



3 June 2020

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

cc. Mr Robert Wernli, Auditor

Dear Secretary

Re: – Financial reporting – Australian Rail, Tram and Bus Industry Union, Victorian Branch - for year ending 31 December 2019 (FR2019/331)

I refer to the financial report of the Victorian Branch in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 13 May 2020. A copy of the designated officer's certificate was received today.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2020 may be subject to an advanced compliance review.

No further action is required in respect of the report lodged. However I make the following comment to assist when preparing the next report.

Nil activity disclosure – employee benefits provisions

While filing the 2018 report, certain issues for the reporting unit to address in the preparation of future financial reports were identified. I note that nil activity disclosures were again not included in the 2019 report for the following:

- RG16(c)(iii) - have a liability for separation and redundancy for holders of offices
- RG16(c)(iv) - have a liability for other employment provisions for holders of offices
- RG16(d)(iii) - have a liability for separation and redundancy for employees (other than holders of offices)
- RG16(d)(iv) - have a liability for other employment provisions for employees (other than holders of offices)

If there are no provisions for (iii) separation/redundancies or (iv) other employee benefits provisions, nil activity disclosures are expected to be included, in accordance with reporting guideline 21.¹ Next year's report should include this information.

¹ e.g. as illustrated in model financial statements

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

Yours faithfully

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.

Stephen Kellett
Financial Reporting
Registered Organisations Commission



THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIA BRANCH
DESIGNATED OFFICERS CERTIFICATE
for the financial year ended 31 December 2019

I, Luba Grigorovitch, being the Branch Secretary of the The Australian Rail, Tram & Bus Industry Union – Victoria Branch certify:

- that the documents lodged herewith are copies of the full report for the The Australian Rail, Tram & Bus Industry Union – Victoria Branch for the period ended 31st December 2019 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 13 May 2020; and
- that the full report was presented to a meeting of the Branch Executive of the reporting unit on 13 May 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Luba Grigorovitch
Branch Secretary

13th May 2020

**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY
UNION**

VICTORIAN BRANCH

ABN: 19 122 611 478

FINANCIAL REPORT

FOR THE FINANCIAL YEAR

ENDED 31ST DECEMBER 2019



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

for the financial year ended 31 December 2019

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH

Opinion

I have audited the financial report of The Australian Rail, Tram & Bus Industry Union – Victorian Branch (the Reporting Unit), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2019, notes to the financial statements, including a summary of significant accounting policies; the Executive Committee Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Australian Rail, Tram & Bus Industry Union – Victorian Branch as at 31 December 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Executive Committee is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Executive Committee for the Financial Report

The Executive Committee of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Executive Committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Executive Committee is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

DFK Kidsons Partnership

DFK Kidsons Partnership
Chartered Accountants

Robert Wernli

Robert Wernli
Partner

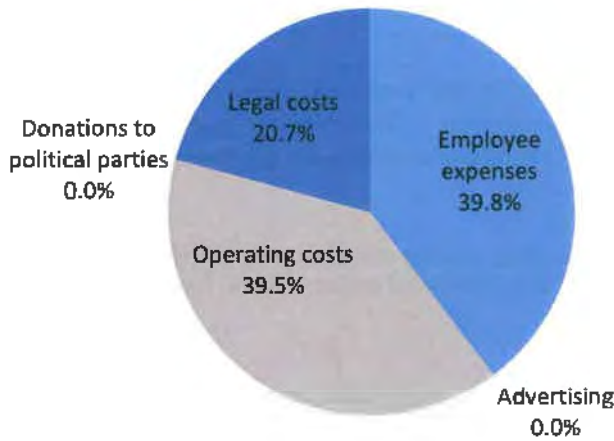
Melbourne
13 May 2020

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/11

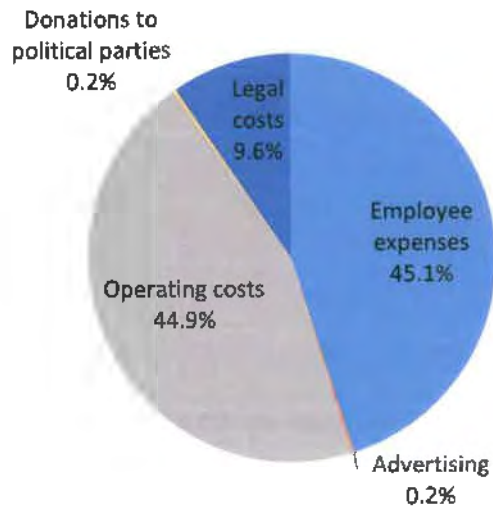
**REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2019**

The Executive Committee presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

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



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



Signature of designated officer:

Name and title of designated officer: Luba Grigorovitch

Dated: 13 May 2020

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH OPERATING REPORT

for the financial year ended 31 December 2019

The Victorian RTBU Executive Committee presents its operating report on The Australian Rail, Tram & Bus Industry Union – Victorian Branch (“the reporting unit”) for the financial year ended 31 December 2019.

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

The Australian Rail, Tram & Bus Industry Union – Victorian Branch (“RTBU”) is an organisation of employees in the transport industry. Our primary objectives are to advise, represent and advocate for the interests of our members based on the directives given to the leadership from rank and file members. There have been no significant changes in the nature of these activities in the past year.

Significant changes in financial affairs

Financial affairs continue to be managed by the Executive Committee alongside the Audit & Compliance Committee as is custom and practice.

Right of members to resign

Members of the RTBU are able to resign at any time by providing notice in writing in accordance with the current rules of The Australian Rail, Tram and Bus Industry Union.

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

There were no officers or members that were a trustee or director of a Company that is a Superannuation Fund Entity during the financial year ended 31 December 2019.

Number of members

There were 8,049 members as at 31 December 2019 (2018: 7,359 members).

Number of employees

On 31 December 2019, there were 18 employees employed by the RTBU (2018: 18 Employees).

**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT (Continued)**

for the financial year ended 31 December 2019

Names of branch officer holders with financial responsibility and period positions held during the financial year

The following persons were office holders during the financial year unless otherwise indicated:

Position	Name	Period (if not full year)
Branch President	Darren Lamont	Resigned April 2019
Branch Senior Vice President	Victor Moore	
Branch Junior Vice President	John Anderson	
Branch Secretary	Luba Grigorovitch	
Assistant Branch Secretary	Phillip Altieri	
Branch Divisional Organiser Infrastructure/Fleet Manufacture, Overhaul, Maintenance and Service Division	Bryan Evans	
Branch Divisional Organiser Administrative, Supervisory, Technical and Professional/Rail Operations Division	Joe Maisano	
Rail Operations Division		
Branch Divisional President	Robert Bassett	
Branch Divisional Vice President	Damian Morgan	
Branch Divisional Secretary	Darren Galea	
Pacific National Sub-Division		
Sub-Divisional Representative on Divisional Committee	Adam McGrath	
V/Line Passenger Sub-Division		
Sub-Divisional Representative on Divisional Committee	Timothy Ashcroft	
Sub-Divisional Representative on Divisional Committee	Chris McMahon	
V/Line Network and Access (Operations) Sub-Division		
Sub-Divisional Representative on Divisional Committee	Damian Dalton-McCrea	
Metro Sub-Division		
Sub-Divisional Representative on Divisional Committee	Diego Esqueria	
Sub-Divisional Representative on Divisional Committee	Graham Fyffe	
Sub-Divisional Representative on Divisional Committee	Kath Larkin	
Sub-Divisional Representative on Divisional Committee	Andrew Stokie	
Sub-Divisional Representative on Divisional Committee	Vacant	
Infrastructure Division		
Branch Divisional President	Kevin Killender	
Branch Divisional Vice President	Ian Unthank	
Branch Divisional Secretary	Jonathan Saw	
EDI Downer Works Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT (Continued)
for the financial year ended 31 December 2019

Position	Name	Period (if not full year)
Metro Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Sub-Divisional Representative on Branch Divisional Committee	Owen Drane	
Sub-Divisional Representative on Branch Divisional Committee	David Harley	
Sub-Divisional Representative on Branch Divisional Committee	Chris Nestorovski	
Sub-Divisional Representative on Branch Divisional Committee	Ian Powell	
V/Line Passenger Infrastructure Sub-Division		
Sub-Divisional Representative on Divisional Committee	Vacant	
Sub-Divisional Representative on Divisional Committee	Vacant	
Miscellaneous Sub-Division		
Sub-Divisional Representative on Divisional Committee	Vacant	
Administrative, Supervisory, Technical and Professional Division		
Branch Divisional President	Victor Moore	
Branch Divisional Vice-President	Vacant	
Branch Divisional Secretary	Steve Kozmevski	
Metro Fleet Manufacture, Overhaul, Maintenance & Service Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Andrew Irving	
Metro Infrastructure Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Metro Rail Operations Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Manuel Papis	
Sub-Divisional Representative on Branch Divisional Committee	Stewart Symington	
Sub-Divisional Representative on Branch Divisional Committee	John Nicolopoulos	
Sub-Divisional Representative on Branch Divisional Committee	Jamil Zaman	
V/Line Passenger Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
V/Line Passenger Infrastructure Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Caulton Newton	
Miscellaneous Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Sherry Calder	
Fleet Manufacture, Overhaul, Maintenance & Service Division		
Branch Divisional President	Calvin Harvey	Resigned April 2019
Branch Divisional Vice-President	Vinnie Incorvaja	
Branch Divisional Secretary	Paul Jumpertz	

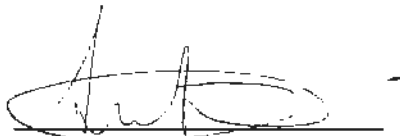
THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT (Continued)
for the financial year ended 31 December 2019

Position	Name	Period (if not full year)
Metro Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Ralph McPherson	
Sub-Divisional Representative on Branch Divisional Committee	Michael Magill	
Sub-Divisional Representative on Branch Divisional Committee	Peter Veis	
EDI Downer Works Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Gary Wyatt	
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Miscellaneous Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Tanyol Beyit	
Tram and Bus Division		
Branch Divisional Secretary	Tarik Koc	
Branch Divisional Assistant Secretary	Mario Mizzi	
Branch Divisional President	Mark Moran	Resigned April19
Branch Divisional President	Frank Pavic	Elected August19
Branch Divisional Vice-President	Rupert Braganza	
Brunswick Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Michael Michael	
Camberwell Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Cedric De Rozario	
Essendon Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Stephen Blake	
Glenhuntly Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Adam Docherty	
Kew Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Gihan Rodney Fernando	
Malvern Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Christopher Huntly	
Preston Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	John Antonopoulos	
Southbank Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Max Tocci	
Bendigo Trams Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Julie Cain	
Operations Centre Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Mark Wilcox	

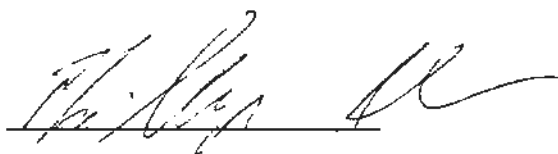
THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
OPERATING REPORT (Continued)
for the financial year ended 31 December 2019

Position	Name	Period (if not full year)
Preston Workshops Sub Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Tram Infrastrucutre Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Traianos Tsokris	
Tram Maintenance Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Pat Shetty	
Authorised Officers Sub Division		
Sub-Divisional Representative on Branch Divisional Committee	Brian Penza	
Locomotive Division		
Branch Divisional President	Wayne Hicks	
Branch Divisional Vice-President	John Marotta	
Branch Divisional Secretary	Marc Marotta	
Branch Divisional Assistant Secretary	Jim Chrysostomou	
Metropolitan Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Vacant	
Sub-Divisional Representative on Branch Divisional Committee	Craig Bishop	
Sub-Divisional Representative on Branch Divisional Committee	Stephen Butler	
Sub-Divisional Representative on Branch Divisional Committee	Adam Francis	
Pacific National Sub-Division		
Sub Divisional Representative on Branch Divisional Committee	Andrew Heatley	
Pacific National Victorian General Freight, Bulk Rail and Aurizon and Grain Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Cathy Noone	
V/Line Passenger Sub-Division		
Sub-Divisional Representative on Branch Divisional Committee	Keith Hamann	
Sub-Divisional Representative on Branch Divisional Committee	Howard Hand	

Signed on behalf of the Victorian RTBU Branch Executive Committee:



Luba Grigorovitch
Branch Secretary



Phillip Altieri
Branch Assistant Secretary

13 May 2020

**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
EXECUTIVE COMMITTEE STATEMENT**

for the financial year ended 31 December 2019

On 8 April 2020 the Victorian RTBU Executive Committee 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 2019:

The Victorian RTBU Branch Executive Committee declares that in its opinion:

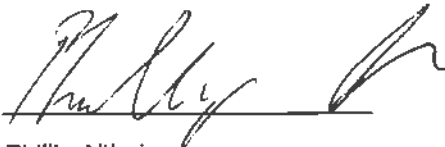
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (“the RO Act”);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that financial year:
 - (i) meetings of the Victorian RTBU Branch Executive Committee 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 Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or Commissioner; 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.

This declaration is made in accordance with a resolution of the Victorian RTBU Branch Executive Committee.

Signed on behalf of the Victorian RTBU Branch Executive Committee:



Luba Grigorovitch
Victoria State Branch Secretary
13 May 2020



Phillip Altieri
Assistant Branch Secretary

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2019

	Note	2019 \$	2018 \$
Revenue			
Membership subscription	2	4,926,438	4,471,968
Levies	2	715,847	731,921
Interest	2	86,865	90,928
Rental revenue	2	249,251	241,468
Total revenue		<u>5,978,401</u>	<u>5,536,285</u>
Other income			
Other income	2	254,089	77,020
Gain on the revaluation of investment property	2,10	850,000	600,000
Total other income		<u>1,104,089</u>	<u>677,020</u>
Total income		<u>7,082,490</u>	<u>6,213,305</u>
Expenses			
Employee benefits expense	3A	2,186,301	2,150,376
Capitation fees	3B	720,772	666,921
Legal fees	3C	1,138,929	455,511
Depreciation and amortisation	3D	136,723	103,328
Affiliation fees	3E	109,991	97,956
Administration expenses	3F	289,210	244,816
Grants or donations	3G	16,472	40,852
Other expenses	3H	1,032,598	1,143,818
Total expenses		<u>5,630,996</u>	<u>4,903,578</u>
Surplus for the financial year		<u>1,451,494</u>	<u>1,309,727</u>
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Gain on revaluation of land & buildings	9	1,960,210	-
Total other comprehensive income for the financial year		<u>1,960,210</u>	<u>-</u>
Total comprehensive income for the financial year		<u>3,411,704</u>	<u>1,309,727</u>

The above statement should be read in conjunction with the notes.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,564,154	5,710,258
Trade and other receivables	6	2,341	12,589
Other current assets	7	103,395	54,665
Financial assets	8	1,197,969	1,360,554
Total current assets		<u>7,867,859</u>	<u>7,138,066</u>
Non-Current Assets			
Property, plant and equipment	9	5,757,367	3,854,113
Investment property	10	6,400,000	5,550,000
Financial assets	8	461,647	424,734
Total non-current assets		<u>12,619,014</u>	<u>9,828,847</u>
Total assets		<u>20,486,873</u>	<u>16,966,913</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	11	677,635	691,941
Provisions	12	534,759	428,849
Total current liabilities		<u>1,212,394</u>	<u>1,120,790</u>
Non-Current Liabilities			
Provisions	12	52,330	35,678
Total non-current liabilities		<u>52,330</u>	<u>35,678</u>
Total liabilities		<u>1,264,724</u>	<u>1,156,468</u>
Net assets		<u>19,222,149</u>	<u>15,810,445</u>
EQUITY			
General funds		14,100,680	12,831,760
Other funds	13	1,707,775	1,525,201
Revaluation reserve	13	3,413,694	1,453,484
Total equity		<u>19,222,149</u>	<u>15,810,445</u>

The above statement should be read in conjunction with the notes.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2019

	General Funds \$	Other Funds \$	Revaluation Reserve \$	Financial Asset Reserve \$	Total Equity \$
Balance as at 1 January 2018	11,917,140	1,129,791	1,453,484	303	14,500,718
Surplus for the financial year	1,309,727	-	-	-	1,309,727
Transfers to/(from) other funds	(395,410)	395,410	-	-	-
Change in accounting policy – AASB 9	303	-	-	(303)	-
Balance as at 31 December 2018	12,831,760	1,525,201	1,453,484	-	15,810,445
Balance as at 1 January 2019	12,831,760	1,525,201	1,453,484	-	15,810,445
Surplus for the financial year	1,451,494	-	-	-	1,451,494
Transfers to/(from) other funds	(182,574)	182,574	-	-	-
Revaluation of land & buildings	-	-	1,960,210	-	1,960,210
Balance as at 31 December 2019	14,100,680	1,707,775	3,413,694	-	19,222,149

The above statement should be read in conjunction with the notes.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Receipts from members, investment property and other income		6,410,662	6,378,854
Interest received		95,104	89,113
Cash used			
Payments to suppliers and employees		(5,001,077)	(4,613,080)
Payments to Rail, Tram and Bus Union National Office		(719,811)	(637,433)
Net cash from operating activities	17	<u>784,878</u>	<u>1,217,454</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash received			
Proceeds from disposal of property, plant & equipment		40,737	75,978
Cash withdrawn from long term deposits/investments		162,585	239,446
Cash used			
Purchase of property, plant & equipment		(134,304)	(159,742)
Net cash used by investing activities		<u>69,018</u>	<u>155,682</u>
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of borrowings		-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents held		853,896	1,373,136
Cash & cash equivalents at the beginning of financial year		5,710,258	4,337,122
Cash & cash equivalents at end of financial year	5	<u>6,564,154</u>	<u>5,710,258</u>

The above statement should be read in conjunction with the notes.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general-purpose financial statements, the Union is a not-for-profit entity.

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.

1.2 Principles of Consolidation

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

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 subsidiary (The Tramways Holidays Trust).

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.

1.3 Taxation

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.

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.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

1.4 Comparative amounts

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

1.5 Significant Accounting Judgements and Estimates

The Victorian RTBU Branch Executive Committee 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) Estimation of useful lives of assets

The reporting unit determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(ii) Employee benefits provisions

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of future increases in wage and salary rates, and the estimation of the expected probability of staff reaching entitlement have been taken into account.

1.6 New or revised Standards or Interpretations

New Standards adopted as at 1 January 2019

AASB 16 Leases

The adoption of this new Standard requires the Union to recognise right-of-use assets and related lease liability in connection with all former operating leases, except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Union has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

The following is a reconciliation of total operating lease commitments at 31 December 2018 (as disclosed in the financial statements to 31 December 2018) to the lease liabilities recognised at 1 January 2019:

Total operating lease commitments disclosed at 31 December 2018	\$ 47,650
Recognition exemptions:	
Leases of low-value assets	<u>(47,650)</u>
Total lease liabilities recognised under AASB 16 at 1 January 2019	<u> -</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

AASB 15 Revenue & AASB 1058 Income for Not-for-Profit Entities

The adoption of these new Standards requires the Union to recognise revenue in line with the performance obligations of a contract. Where sufficiently specific performance obligations do not exist, revenue is recognised upon receipt in line with AASB 1058. This has not resulted in any changes to the recognition of revenue for the Union.

1.7 Revenue

(iii) Membership subscriptions

Revenue from membership subscriptions is recognised in the year to which it relates.

(iv) Interest

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

(v) 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.

(vi) 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).

1.8 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.9 Leases

Lessee

The Union transitioned to AASB 16 in accordance with the modified retrospective approach. The prior-year figures were not adjusted. As part of the initial application of AASB 16, the Union has chosen to apply the relief option for low-value asset leases, which allows the Union to recognise lease payments for low-value asset leases as an expense.

As at 31 December 2019, the Union holds 2 leases for photocopiers, both with lease terms of 5 years, expiring in April 2021 and January 2022 respectively. The underlying assets are deemed to be low-value and therefore exempt from recognition of a right-of-use asset. New leases will continue to be assessed to determine whether any future right-of-use assets exist.

Lessor

Under AASB 16, treatment for leases remains similar for lessors. A lessor shall recognise lease payments from operating leases as income on either a straight-line basis or another systematic basis.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

1.10 Employee benefits

Provision is made for the reporting unit's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Liabilities for employee entitlements, which are not expected to be settled within 12 months, are measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the expected probability of staff reaching entitlement.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

1.15 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 other payables in current liabilities on the statement of financial position.

1.11 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 based on periodic, 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 carrying amount of plant and equipment is reviewed annually by the Victorian RTBU Branch Executive Committee 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.

Depreciation

All fixed assets are depreciated on a diminishing value basis over their useful lives to the reporting unit commencing from the time the asset is held ready for use.

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

<i>Fixed Asset Class</i>	<i>Depreciation Rate</i>
Buildings	2.5%
Furniture, fixtures and fittings	7.5% - 33.3%
Motor vehicles	15%
Office equipment	33% – 36%

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Note 1 Summary of significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.12 Impairment of Assets

At the end of each reporting period, the Union assesses whether there is any indication that an asset may be impaired. No assets were deemed as being impaired during the 2019 financial year (2018: nil).

1.13 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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.

1.14 Fair Value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1.15 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

Financial assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

The Union currently hold managed investments that are treated as a financial asset at fair value through profit or loss.

Amortised Cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Union's financial assets measured at amortised cost comprise cash and cash equivalents, trade and other receivables and term deposits in the consolidated statement of financial position.

Financial liabilities

Financial liabilities are classified into one of two categories, depending the purpose for which the liability was acquired, as follows:

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

The Union does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

1.16 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.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

1.17 Going Concern

The financial report of The Australian Rail, Tram & Bus Industry Union for the financial year ended December 2019 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.

1.18 New Australian Accounting Standards

AASB Accounting Standards and Interpretations

The AASB has released a number of other Accounting Standards and Australian Interpretations. The application of these Accounting Standards and Australian Interpretations are not expected to have any significant impact on the reporting unit's financial statements.

Note 2 Revenue and Other Income

	2019	2018
	\$	\$
Membership contributions received	4,926,438	4,471,968
Levies ¹	715,847	731,921
Interest received	86,865	90,928
Rental revenue collected on Investment Property	249,251	241,468
Total revenue	5,978,401	5,536,285
Other income from another reporting unit		
Contributions from Rail Tram and Bus Union National Office	124,545	-
Other income		
Other income	129,544	77,020
Gains on revaluation of investment property	850,000	600,000
Total other income	1,104,089	677,020
Total revenue and other income	7,082,490	6,213,305

¹ Levies collected during the financial 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.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 3 Expenses	2019	2018
	\$	\$
Note 3A: Employee benefit expense		
Holders of office:		
Salaries and wages	935,956	1,027,354
Superannuation	88,766	85,637
Leave and other entitlements	86,521	63,394
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	1,111,243	1,176,385
Employees other than office holders:		
Salaries and wages	943,221	913,070
Superannuation	95,796	92,071
Leave and other entitlements	36,041	(31,150)
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	1,075,058	973,991
Total employee benefit expense	2,186,301	2,150,376
Note 3B: Capitation fees		
Capitation fees paid to Rail Tram and Bus Union National Office	720,772	666,921
Note 3C: Legal Fees		
Legal costs – litigation	488,256	296,082
Other legal fees	650,673	159,429
	1,138,929	455,511
Note 3D: Depreciation of non-current assets		
Depreciation	136,723	103,328
Note 3E: Affiliation fees		
ALP	39,284	41,197
VTHC	23,673	23,773
ACTU	42,322	28,569
Various	4,712	4,417
Total affiliation fees/subscriptions	109,991	97,956

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 3 Expenses (continued)	2019	2018
	\$	\$
Note 3F: Administration Expenses		
Administration and office expenses	260,966	240,834
Conference and meeting expenses	28,244	3,982
	<u>289,210</u>	<u>244,816</u>
Note 3G: Grants or donations		
Grants paid that exceeded \$1,000	-	25,000
Donations paid that were \$1,000 or less	3,272	8,852
Donations paid that exceeded \$1,000	13,200	7,000
Total Grants or donations	<u>16,472</u>	<u>40,852</u>
Note 3H: Other expenses		
Accounting fees	7,705	31,060
Audit fees	45,000	45,000
Building costs	264,526	312,586
Commissions paid	59,119	82,583
Doubtful debts	-	1,670
Fees/allowances - meeting and conferences	9,503	-
Fringe benefits tax	25,153	(23,052)
Motor vehicle costs	133,385	99,929
Payroll tax	99,389	100,706
Publication	-	23,200
Stock purchases	121,110	126,184
Other	267,708	343,952
Total other expenses	<u>1,032,598</u>	<u>1,143,818</u>
Note 4 Remuneration of Auditors		
Remuneration of the auditor for:		
- auditing or reviewing the financial report	25,000	25,000
- other services	20,000	20,000
Total remuneration of auditors	<u>45,000</u>	<u>45,000</u>
Note 5 Cash and cash equivalents		
Cash on hand	1,220	1,220
Cash at bank	6,360,262	3,695,932
Short-term deposits	202,672	2,013,106
Total cash and cash equivalents	<u>6,564,154</u>	<u>5,710,258</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 6 Trade and other receivables	2019	2018
	\$	\$
Trade receivables	2,341	12,589
Total trade and other receivables (net)	<u>2,341</u>	<u>12,589</u>
Note 7 Other assets		
Prepayments	76,662	19,693
Accrued income	26,733	34,972
Total other current assets	<u>103,395</u>	<u>54,665</u>
Note 8 Financial assets		
CURRENT		
Term deposit	1,197,969	1,360,554
NON-CURRENT		
Managed investments	461,647	424,734
Total financial assets	<u>1,659,616</u>	<u>1,785,288</u>
Note 9 Property, Plant and equipment		
<i>Buildings</i>		
At fair value	5,450,000	4,049,378
Accumulated depreciation	-	(505,181)
Total buildings	<u>5,450,000</u>	<u>3,544,197</u>
<i>Furniture, fixtures and fittings</i>		
At cost	344,741	356,354
Accumulated depreciation	(261,846)	(260,402)
Total furniture, fixtures and fittings	<u>82,895</u>	<u>95,952</u>
<i>Motor vehicles</i>		
At cost	252,471	233,394
Less accumulated depreciation	(63,297)	(41,491)
Total motor vehicles	<u>189,174</u>	<u>191,903</u>
<i>Office equipment</i>		
At cost	88,581	70,500
Less accumulated depreciation	(53,283)	(48,439)
Total office equipment	<u>35,298</u>	<u>22,061</u>
Total plant and equipment	<u>5,757,367</u>	<u>3,854,113</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 9 Property, Plant and equipment (continued)

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 All Suburb Valuers, with the market values at 31 December 2019 being \$3,850,000 and \$1,600,000 respectively. The revaluation gain on these properties of \$1,920,210 has been recorded in the revaluation reserve. Buildings are independently revalued on at least a triennial basis as stated in Note 1.5.

Reconciliation of carrying amounts of property, plant and equipment

	Buildings	Furniture, Fixtures & Fittings	Motor vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Consolidated 2019					
Balance at 1 January	3,544,197	95,952	191,903	22,061	3,854,113
Additions	-	685	110,923	22,695	134,303
Disposals	-	(2,648)	(50,245)	(1,643)	(54,536)
Depreciation expense	(54,407)	(11,094)	(63,407)	(7,815)	(136,723)
Revaluations	1,960,210	-	-	-	1,960,210
Carrying amount at 31 December	<u>5,450,000</u>	<u>82,895</u>	<u>189,174</u>	<u>35,298</u>	<u>5,757,367</u>

	Buildings	Furniture, Fixtures & Fittings	Motor vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Consolidated 2018					
Balance at 1 January	3,600,000	97,455	169,942	34,068	3,901,465
Additions	-	11,110	144,892	3,740	159,742
Disposals	-	(1,087)	(96,423)	(6,256)	(103,766)
Depreciation expense	(55,803)	(11,526)	(26,508)	(9,491)	(103,328)
Carrying amount at 31 December	<u>3,544,197</u>	<u>95,952</u>	<u>191,903</u>	<u>22,061</u>	<u>3,854,113</u>

Note 10 Investment Property

	2019	2018
	\$	\$
Balance at beginning of the financial year	5,550,000	4,950,000
Net revaluation increment	850,000	600,000
Balance at end of the financial year	<u>6,400,000</u>	<u>5,550,000</u>

Valuation

Independent valuations on the investment properties at Level 1, 222 Kings Way and Level 14, 222 Kings Way were last carried out by All Suburb Valuers, with the market values at 31 December 2019 being \$1,900,000 and \$2,150,000 respectively.

An independent valuation on the investment property at 781 Point Nepean Road, Rosebud was carried out by All Suburb Valuers Pty Ltd (Vic.), with an estimated market value of \$2,350,000 on 19 February 2019. This is believed to be an appropriate estimate as at 31 December 2019.

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 financial year was \$249,251 (2018: \$241,468).

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
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Note 11 Trade and other payables	2019	2018
	\$	\$
A. Trade payables		
Trade creditors and accruals	313,701	350,188
Legal costs – Litigation	-	115,381
Legal costs – Other legal costs	94,861	20,360
Total trade payables	<u>408,562</u>	<u>485,929</u>
B. Payable to Rail Tram and Bus Union National Office	<u>132,013</u>	<u>131,052</u>
C. Other payables		
Membership subscriptions received in advance	130,478	49,433
Other payables	165	887
Superannuation	6,417	24,640
Total other payables	<u>137,060</u>	<u>74,960</u>
Total trade and other payables	<u>677,635</u>	<u>691,941</u>

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 18.

Note 12 Provisions

CURRENT		
Long service leave	161,021	138,960
Annual leave	373,738	289,889
	<u>534,759</u>	<u>428,849</u>
NON-CURRENT		
Long service leave	52,330	35,678
Total employee provisions	<u>587,089</u>	<u>464,527</u>
Office holders		
Annual leave	252,162	197,743
Long service leave	134,154	114,505
Subtotal employee provisions—office holders	<u>386,316</u>	<u>312,248</u>
Employees other than office holders		
Annual leave	121,576	92,146
Long service leave	79,197	60,133
Subtotal employee provisions—employees other than office holders	<u>200,773</u>	<u>152,279</u>
Total employee provisions	<u>587,089</u>	<u>464,527</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
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for the financial year ended 31 December 2019

Note 13A Levy contribution funds **2019** **2018**
\$ **\$**

The following bank accounts are held in relation to levy funds received from members and are reported within cash and cash equivalents.

Loco – Legal Fund bank account	724,387	609,049
Rail – Building Fund bank account	498,987	485,870
Tram & Bus – Building Fund bank account	484,401	430,282
Total other funds	<u>1,707,775</u>	<u>1,525,201</u>

Loco – Legal Fund bank account ^(a)

Balance as at start of year	609,049	346,126
Transferred to/(out of) fund	115,338	262,923
Balance as at end of year	<u>724,387</u>	<u>609,049</u>

Rail – Building Fund bank account ^(b)

Balance as at start of year	485,870	412,306
Transferred to/(out of) fund	13,117	73,564
Balance as at end of year	<u>498,987</u>	<u>485,870</u>

Tram & Bus – Building Fund bank account ^(c)

Balance as at start of year	430,282	371,359
Transferred to/(out of) fund	54,119	58,923
Balance as at end of year	<u>484,401</u>	<u>430,282</u>

(a) This fund is used for taking action in support of our members

(b) This fund is held for the purpose in investing in current and future property of the RTBU

(c) This fund is held for the purpose in investing in current and future property of the RTBU

Note 13B Reserves

Revaluation Reserve

The revaluation reserve records revaluations on non-current assets.

Reconciliation of Revaluation Reserve

Balance at beginning of financial year	1,453,484	1,453,484
Revaluation of assets	1,960,210	-
Balance at end of financial year	<u>3,413,694</u>	<u>1,453,484</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
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for the financial year ended 31 December 2019

Note 14 Lease Commitments

2019 **2018**
\$ \$

Operating lease commitments – as lessor

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

- The lease for suite 2 at Level 1, 222 Kingsway Street signed in June 2019 expires June 2023.
- The lease for Level 14, 222 Kings Way, South Melbourne signed in August 2019 expires August 2024.

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

Not later than one year	273,386	340,689
Between one year and five years	1,060,304	477,117
	1,333,690	817,806

Note 15 Key Management Personnel

Short-term employee benefits

Salaries and wages (including leave taken)	890,895	970,076
Annual leave accrued	109,052	91,514

Post-employment benefits

Superannuation	88,766	85,637
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Other long-term benefits

Long-service leave accrued	22,530	29,158
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Total compensation

	1,111,243	1,176,385
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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. For the Union, this includes all members of the Executive Committee.

Note 16 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 \$720,772 (2018: \$666,921). This balance also includes payables at financial year end of \$132,013 (2018: \$131,052) owed to the Rail Tram and Bus Union National Office. In addition, the National Office provided a contribution of \$137,000 (GST Incl.) to assist with legal matters (2018: nil).

Victorian RTBU Branch Executive Committee - Members Transactions

All members of the Victorian RTBU Branch Executive Committee are required to hold a fully paid-up membership fee. Total membership fee received during 2019 is \$16,673 (2018: \$15,862).

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 17 Cash flow	2019	2018
	\$	\$
A. Cash and cash equivalents as per:		
Cash flow statement	6,564,154	5,710,258
Balance sheet	6,564,154	5,710,258
Difference	-	-
B. Reconciliation of surplus to net cash from operating activities		
Surplus for the financial year	1,451,494	1,309,727
Adjustments for non-cash items		
Depreciation	136,724	103,328
(Profit)/Loss of investments	(36,913)	2,158
Loss on disposal of property, plant and equipment	13,799	27,788
Gain on revaluation of investment property	(850,000)	(600,000)
Net cash provided by operating activities before change in assets and liabilities	715,104	843,001
Changes in assets/liabilities		
(Increase)/decrease in receivables	10,248	199,144
(Increase)/decrease in prepayments	(56,969)	36,360
(Increase)/decrease in accrued income	8,239	(1,815)
Increase/(decrease) in payables	(95,351)	183,947
Increase/(decrease) in deferred income	81,045	(55,427)
Increase/(decrease) in provisions	122,562	32,244
Net cash (used by)/from operating activities	784,878	1,217,454
C. Cash flow information		
Total cash inflows	6,709,088	6,783,391
Total cash outflows	(5,855,192)	(5,410,255)
Net cash flow	853,896	1,373,136

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for the financial year ended 31 December 2019

Note 18 Financial Instruments **2019** **2018**
\$ **\$**

A. Categories of Financial Statements

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 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Financial assets at amortised cost

Cash and cash equivalents	6,564,154	5,710,258
Trade and other receivables	2,341	12,589
Term deposits	1,197,969	1,360,554

Financial assets held at fair value through profit and loss

Investment in managed funds	461,647	424,734
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Carrying amount of financial assets

<u>8,226,111</u>	<u>7,508,135</u>
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Financial Liabilities

Financial liabilities at amortised cost

Trade payables	408,562	485,929
Payable to Rail, Tram & Bus Union – National Office	132,013	131,052

Carrying amount of financial liabilities

<u>540,575</u>	<u>616,981</u>
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B. Net Income and Expense from Financial Assets

Financial assets at amortised cost

Doubtful debts	-	(1,670)
Interest revenue	86,865	90,928

Financial assets at fair value through profit and loss

Distributions/dividend income	36,913	(2,158)
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Net gain/(loss) from Financial Assets

<u>123,778</u>	<u>87,100</u>
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C. Financial risk management policies

The Victorian RTBU Branch Executive Committee'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 Committee on a regular basis. These include the credit risk policies and future cash flow requirements.

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

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 18 Financial Instruments (continued)

a) 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 Committee. 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.

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.

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

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.

All financial assets and liabilities, with the exception of managed investments, are expected to be wholly realised within 12 months of year end, and do not pose a significant liquidity risk to the union.

c) 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 and cash and cash equivalents. These do not pose a significant risk to the union.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 19 Fair Value Measurement

A. Financial Assets and Liabilities

Management of the Union assessed that cash, trade receivables, trade payables, and other current assets/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 methods and assumptions were used to estimate the fair values:

- Fair value of managed investments is derived from quoted market prices in active markets.

The fair value of the Union's financial assets and liabilities are equal to the carrying amounts as disclosed in the statement of financial position.

B. Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

Fair value hierarchy – 31 December 2019

		Level 1	Level 2	Level 3
	Date of Valuation	\$	\$	\$
Assets measured at fair value				
<i>Financial assets</i>				
<i>Managed investments</i>	31 Dec 2019	-	461,647	-
<i>Non-financial assets</i>				
Investment properties	19 Feb 2019	-	2,350,000	-
Investment properties	31 Dec 2019	-	4,050,000	-
Buildings	31 Dec 2019	-	5,450,000	-
Total non-financial assets recognised at fair value		-	12,311,647	-

Fair value hierarchy – 31 December 2018

		Level 1	Level 2	Level 3
	Date of Valuation	\$	\$	\$
Assets measured at fair value				
<i>Financial assets</i>				
<i>Managed investments</i>	31 Dec 2019	-	424,734	-
<i>Non-financial assets</i>				
Investment properties	19 Feb 2019	-	2,350,000	-
Investment properties	19 Dec 2018	-	3,200,000	-
Buildings	19 Dec 2018	-	3,544,197	-
Total assets recognised at fair value		-	9,518,931	-

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
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for the financial year ended 31 December 2019

Note 19 Fair Value Measurement (continued)

C. Description of Significant Unobservable Inputs

Description	Valuation technique	Significant unobservable inputs
<i>Non-financial assets</i>		
Investment properties	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	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology.	Price per square metre; market borrowing rate

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 Committee 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.

Note 20 Segment Reporting

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

Note 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	2019	2018
	\$	\$
Assets		
Current assets	7,674,594	7,106,989
Non-current assets	12,081,259	7,333,833
Total Assets	19,755,853	14,440,822
Current Liabilities	1,212,380	1,120,790
Non-current Liabilities	52,330	35,678
Total Liabilities	1,264,710	1,156,468
Total Equity	18,491,143	13,284,354
Statement of Comprehensive Income		
Total surplus	1,443,097	712,288
Other comprehensive income	1,960,210	-
Total Comprehensive Income	3,403,307	712,288

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
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Note 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	Equity Interest
			2019	2018
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.

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.

Note 23 Contingencies

In the opinion of the Victorian RTBU Branch Executive Committee, the Union did not have any contingencies at 31 December 2019 (2018: None).

Note 24 Events Occurring After the Reporting Date

On 20 January 2020, the Chinese Government announced an outbreak of novel coronavirus (COVID-19) in the city of Wuhan in Hubei Province. The outbreak was declared a pandemic by the World Health Authority on 11 March 2020. The COVID-19 outbreak has had a significant impact on global markets. The future impacts of this pandemic on the operations and results of the Union is uncertain.

At the time of signing, the effects of COVID-19 are not expected to have significant effect on the RTBU. Management have assessed susceptible areas as follows:

- **Membership Revenue:**
At this time the Victorian Government are expected to maintain public transport services throughout the pandemic, unless advised otherwise by their Health advisors. As a significant portion of membership fees are received through payroll deductions, and public transport staff continue to be employed, membership fees are expected to continue to be received. In the event of a public transport shutdown or partial shutdown, the strong financial position of the Union will assist in dealing with a possible significant decline in revenue.
- **Investment Portfolios:**
Due to the current downturn in the stock market as a result of COVID-19, the RTBU investment portfolios are expected to decrease in value. Due to the diversity of these investments, and a significant portion of these held as cash, the effect of this decrease has been mitigated.

No other matters or circumstances have arisen since 31 December 2019 that have significantly affected, or may significantly affect the Union's operations, the results of those operations, or the Union's state of affairs in future financial years.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
NOTES OF THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2019

Note 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 Commissioner:

1. A member of a reporting unit, or the Commissioner, 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).

Note 26 Union Details

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

The Australian Rail, Tram & Bus Industry Union - Victorian Branch
Level 2, 365 Queen Street
Melbourne Victoria 3000

**THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION – VICTORIAN BRANCH
OFFICER DECLARATION STATEMENT**

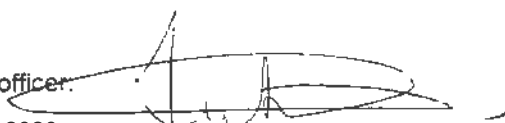
for the financial year ended 31 December 2019

I, Luba Grigorovitch, being the Secretary of the The Australian Rail, Tram & Bus Industry Union – Victorian Branch, declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the Commissioner, Fair Work Commission
- receive capitation fees from another reporting unit
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay any other expense to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated: 13 May 2020