



FAIR WORK
COMMISSION

12 December 2016

Mr Hugh McMaster
Secretary/Treasurer, New South Wales Branch
Australian Road Transport Industrial Organisation

By email: hughmc@artionsw.com.au

Dear Mr McMaster

Re: Lodgement of Financial Statements and Accounts – Australian Road Transport Industrial Organisation, New South Wales Branch - for year ended 30 June 2016 (FR2016/82)

I refer to the financial report for the New South Wales Branch of the Australian Road Transport Industrial Organisation. The report was lodged with the Fair Work Commission on 8 December 2016.

The financial report has been 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 year ending 30 June 2017 may be subject to an advanced compliance review.¹

You do not have to take any further action in relation to the report lodged but I make the following comment to assist when preparing the next financial report.

Reports must be provided to Members within 5 months of end of financial year where report is presented to committee of management meeting

I acknowledge your advice and undertaking in relation to this issue. Please note that if an extension of time to provide the report to the members is required, a written request, signed by the relevant officer, including any reason for the delay, must be made as early as possible prior to the deadline of 30 November.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) [REDACTED] or [REDACTED] or by email at stephen.kellett@fwc.gov.au

Yours sincerely

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
Senior Adviser
Regulatory Compliance Branch

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2016**

I, Hugh McMaster being the 2016 Secretary/Treasurer of the Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") certify:

1. that the documents lodged herewith are copies of the full report for the Branch for the year ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. that the full report was provided to members of the Branch on 6 December 2016; and
3. that the full report was presented to a meeting of the Committee of Management of the Branch on 6 December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



.....
Hugh McMaster
Secretary/Treasurer

Dated this 6th day of December 2016.

**AUSTRALIAN ROAD TRANSPORT
INDUSTRIAL ORGANISATION
(NSW BRANCH)**

ABN 93 149 961 882

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

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**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2016**

I, Hugh McMaster being the 2016 Secretary/Treasurer of the Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") certify:

1. that the documents lodged herewith are copies of the full report for the Branch for the year ended 30 June 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
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.....
Hugh McMaster
Secretary/Treasurer

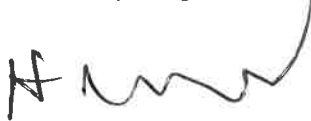
Dated this 6th day of December 2016.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTICE TO MEMBERS
FOR THE YEAR ENDED 30 JUNE 2016**

The Committee of Management wishes to draw the member's attention to the following provisions of the *Fair Work (Registered Organisations) Act 2009* contained in sub-sections of section 272 in Division 7 which deals with members' access to financial records:

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 sub-section (1).



.....
Hugh McMaster
Secretary/Treasurer

Dated this 6th day of December 2016.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

The Committee of Management presents its report on Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") for the financial year ended 30 June 2016.

Review of Principal Activities

The principal activities of the Branch during the year were representing the interests of its members (employers and prime contractors) in the transport and logistics industry, particularly those engaged in road transport.

The Branch applied for and was granted registration under the *Fair Work (Registered Organisations) Act 2009* on 30 November 2009.

Results of Operations

The profit of the Branch for the year ended 30 June 2016 was \$ 21,585 (2015: loss of \$12,307).

A review of operations of the Branch during the financial year and the results of those operations show an increase in total revenue by 3% and a decrease in operating expenses by 18%. The increase in revenue is a result of the increase in the number of functions and events. Please refer to the Statement of Profit or Loss and Other Comprehensive Income for further details.

During the financial year 2015-16, the Branch focused on the advocacy on behalf of Members related to a new Transport Industry – General Carriers Contract Determination.

The Branch continued to provide information and advice to Members on issues related to workplace relations during the year, including circulars, newsletters and events. The branch hosted a record number of events during financial year 2015-16 and, in aggregate terms, attracted record attendance.

The Branch also continued to provide advice on awards and contract determinations as well in response to requests from Members. Where necessary, the branch also facilitated the provision of representation in legal matters. The branch also lodged a submission related to the *Work Health and Safety Act 2011* in NSW.

The Branch was also represented at meetings of the ARTIO National Council and contributed to advocacy before the Road Safety Remuneration Tribunal until legislation governing the operation of the Tribunal led to its abolition in April 2016. ARTIO continued to represent the industry in negotiations related to the four-yearly review of Modern Awards. ARTIO also made submissions to the Productivity Commission's inquiry into the Workplace Relations Framework.

Significant Changes in the Nature of Principal Activities and Financial Affairs

There were no significant changes in the nature of the principal activities and financial affairs undertaken by the Branch during the year ended 30 June 2016.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

Right of Members to Resign

Members have the right to resign their membership in accordance with Section 11 of the Registered Rules of the Australian Road Transport Industrial Organisation ("the Organisation").

A member of the Organisation may resign from membership by written notice addressed and delivered to the Secretary/Treasurer of the Branch of which it is a member.

A notice of resignation from membership of the 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 two (2) weeks after the notice is received by the Organisation; or
 - (ii) on the day specified in the notice;
whichever is later

Officers and Employees who are Superannuation Fund Trustee(s) or Director of a Company that is a Superannuation Fund Trustee

Name	Position	Company/Entity	Activity/ies	Holds Position as Officer or Nominated by Peak Council
Hugh McMaster	Board Member	TWU Nominees Pty Ltd	Trustee of TWU Superannuation Fund	Nominated

Number of Members

As at 30 June 2016, there were 31 members of the Branch (2015: 23 members).

Number of Employees

As at 30 June 2016, the Branch has no employees. The Branch contracted Hugh McMaster to provide accounting and administration services. Hugh McMaster being the Secretary/Treasurer is considered to be key management personnel for the purpose of the financial statements.

Summary of the remuneration of key management personnel can be found in Note 12(b) in the Notes to the Financial Statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

OPERATING REPORT

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

The Committee of Management of the Branch is a committee elected annually by the members.

To be eligible to be nominated for a position on the Committee of Management the nominee must be a member.

During the year ended 30 June 2016 and the date of this report, the following persons held membership of the Committee of Management of the Branch:

Name	Position	Period Position Held
Laurie D'Apice	President	1 July 2015 - 30 June 2016
Gaylynnne Neill	Vice President	1 July 2015 - 30 June 2016
Mark Wintle	Vice President	1 July 2015 - 21 October 2015*
Hugh McMaster	Secretary/Treasurer	1 July 2015 - 30 June 2016
Cameron Murphy	Committee Member	1 July 2015 - 30 June 2016
John West	Committee Member	1 July 2015 - 30 June 2016

* Mark Wintle resigned as Vice President of the Committee of Management of the Branch.

Events Subsequent to Reporting Date

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

Signed in accordance with a resolution of the Members of the Committee of Management on the 6th day of December 2016.



.....
Hugh McMaster
Secretary/Treasurer

Dated this 6th day of December 2016.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue	2(a)	154,519	150,129
Other income	2(b)	1,270	889
		<u>155,789</u>	<u>151,018</u>
Expenses:			
Employee expenses	3(a)	-	-
Capitation fees	3(b)	(20,227)	(20,000)
Affiliation fees	3(c)	-	-
Administration expenses	3(d)	(23,450)	(33,300)
Grants or donations	3(e)	-	-
Professional fees	3(f)	(90,527)	(110,025)
Other expenses	3(g)	-	-
		<u>(134,204)</u>	<u>(163,325)</u>
Profit/(Loss) before income tax		21,585	(12,307)
Income tax expense	1(a)	-	-
Net profit/(loss)		<u>21,585</u>	<u>(12,307)</u>
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		<u>21,585</u>	<u>(12,307)</u>

The accompanying notes form part of the financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	82,446	62,610
Trade and other receivables	5	<u>1,650</u>	<u>6,948</u>
TOTAL CURRENT ASSETS		<u>84,096</u>	<u>69,558</u>
TOTAL ASSETS		<u>84,096</u>	<u>69,558</u>
CURRENT LIABILITIES			
Trade and other payables	6	21,337	28,384
Provisions	7	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>21,337</u>	<u>28,384</u>
TOTAL LIABILITIES		<u>21,337</u>	<u>28,384</u>
NET ASSETS		<u>62,759</u>	<u>41,174</u>
ACCUMULATED FUNDS			
Accumulated operating surplus		<u>62,759</u>	<u>41,174</u>
TOTAL ACCUMULATED		<u>62,759</u>	<u>41,174</u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2016**

	2016	2015
	\$	\$
ACCUMULATED OPERATING SURPLUS		
Balance at beginning of the financial year	<u>41,174</u>	<u>53,481</u>
Total comprehensive income/(loss):		
Net profit/(loss) during the year	21,585	(12,307)
Other comprehensive income	<u>-</u>	<u>-</u>
	<u>21,585</u>	<u>(12,307)</u>
Balance at end of financial year	<u><u>62,759</u></u>	<u><u>41,174</u></u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Receipts from members' subscriptions		57,666	53,834
Grants received		-	-
Other receipts		122,818	109,159
Payments to suppliers		(161,918)	(188,841)
Interest received		<u>1,270</u>	<u>889</u>
Net cash provided by/(used in) operating activities	13(a)	<u>19,836</u>	<u>(24,959)</u>
Net (decrease)/increase in cash held		19,836	(24,959)
Cash and cash equivalents at the beginning of the year		<u>62,610</u>	<u>87,569</u>
Cash and cash equivalents at the end of the year	4	<u><u>82,446</u></u>	<u><u>62,610</u></u>

The accompanying notes form part of these financial statements.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

The financial statements are for Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") as an individual entity. No business combinations had occurred during the financial year. The Branch was incorporated in New South Wales under the *Fair Work (Registered Organisations) Act 2009*.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of financial assets and financial liabilities. The amounts presented in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

The financial statements were authorised for issue on 6 December 2016 by the Committee of Management of the Branch.

Accounting Policies

(a) Income Tax

The Branch is registered under the *Fair Work (Registered Organisations) Act 2009* and is considered to be exempt from income tax including capital gains tax, by virtue of the provision of section 50-15 of the *Income Tax Assessment Act*.

(b) 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.

(c) Fair Value of Assets and Liabilities

The Branch measures some of 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 Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie 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.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Fair Value of Assets and Liabilities (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie 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 Branch at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

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

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

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Branch 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 expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest 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 the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly 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 amount with a consequential recognition of an income or expense item in profit or loss.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At each reporting date, the Branch assesses whether there is objective evidence that a financial instrument has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Branch recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Branch no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged or cancelled, or have expired. The difference between the carrying amount 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 the profit or loss.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

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

(f) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Branch and the amount of the revenue can be reliably measured. The following specific recognition criteria should also be met before revenue is recognised:

Revenue from membership subscriptions is recognised proportionately over the period to which it relates.

Income from other sources (sitting fees and sponsorship) is recognised when the fee in respect of other products or services provided is receivable.

Grant revenue is recognised in the Statement of Profit or Loss and Other Comprehensive Income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes, it is recognised in the Statement in the Financial Position as a liability until such conditions are met or services provided.

Donation income is recognised when it is received.

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

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

(g) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. 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.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Branch during the reporting period 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.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Unexpended Grants

The Branch receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the Branch to treat grant monies as unexpended grants in the Statement of Financial Position where the Branch is contractually obliged to provide the services in a subsequent financial period to when the grants are received or in the case of a specific project where the project has not been completed.

(j) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of the GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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 payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Operating Segment

The Branch was incorporated in New South Wales under the *Fair Work (Registered Organisations) Act 2009* and domiciled in Australia. The Branch operates only in Australia and its principal activity is the provision of services to its members.

(l) Comparatives

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

(m) Critical Accounting Estimates and Judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial statements 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 Branch.

Key Estimates - Impairment

The Committee of Management assesses impairment on each reporting date by evaluating conditions specific to the Branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments - Doubtful Debts Provision

The Committee of Management believed that no provision for doubtful debts be made at 30 June 2015 (2014: \$nil) as the balance of trade and other receivables is fully recoverable.

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Acquisition of assets and or liabilities that do not constitute a business combination

No asset or liability was acquired due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager.

(o) New Accounting Standards Adopted During the Financial Year

The Branch has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Branch.

The following Accounting Standards and Interpretations are most relevant to the Branch:

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 issuance of AASB CF 2013-1.

Part B makes amendments to particularly 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*.

Adoption of this Standard did not impact on the Branch' financial statements.

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.

Adoption of this Standard did not impact on the Branch' financial statements.

(p) New Accounting Standards for Application in Future Periods

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

AASB 15: *Revenue from Contracts with Customers and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).*

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(NSW BRANCH)
ABN 93 149 961 882**

**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) New Accounting Standards for Application in Future Periods (Continued)

AASB 15 will provide (except in relation to some specific exceptions, such as lease contracts and insurance contracts) a single source of accounting requirements for all contracts with customers, thereby replacing all current accounting pronouncements on revenue.

These Standards provide a revised principle for recognising and measuring revenue. Under AASB 15, revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the provider of the goods or services expects to be entitled. The give effect to this principle, AASB 15 requires the adoption of the following 5-step model:

- identify the contract(s) with a customer;
- identify the performance obligations under the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations under the contract(s); and
- recognise revenue when (or as) the entity satisfies the performance obligations.

AASB 15 also provides additional guidance to assist entities in applying the revised principle to licences of intellectual property, warranties, rights of return, principal/agent considerations and options for additional goods and services.

Although the Committee of Management anticipate that the adoption of AASB 15 may have an impact on the Branch' reported revenue, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

These Standards will replace *AASB 139: Financial Instruments: Recognition and Measurement*. The key changes that may affect the Group on initial application of AASB 9 and associated amending Standards include:

- simplifying the general classifications of financial assets into those carried at amortised cost and those carried at fair value;
- permitting entities to irrevocably elect on initial recognition to present gains and losses on an equity instrument that is not held for trading in other comprehensive income (OCI);
- simplifying the requirements for embedded derivatives, including removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in OCI, except when it would create an 'accounting mismatch';
- introducing a new model for hedge accounting that permits greater flexibility in the ability to hedge risk, particularly with respect to non-financial items; and
- requiring impairment of financial assets carried at amortised cost based on an expected loss approach.

This Standard is not expected to significantly impact the Branch' financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2016	2015
	\$	\$
NOTE 2: REVENUE AND OTHER INCOME		
(a) Revenue		
Membership subscription	49,269	50,485
Capitation fees	-	-
Levies from members	-	-
Other revenue:		
Director's fees	30,000	30,000
Sponsorship	51,750	50,000
Sundry	23,500	19,644
	<u>154,519</u>	<u>150,129</u>
(b) Other Income		
Grant income	-	-
Donations income	-	-
Interest	1,270	889
	<u>1,270</u>	<u>889</u>
No financial support received from another reporting unit.		
NOTE 3: EXPENSES		
(a) Employee Expenses		
	<u>-</u>	<u>-</u>
The Branch has no employees during the year (2015: nil). The Branch contracted its accounting and administration functions which are disclosed in Note 3(f) under professional fees - secretariat and administration fees and Note 12(b) under key management personnel.		
(b) Capitation Fees		
Australian Road Transport Industrial Organisation	<u>20,227</u>	<u>20,000</u>
(c) Affiliation Fees		
	<u>-</u>	<u>-</u>
(d) Administration expenses		
Bank charges	310	326
Compulsory levies	-	-
Consideration to employers for payroll deductions	-	-
Conferences, meetings, functions and events		
- fees and/or allowances	-	-
- expenses	13,202	20,013
Insurance	-	-
Travel and accommodation	5,829	8,094
Website expenses	262	990
Other expenses	3,847	3,877
	<u>23,450</u>	<u>33,300</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2016 \$	2015 \$
NOTE 3: EXPENSES (Continued)		
(e) Grants and Donations		
Grants	-	-
Donations	-	-
	-	-
	-	-
(f) Professional Fees		
Remuneration of auditor:		
– auditing the financial statements		
Pitcher Partners Sydney (formerly Moore Stephens Sydney)	7,159	7,330
Legal fees		
– litigation	-	-
– other legal matters	6,568	30,695
Secretariat and administration fees	76,800	72,000
Sundry fees	-	-
	90,527	110,025
	90,527	110,025
(g) Other Expenses		
Penalties - via Registered Organisation Act or Regulations	-	-
	-	-
	-	-
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash at bank	82,446	62,610
	82,446	62,610
	82,446	62,610
Reconciliation of Cash		
Cash at the end of the financial year as shown in the financial Statement of Cash Flows is reconciled to items in the Statement of Financial Position as follows:		
Cash and cash equivalents	82,446	62,610
	82,446	62,610
	82,446	62,610
NOTE 5: TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables:		
Members	-	-
Receivables from other reporting unit:		
Australian Road Transport Industrial Organisation	-	-
Other	-	5,999
	-	5,999
Net GST receivable	1,650	949
	1,650	6,948
Less provision for doubtful debts	-	-
	1,650	6,948
	1,650	6,948

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NOTE 5: TRADE AND OTHER RECEIVABLES (Continued)

(a) Credit Risk

The following table details the Branch's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the Branch and the customer, member or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

	2016	2015
	\$	\$
Trade and other receivables:		
Gross amount	1,650	6,948
Past due and impaired	-	-
Past due but not impaired:		
- 30 days overdue	-	-
- 31 to 60 days overdue	-	-
- 61 to 90 days overdue	-	-
- more than 90 days overdue	-	-
Within initial trade terms	1,650	6,948

(b) Financial assets classified as loans and receivables

Trade and other receivables		
Current	1,650	6,948

(c) Collateral held as security

No collateral is held over trade and other receivables.

NOTE 6: TRADE AND OTHER PAYABLES

CURRENT

Trade creditors	-	17,884
Payables to other reporting units	-	-
Accrued expenses	13,991	6,800
Income received in advance	7,346	3,700
Other payables:		
Consideration to employers for payroll deductions	-	-
Legal costs - other legal matters		
- litigation	-	-
- other legal matters	-	-
	-	-
	21,337	28,384

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	2016	2015
	\$	\$
NOTE 7: PROVISIONS		
Employee provisions	-	-

NOTE 8: EQUITY AND CAPITAL MANAGEMENT

Other Specific Disclosures

The Branch did not have any compulsory levies and/or voluntary contributions and other funds required by rules, thereby no reserve or fund being set-up in the Statement of Changes in Equity.

Capital Management

Management controls the capital of the Branch in order to maintain a good liquidity ratio and to ensure that the Branch can fund its operations and continue as a going concern.

The Branch's debt includes financial liabilities, supported by financial assets.

Management effectively manages the Branch's capital by assessing the its financial risks and adjusting its structure in response to changes in these risks and in the market. These responses include the management of debt levels and/or increase the membership subscription fee.

There have been no changes in the strategy adopted by management to control the capital of the Branch since the prior year. This strategy is to ensure that the Branch' has adequate cash to fund its operations. There was no external gearing for the financial years ended 30 June 2016 and 2015.

NOTE 9: DISSOLUTION OF THE BRANCH

The Branch may be wound up and dissolved on a resolution to that effect being passed by a General Meeting of the Branch convened for that purpose. The resolution passed for any such dissolution shall indicate the manner in accordance with the law in which the surplus funds or assets of the Branch are to be disposed of or distributed to an organisation or association having similar objects as the Branch and which prohibits a distribution of its or their income or property amongst their Members.

NOTE 10: CAPITAL AND LEASING COMMITMENTS

The Branch has no capital and leasing commitments at the end of the financial year (2015: \$nil).

NOTE 11: CONTINGENT LIABILITIES AND ASSETS

The Branch has no contingent liabilities and assets at the end of the financial year (2015: \$nil).

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NOTE 12: RELATED PARTY TRANSACTIONS

The Branch's main related parties are as follows:

(a) Committee of Management

(i) Committee of Management members

The names of the Committee of Management who held office during the year are disclosed in the Operating Report.

(ii) Committee of Management members' remuneration

No remuneration is paid to the Committee of Management members from the Branch or any related party during the year (2015: \$nil).

(iii) Committee of Management members' retirement benefits

No amounts are paid to Committee of Management members on retirement from office or to prescribed superannuation funds for the provision of retirement benefits for executives.

(iv) Membership subscription fees

Entities related to Committee of Management members paid membership subscription fees and various member related fees during the year on the same commercial terms and conditions offered to all other members.

These transactions were on normal commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

(b) Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Branch, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The Branch contracted Hugh McMaster to provide accounting and administration services. Hugh McMaster being the Secretary/Treasurer is considered to be key management personnel for the purpose of the financial statements.

The hourly rate of services provided by Hugh McMaster include wages, insurance, use of premises, office equipment, stationery and telephone. The rate is reviewed and approved by the Committee of Management annually.

The total of remuneration paid and/or payable to during amounted to \$76,800 (2014: \$72,000). The remuneration paid is short-term compensation.

During the financial year, the Branch reimbursed Hugh McMaster for travel costs, supplies and other costs incurred on the performance of his role being the Secretary/Treasurer of the Branch amounting to \$29,105 (2014: \$23,030).

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NOTE 12: RELATED PARTY TRANSACTIONS (Continued)

(c) Other Related Parties

The Branch received director's fees and sponsorship income from TWU Nominees Pty Ltd, an entity where the Secretary/Treasurer of the Branch sits as a director. Total income received amounted to \$30,000 and \$51,750 respectively (2015: \$30,000 and \$50,000, respectively).

The Branch contributes to the Australian Road Transport Industrial Organisation's budget annually. Total contribution made during the year amounted to \$20,000 (2015: \$20,000). In addition, the Branch contributes for the IR Newsletter Service of the Organisation amounting to \$227 (2015: \$244).

	2016	2015
	\$	\$
NOTE 13: CASH FLOW INFORMATION		
(a) Reconciliation of Cash Flow from Operations with Profit/(Loss) for the year:		
Profit/(Loss) for the year	21,585	(12,307)
Changes in assets and liabilities		
– Decrease in trade and other receivables	5,298	32,940
– Decrease in trade and other payables	<u>(7,047)</u>	<u>(45,592)</u>
	<u>19,836</u>	<u>(24,959)</u>
(b) Cash flows from/to other reporting units:		
Cash inflows:		
Australian Road Transport Industrial Organisation	<u>-</u>	<u>-</u>
Cash outflows:		
Australian Road Transport Industrial Organisation	<u>22,250</u>	<u>22,000</u>

NOTE 14: FINANCIAL RISK MANAGEMENT

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

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:

	Note	2016	2015
		\$	\$
Financial Assets:			
Cash and cash equivalents	4	82,446	62,610
Trade and other receivables	5	1,650	6,948
Total Financial Assets		<u>84,096</u>	<u>69,558</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: FINANCIAL RISK MANAGEMENT (Continued)

	Note	2016 \$	2015 \$
Financial Liabilities:			
Trade and other payables	6	21,337	28,384
Total Financial Liabilities		21,337	28,384

Financial Risk Management Policies

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

The main purpose of non-derivative financial instruments is to raise finance for Branch operations. The Branch does not have any derivative instruments at 30 June 2015 (2015: \$nil).

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are credit risk, liquidity risk and other price risk. There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the objectives, policies and processes for managing or measuring the risks from the previous period.

(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 Branch.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers, members 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. Depending on the division within the Branch, credit terms are generally 14 to 30 days from the date of invoice.

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

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the Statement of Financial Position. Credit risk also arises through the provision of financial guarantees, as approved at the Committee of Management level, given to third parties in relation to obligations under its bank bill facility.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (continued)

The Branch has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of Trade and Other Receivables is provided in Note 5.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 5.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard and Poor's counterparty credit ratings.

	Note	2016 \$	2015 \$
Cash and cash equivalents			
AA Rated	4	<u>82,446</u>	<u>62,610</u>

(b) Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect the Committee of Management's expectations that banking facilities, if any, will be rolled forward.

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2016				
Financial liabilities due for payment				
Trade and other payables	21,337	-	-	21,337
Total contractual and expected outflows	<u>21,337</u>	<u>-</u>	<u>-</u>	<u>21,337</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (continued)

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
Financial assets - cash flows realisable				
Cash and cash equivalents	82,446	-	-	82,446
Trade and other receivables	1,650	-	-	1,650
Total anticipated inflows	<u>84,096</u>	<u>-</u>	<u>-</u>	<u>84,096</u>
Net inflows on financial instruments	<u>62,759</u>	<u>-</u>	<u>-</u>	<u>62,759</u>
2015				
Financial liabilities due for payment				
Trade and other payables	28,384	-	-	28,384
Total contractual and expected outflows	<u>28,384</u>	<u>-</u>	<u>-</u>	<u>28,384</u>
Financial assets - cash flows realisable				
Cash and cash equivalents	62,610	-	-	62,610
Trade and other receivables	6,948	-	-	6,948
Total anticipated inflows	<u>69,558</u>	<u>-</u>	<u>-</u>	<u>69,558</u>
Net inflows on financial instruments	<u>41,174</u>	<u>-</u>	<u>-</u>	<u>41,174</u>

(c) Market Risk

Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

Sensitivity analysis

No sensitivity analysis has been performed on other price risk as the Branch has no material exposures to other price risk.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14: FINANCIAL RISK MANAGEMENT (Continued)

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

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	82,446	82,446	62,610	62,610
Trade and other receivables	1,650	1,650	6,948	6,948
	<u>84,096</u>	<u>84,096</u>	<u>69,558</u>	<u>69,558</u>
Financial liabilities				
Trade and other payables	21,337	21,337	28,384	28,384

The fair values disclosed in the above table are short-term instruments in nature whose carrying amount is equivalent to fair value.

NOTE 15: FAIR VALUE MEASUREMENTS

Financial Instruments Measured at Fair Value

The Branch has no assets that are measured and recognised at fair value on a recurring basis after initial recognition at 30 June 2016.

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

(a) 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. The Branch does not have Level 1 financial instruments at 30 June 2016 (2015: nil).

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. The Branch does not have Level 2 financial instruments at 30 June 2016 (2015: nil).

Level 3

Measurements based on unobservable inputs for the asset or liability. The Branch does not have Level 3 financial instruments at 30 June 2016 (2015: nil).

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NOTE 15: FAIR VALUE MEASUREMENTS (Continued)

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

Valuation Techniques

The Branch 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 Group 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 Branch 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.

(b) Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

The Branch does not have any Level 2 assets and liabilities at 30 June 2016.

NOTE 16: GOING CONCERN

The Branch's ability to continue as a going concern is not reliant on any other reporting unit.

The Branch has not agreed to provide financial support to another reporting unit to continue as a going concern.

NOTE 17: ECONOMIC DEPENDENCE

A significant portion of the revenue is dependent on the director's fees and sponsorship income from TWU Nominees Pty Ltd. Total revenue for the year amounted to \$81,750 (2015: \$80,000) or 52% (2015: 53%) of the total revenue.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 18: EVENTS SUBSEQUENT TO REPORTING DATE

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

NOTE 19: BRANCH DETAILS

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

Suite 12, Level 2
2-4 Cross Street
HURSTVILLE NSW 2220

**AUSTRALIAN ROAD TRANSPORT INDUSTRIAL ORGANISATION
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**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On 6 December 2016 the Committee of Management of the Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch") passed the following resolution in relation to the general purpose financial report for the year ended 30 June 2016.

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. during the financial year ended 30 June 2016 to which the general purpose financial report relates and since the end of this financial year:
 - (a) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of Branch; and
 - (b) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
 - (c) the financial records of the Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*; and
 - (d) As the organisation consists of two or more reporting units, the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (e) The information sought in any request by a member of the Branch or General Manager of the Fair Work Commission duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009* was made; and
 - (f) There has been compliance with any order of inspection of financial records has been made by the General Manager of the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*.
6. no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



.....
Hugh McMaster
Secretary/Treasurer

Dated this 6th day of December 2016.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE AUSTRALIAN ROAD
TRANSPORT INDUSTRIAL ORGANISATION (NSW BRANCH)
ABN 93 149 961 882**

Report on the Financial Report

We have audited the accompanying financial report of Australian Road Transport Industrial Organisation (NSW Branch) ("the Branch"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in accumulated funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Committee of Management statement.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Branch 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*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

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TO THE MEMBERS OF THE AUSTRALIAN ROAD
TRANSPORT INDUSTRIAL ORGANISATION (NSW BRANCH)
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Independence

In conducting our audit, we have complied with the applicable independence requirements of the Australian professional ethical pronouncements.

Opinion

In our opinion, the financial statements of the Australian Road Transport Industrial Organisation (NSW Branch) is in accordance with *Fair Work (Registered Organisations) Act 2009*, including:

- a) giving a true and fair view of the Branch's financial position as at 30 June 2016 and of its performance for the year ended on that date;
- b) the Branch did not have any recovery of wages activity; and
- c) complying with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Report on Other Legal and Regulatory Requirements

In order to meet our additional reporting requirements under the *Fair Work (Registered Organisations) Act 2009*, we declare that:

- a) the lead auditor, Chris Chandran:
 - is an approved auditor;
 - is a member of the Chartered Accountants Australia and New Zealand; and
 - holds a current Public Practice Certificate.
- b) as part of the audit of the financial statements of the Branch, we have concluded that management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



C I CHANDRAN
Partner



PITCHER PARTNERS
Sydney

Signed this 6th day of December 2016.