee provisions—office holders</b>	<b>311,259</b>	<b>293,110</b>
<b>Employees other than office holders:</b>		
- Long service leave	46,470	49,769
- Annual leave	86,151	96,737
<b>Subtotal employee provisions—employees other than office holders</b>	<b>132,621</b>	<b>146,506</b>
<b>Total employee provisions</b>	<b>443,880</b>	<b>439,616</b>

# 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 2016

### 12 Provisions (continued)

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.

### 13 Reserves

#### a. Revaluation Surplus

The revaluation surplus records revaluations of non-current assets.

#### b. Financial Asset Reserve

The financial asset reserve records revaluation of financial assets.

	2016	2015
	\$	\$
<b>Reconciliation of Revaluation Surplus</b>		
Balance at beginning of financial year	85,592	85,592
Revaluation of assets	-	-
Balance at end of financial year	<u>85,592</u>	<u>85,592</u>
<b>Reconciliation of Financial Asset Reserve</b>		
Balance at beginning of financial year	-	-
Gain on revaluation of financial assets	4,830	-
Balance at end of financial year	<u>4,830</u>	<u>-</u>

### 14 Leasing Commitments Receivable

#### Operating Leases

Lease terms are non-cancellable with a term up to 5 years, where rent is receivable monthly. Rent is reviewed annually in accordance with the CPI movements and terms of the leasing contracts.

The lease for suite 1 at Level 1, 222 Kingsway Street had expired on 23<sup>rd</sup> February 2016. Subsequently, a new lease with a 2 year term had been signed which commenced on the 15<sup>th</sup> September 2016, expiring September 2018.

In the prior year, suite 2 at Level 1, 222 Kings Way had been vacant during the period. However, a new lease for suite 2 had been signed during the year on 14 March 2016 with a lease term of 3 years, expiring March 2019.

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

# 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 2016

### 14 Leasing Commitments Receivable (continued)

#### Operating Leases

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2016	2015
	\$	\$
- not later than one year	197,458	112,794
- between one year and five years	269,371	284,018
- after five years	-	-
	<u>466,829</u>	<u>396,812</u>

### 15 Cash Flow Information

#### (a) Reconciliation of profit/(deficit) to cash flows from operating activities

Profit for the year	1,850,337	111,023
<b>Adjustments for non-cash items:</b>		
- depreciation	123,026	125,839
- loss on disposal of property, plant and equipment	4,133	43,398
- gain on revaluation of property, plant and equipment	-	-
- gain on revaluation of investment property	(1,206,730)	-
- doubtful debt	173,600	55,238
<b>Changes in assets and liabilities:</b>		
- decrease/(increase) in trade and other receivables	(209,692)	(17,991)
- decrease/(increase) in prepayments and accrued income	12,861	(10,151)
- (decrease)/increase in trade and other payables	(136,015)	57,045
- (decrease)/increase in provisions	4,264	123,213
<b>Net cash from/(used by) operating activities</b>	<u>615,784</u>	<u>487,614</u>

#### (b) Cash flow information

Total cash inflows	5,333,992	5,177,697
Total cash outflows	(5,282,352)	(5,378,166)
Net cash flow	<u>51,640</u>	<u>(200,469)</u>



# 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 2016

### 16 Key Management Personnel Disclosures

#### Short-term employee benefits

Salaries (including annual leave taken and accrued)	<u>1,016,207</u>	1,059,870
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#### Post-employment benefits

Superannuation	<u>92,914</u>	83,677
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#### Other long term benefits

Long service leave	<u>130,570</u>	130,275
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#### Total compensation

	<u><u>1,239,691</u></u>	<u><u>1,273,822</u></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.

### 17 Financial Instruments

#### 17A Categories of Financial Instruments

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

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:

#### Financial Assets

Cash and cash equivalents	5	<b>3,380,925</b>	3,329,285
Trade and other receivables	6	<b>304,858</b>	268,766
Loans and receivables			
- Term deposits	8	<b>1,600,000</b>	1,027,500
Available for sale assets			
- Investment in managed funds	8	<b>408,865</b>	396,822
Carrying amount of financial assets		<u><b>5,694,648</b></u>	<u>5,022,373</u>

#### Financial Liabilities

Financial liabilities at amortised cost			
Trade creditors	11	<b>97,714</b>	107,482
Payable to Rail, Tram & Bus Union – National Office	11	<b>33,927</b>	50,418
Carrying amount of financial liabilities		<u><b>131,641</b></u>	<u>157,900</u>

# 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 2016

### 17 Financial Instruments (continued)

#### 17B Net Income and Expense from Financial Assets

	2016	2015
	\$	\$
<b>Trade and other receivables</b>		
- Doubtful debts	(173,600)	(55,238)
<b>Loans and receivables</b>		
- Interest revenue	89,488	100,953
<b>Available for sale assets</b>		
- Distributions/dividend income	8,102	1,969
- Gain/loss recognised in equity	-	-
<b>Net gain/(loss) from Financial Assets</b>	<u>(76,010)</u>	<u>47,684</u>

#### 17C Financial risk management policies

The Victorian RTBU Branch Executive'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 Victorian RTBU Branch Executive 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 market risk, liquidity risk and credit risk.

##### (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 term deposits. The Union has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

	2016	2015
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	3,380,925	3,329,285
Term deposit	1,600,000	1,027,500
	<u>4,980,925</u>	4,356,785
<b>Financial liabilities</b>	-	-
<b>Net exposure</b>	<u>4,980,925</u>	<u>4,356,785</u>

# 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 2016

### 17 Financial Instruments (continued)

#### 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 Victorian RTBU Branch Executive considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Equity \$	Profit or loss \$
<b>Year ended 31 December 2016</b>		
+/- 0.5% in interest rates	-	<b>23,704</b>
<b>Year ended 31 December 2015</b>		
+/- 0.5% in interest rates	-	<b>22,144</b>

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

	2016 %	2015 %
<b>Financial assets</b>		
Interest-bearing assets	1.83%	2.99%
<b>Financial liabilities</b>		
Interest-bearing liabilities	-	2.36%

#### (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 Victorian RTBU Branch Executive'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	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade creditors	97,714	107,482	-	-	-	-	97,714	107,482
Payable to Rail, Tram & Bus Union – National Office	33,927	50,418	-	-	-	-	33,927	50,418
Total expected outflows	<b>131,641</b>	157,900	-	-	-	-	<b>131,641</b>	157,900

# 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 2016

### 17 Financial Instruments (continued)

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets - cash flows realisable</b>								
Cash and cash equivalents	<b>3,380,925</b>	3,329,285	-	-	-	-	<b>3,380,925</b>	3,329,285
Trade, term and loans receivables	<b>304,858</b>	268,766	-	-	-	-	<b>304,858</b>	268,766
Available for sale assets	-	-	<b>408,865</b>	396,822	-	-	<b>408,865</b>	396,822
Term deposits	<b>1,600,000</b>	1,027,500	-	-	-	-	<b>1,600,000</b>	1,027,500
Total anticipated inflows	<b>5,285,783</b>	4,625,551	<b>408,865</b>	396,822	-	-	<b>5,694,648</b>	5,022,373

#### (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 Victorian RTBU Branch Executive. 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 Victorian RTBU Branch Executive has otherwise cleared as being financially sound.

#### 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.

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 2016 and 31 December 2015 do not include any counterparties with external credit ratings.

Credit risk related to balances with banks and other financial institutions is managed by the Victorian RTBU Branch Executive in accordance with approved Union policy.

# 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 2016

### 17 Financial Instruments (continued)

#### (d) Fair Value Measurement

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

- Available for sale financial assets;
- Buildings; and
- Investment properties

The Union subsequently measures buildings at fair value on a non-recurring basis. The Union does not subsequently measure any liabilities at fair value on a non-recurring basis.

The Victorian RTBU Branch Executive assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following table contains the carrying amounts and related fair values for the Union's financial assets and liabilities:

	2016		2015	
	Net Carrying Value	Net Fair value	Net Carrying Value	Net Fair value
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	3,380,925	3,380,925	3,329,285	3,329,285
Trade and other receivables	304,858	304,858	268,766	268,766
Loan and receivables				
- Term deposit	1,600,000	1,600,000	1,027,500	1,027,500
Available for sale assets				
- Investment in managed funds	408,865	408,865	396,822	396,822
<b>Total financial assets</b>	<b>5,694,648</b>	<b>5,694,648</b>	<b>5,022,373</b>	<b>5,022,373</b>
<b>Financial liabilities</b>				
Trade creditors	97,714	97,714	107,482	107,482
Payable to Rail, Tram & Bus Union – National Office	33,927	33,927	50,418	50,418
<b>Total financial liabilities</b>	<b>131,641</b>	<b>131,641</b>	<b>157,900</b>	<b>157,900</b>

The fair values disclosed in the above table relating to available for sale financial assets have been derived from quoted market prices in active markets.

# 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 2016

#### 18 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.  |

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 Australian Rail, Tram & Bus Industry Union - Victorian Branch

ABN: 19 122 611 478

## Notes to the Financial Statements For the Year Ended 31 December 2016

### 18 Fair Value Hierarchy (continued)

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
	\$	\$	\$	\$
<b>31 December 2016</b>				
<b>Recurring fair value measurements</b>				
<i>Non-financial assets</i>				
Investment properties	-	3,920,000	-	3,920,000
Buildings	-	2,289,341	-	2,289,341
<b>Total non-financial assets recognised at fair value</b>	-	6,209,341	-	6,209,341

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

### Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 31 December 2016	Valuation technique	Inputs used
<i>Non-financial assets</i>			
Investment properties	3,920,000	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	2,289,341	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>6,209,341</u>		

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 Victorian RTBU Branch Executive 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.

# 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 2016

### 19 Segment Reporting

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

### 20 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 \$565,600 (2015: \$563,043). This balance also includes payables at financial year end of \$33,927 (2015: \$50,418) owed to the Rail Tram and Bus Union National Office.

#### *Victorian RTBU Branch Executive - Members Transactions*

All members of the Victorian RTBU Branch Executive are required to hold a fully paid-up membership fee. Total membership fee received during 2016 is \$15,923 (2015: \$14,451).

### 21 Parent entity information

The following information has been extracted from the books and records of the Parent entity (The Australian Rail, Tram & Bus Industry Union – Victorian Branch) and has been prepared in accordance with Australian Accounting Standards.

#### Statement of Financial Position

	2016 (\$)	2015 (\$)
<b>Assets</b>		
Current Assets	5,334,400	4,939,475
Non-current Assets	5,010,209	4,899,535
<b>Total Assets</b>	<u>10,344,609</u>	<u>9,838,010</u>
Current Liabilities	631,152	762,092
Non-current Liabilities	116,303	117,114
<b>Total Liabilities</b>	<u>747,455</u>	<u>879,206</u>
<b>Total Equity</b>	<u>9,597,154</u>	<u>8,958,804</u>

#### Statement of Comprehensive Income

Total profit	<u>651,298</u>	<u>111,746</u>
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# 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 2016

### 22 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 2016	Equity Interest 2015
Tramways Holiday Trust	Trust	Australia	100%	100%

There is no non-controlling interest outside of the Union. There are 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.

### 23 Contingencies

In the opinion of the Victorian RTBU Branch Executive, the Union did not have any contingencies at 31 December 2016 (31 December 2015: None).

### 24 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.

### 25 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

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. 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 2016**

### **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  
Melbourne Victoria 3000

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH**

**Report on the Audit of the Financial Report**

*Opinion*

We have audited the financial report of The Australian Rail, Tram & Bus Industry Union – Victorian Branch (“the Union”), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the committee of management statement.

In our opinion, the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

*Basis for Opinion*

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

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

*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.

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

Those charged with governance are responsible for the other information. The other information comprises the information included in the Union's annual report for the year ended 31 December 2016, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Committee of Management for the Financial Report*

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, management is responsible for assessing the Union'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 management either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so. The Committee of Management are responsible for overseeing the Union's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We 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 Union's internal control.

We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

We are required to conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union'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. As part of our audit, we have concluded that the Committee of Management's use of the going concern basis is appropriate. 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 Union to cease to continue as a going concern.

We 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.



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

*ShineWing Australia*

**ShineWing Australia**  
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Hayley Underwood'.

Hayley Underwood CA  
Auditor Registration Number: 428374  
Partner

Melbourne, 31 May 2017

**THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION – VICTORIAN  
OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

The committee presents its report on the reporting unit for the financial year ended 31 December 2016.

**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 Victorian Branch of the Australian Rail Tram and Bus Industry Union (**RTBU**) is a Branch of the federally registered RTBU representing members whose usual place of work is located within the state of Victoria and who are engaged in employment covered by the RTBU Rules.

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

<b>ACTIVITIES</b>
Making enterprise bargaining agreement with various employers
Implementation of the decisions of the Executive
Implementation of the RTBU'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 RTBU, 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, e.g. EBA negotiations, training, skill shortages, fatigue management
Training of RTBU Delegates and representatives

**These rule changes were made at the 2016 National Executive:**

**MOTION OF THE VICTORIAN BRANCH COUNCIL:**

This RTBU Victorian Branch Council Resolves to endorse the following request from the Vic Branch Tram & Bus Division regarding a rule change to the ART&BIU Rules.

**Resolution from RTBU Tram & Divisional Executive – 9<sup>th</sup> June 2016**

This RTBU Tram & Bus Divisional Executive Resolves to make the following changes to the Australian Rail Tram & Bus Industry Union Rules.



1. Delete from Rule 156(3)(vii) the words "Operations Centre" and insert in lieu thereof "Tram Hub".
2. Delete from Rule 159(3) the words "Operations Centre" and insert in lieu thereof "Tram Hub".

#### **"171A Special Rule - Tram and Bus Division"**

(1) The provisions of this Rule shall apply notwithstanding anything else contained in these Rules.

(2) On the date of the certification this Rule, the office of Operation Centre Sub-Division Representative on the Tram and Bus Division Divisional Committee is abolished.

(3) Immediately following the date of the certification of this Rule, the Branch Secretary shall lodge with the Fair Work Commission the prescribed information for an election to be conducted by the Australian Electoral Commission for the office of Tram Hub Sub-Division Representative on the Tram and Bus Division Divisional Committee. Such an election shall be conducted in accordance with Rule 75 with the necessary changes being made.

(4) A person elected to the office of Tram Hub Sub-Division Representative in accordance with sub-rule (3) shall hold office until the quadrennial elections due in 2018."

**Moved:** Phil Altieri

**Seconded:** Mark Teasdale

#### **CARRIED**

#### **2. Details of any Significant Changes in Financial Affairs**

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

- Legal expenses in relation to disputes with employers;
- Reduction in membership due to divisional confusion about payment of dues.

#### **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 the Fair Work (RO) Act 2009); namely by providing notice of 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 Transaction 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 to the organisation.

**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.*

**Number of members**

*Total financial numbers are 6023 members*

**Number of employees**

*Total numbers of employees are 12 full-time and 1 part-time.*

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

*Refer to report attached called "Branch Executive Dec 2016"*

Signature of designated officer:  .....

Name and title of designated officer: LUBA GRIGOROVITCH - VICTORIAN  
BRANCH SECRETARY

Dated: 23 June 2017 .....



## Branch Executive December 2016

Branch Assistant Secretary/Branch Divisional Secretary (Tram and Bus Division)	Phillip Altieri
Branch Junior Vice-President/Branch Divisional Assistant Secretary (Tram and Bus Division)	John Anderson
Branch Divisional President (Fleet Manufacture, Overhaul, Maintenance and Service Division)	Phillip Barnett
Branch Divisional President (Rail Operations)	Robert Bassett
Branch Divisional Organiser (Infrastructure/Fleet Manufacture, Overhaul, Maintenance and Service Division)	Paul Ferraro
Branch Divisional Secretary (Rail Operations)	Darren Galea
Branch Secretary	Luba Grigorovitch
Branch Divisional President (Locomotive Division)	Wayne Hicks
Branch Divisional Secretary (Fleet Manufacture, Overhaul, Maintenance and Service Division)	Paul Jumpertz
Branch Divisional President (Infrastructure)	Kevin Killender
Branch Divisional Secretary (Administrative, Supervisory, Technical and Professional Division)	Steven Kozmevski
Branch President	Darren Lamont
Branch Divisional Organiser (Administrative, Supervisory, Technical and Professional Division/Rail Operations)	Joe Maisano
Branch Divisional Secretary (Locomotive Division)	Marcello Marotta
Branch Divisional Vice-President (Locomotive Division)	Sergio (John) Marotta
Branch Senior Vice-President	Victor Moore
Branch Divisional Vice-President (Tram and Bus Division)	Mark Moran
Branch Divisional Vice-President (Rail Operations Division)	Damian Morgan
Branch Divisional Secretary (Infrastructure Division)	Jonathan Saw
Branch Divisional President (Tram and Bus Division)	Mark Teasdale

**From:** KELLETT,Stephen  
**Sent:** Wednesday, 5 July 2017 9:21 AM  
**To:** 'luba.grigorovitch@rtbuvic.com.au'  
**Cc:** 'wlam@shinewing.com.au'  
**Subject:** Financial reporting - y/e 31 Dec 2016 - further documentation required  
[SEC=UNCLASSIFIED]

**UNCLASSIFIED**

Dear Ms Grigorivitch,

I refer to the financial statements lodged on 23 June 2017. There are three documentary matters which will need to be addressed.

- (1) The documents did not include a certificate by prescribed designated officer (i.e. a Secretary's certificate) as required by section 268.
- (2) The financial report discloses an amount for donations exceeding \$1,000. However there is no record of lodgement of a statement of loans, grants and donations that gives the individual prescribed details as required by section 237.
- (3) The auditor's report complies with the new audit report format but has omitted the declaration whether in his opinion management's use of the going concern basis of accounting in the preparation of the report is appropriate, as required by Reporting guideline 39.

I would request that the following be sent to me:- (1) the certificate under s268; (2) a statement of loans, grants and donations under s237; (3) either an amended auditor report which includes the declaration under RG 39, or a separate letter from the auditor which addresses that fact.

Please don't hesitate to contact me if you have any questions,

Yours faithfully

**STEPHEN KELLETT**  
Senior Adviser  
Financial Reporting  
**Registered Organisations Commission**

Tel: (02) 6746 3283  
Email: [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au)

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**Australian Government**  
**Registered Organisations Commission**

Please consider the environment before printing this message

**From:** William Lam [<mailto:wlam@shinewing.com.au>]  
**Sent:** Friday, 23 June 2017 11:21 AM  
**To:** ROC - Registered Org Commission  
**Cc:** Luba Grigorovitch; Chloe Beaton; Jessica Mekhael; GALLICHIO, Sam  
**Subject:** ON CMS FR2016/412 ARTBIU VIC (Lodgement of Accounts)

[FR2016/412](#)

To whom it may concern,

On behalf of The Australian, Rail, Tram and Bus Industry Union – Victorian Branch, we would like to lodge the following documents with the Registered Organisation Commission for the year ended 31 December 2016:

- Financial Statements (2016);
- Operating Report; and
- Certificate by ARTBIU

Please don't hesitate to contact us, if you have any queries.

Kind regards,

William

**William Lam**

Assistant Manager

Assurance and Advisory Services

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RTBU Financial



ARTBIU VIC

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