

**AUSTRALIAN RAIL,TRAM AND BUS INDUSTRY UNION**

**NATIONAL OFFICE**

**ABN 28 921 128 419**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
**ABN 28 921 128 419**

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**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
**ABN 28 921 128 419**

**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

This Operating Report covers:

- the activities of the Australian Rail, Tram & Bus Industry Union, National Office, for the financial year ended 31st December 2017,
- { the results of those activities and
- { any significant changes in the nature of those activities as required under s.254 Fair Work (Registered Organisations) Act 2009. ("RO Act")

**1. Principal Activities of the National Office**

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

| ACTIVITIES   |
|--|
| Making agreements with employers   |
| Implementation of the decisions of the National Executive and National Council   |
| Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to branches on planning and resourcing campaigns.   |
| Industrial support including representation of individual member grievances, advice on legal and legislative matters, holding of union elections as provided for in the rules of the union, and responding to the needs of branches and members as provided for within the rules of the union, within the scope of any statutory or legal obligations. |
| The administration of federal awards, the certification of federal industrial agreements, the variation of awards following major test cases, and making application to vary federal awards on behalf of branches.   |
| National media and communications to members, branches and the broader community via media releases in support of campaigns, web based technology, including the national bulletin <i>Transport Now</i> .  |
| Coordination of and Negotiation of key national industries, and assistance to branches on bargaining by request.   |
| The National Office has consulted with the ACTU on the development of claims to be pursued in the FWC and union policy in general. Where appropriate, the National Office has assisted branches in the implementation of relevant decisions via the variation of awards.   |
| The National Office has been involved in campaigns and negotiations with government, political parties and industry organisations, including with financial donations and/or other support, around issues of importance for members, eg EBA negotiations, training, skill shortages, fatigue laws.   |

**2 Any Significant Changes in Activities**

The Biennial National Council was held on the 1<sup>st</sup> and 2<sup>nd</sup> November 2017.

**3 Details of any Significant Changes in Financial Affairs**

The financial affairs of the National Office have altered marginally due to the following:

- The engagement of consultants to implement a series of governing body recommendations concerning research, policy, development and publicity.
- Legal expenses in relation to advocacy, EBA and union structures advice.

**4 Right of Members to Resign**

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

**14 - RESIGNATION FROM MEMBERSHIP**

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

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

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- (2) A notice of resignation from membership of an organisation takes effect:
- (a) where the member ceases to be eligible to become a member of the organisation:
- (i) on the day on which the notice is received by the organisation; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
- (b) in any other case:
- (i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
- (ii) on the day specified in the notice; whichever is later.
- (3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.
- (4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.
- (5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).
- (6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

Note: Regulations may require employers who offer payroll deduction facilities to inform employees that cessation of payroll deduction by an employee does not constitute resignation (see section 359).

**5 Board Positions held by officers, employees of the National Office to be inserted here.**

To the best of our knowledge and belief, only the following Officers held any of the following positions by virtue of their office of the Rail, Tram and Bus Union National Council are:

- a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

The member(s) listed below hold the following position(s) as trustees or company directors:

| OFFICIAL     | ORGANISATION   |
|--------------|--|
| Bob Nanva    | ( Transport & Logistics Industry Skills Council - Director |
| Allan Barden | ( TrackSafe Foundation - Director                          |

**6 Membership of the Union.**

There were 30,426 members of the union as at 31st December 2017.

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**7 Employees of the National Office**

As at 31 December 2017 the National Office employed 5 full time employees and 1 casual employee.

**8 Members of the National Executive**

The following persons were members of the National Executive, during the year ending 31st December 2017;

|                    |   |                          |
|--------------------|---|--------------------------|
| Bob Nanva          | National Secretary  | 01/01/2017 to 31/12/2017 |
| Allan Barden       | Assistant National Secretary  | 01/01/2017 to 31/12/2017 |
| Phil Altieri       | National President  | 01/01/2017 to 31/12/2017 |
| James Styles       | National Vice-President (Rail)  | 01/01/2017 to 31/12/2017 |
| David Woollams     | National Vice - President (Road)  | 01/01/2017 to 31/12/2017 |
| Leanne Holmes      | National Vice-President (Affirmative Action)  | 01/01/2017 to 31/12/2017 |
| Alex Claassens     | Branch Secretary – NSW  | 01/01/2017 to 31/12/2017 |
| Luba Grigorovitch  | Branch Secretary – Victoria   | 01/01/2017 to 31/12/2017 |
| Samantha Simonetis | Branch Secretary – Tasmania   | 01/01/2017 to 31/12/2017 |
| Owen Doogan        | Branch Secretary – Queensland   | 01/01/2017 to 31/12/2017 |
| Darren Phillips    | Branch Secretary – SA&NT  | 01/01/2017 to 31/12/2017 |
| Phillip Woodcock   | Branch Secretary – WA   | 01/01/2017 to 31/12/2017 |
| Paul Robinson      | Branch Secretary- WA PTA Branch   | 01/01/2017 to 31/12/2017 |
| John Curley        | Assistant National Secretary Rail Operations  | 01/01/2017 to 31/12/2017 |
| Greg Tatnell       | Assistant National Secretary Fleet<br>Manufacture, Overhaul, Maintenance and<br>Service | 01/01/2017 to 31/12/2017 |
| Ross Schimke       | Assistant National Secretary Infrastructure   | 01/01/2017 to 31/12/2017 |
| Chris Preston      | Assistant National Secretary Tram and Bus   | 01/01/2017 to 31/12/2017 |
| Grant Wainwright   | Assistant National Secretary Administrative,<br>Supervisory, Technical and Professional | 01/01/2017 to 31/12/2017 |
| Keith McMahon      | Assistant National Secretary Locomotive   | 01/01/2017 to 31/12/2017 |
| Tom Brown          | QLD Branch Delegate   | 01/01/2017 to 31/12/2017 |
| Peter Allen        | QLD Branch Delegate   | 01/01/2017 to 31/12/2017 |
| Michael Cartwright | NSW Branch Delegate   | 01/01/2017 to 31/12/2017 |
| VACANT             | NSW Branch Delegate   |                          |
| Robert Hayden      | NSW Branch Delegate   | 01/01/2017 to 31/12/2017 |
| John Anderson      | Vic Branch Delegate   | 01/01/2017 to 31/12/2017 |
| Darren Galea       | Vic Branch Delegate   | 01/01/2017 to 31/12/2017 |

ALLAN BARDEN

ASSISTANT NATIONAL SECRETARY

Dated:

9TH MAY 2018


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**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

On 9/5/2018, the Committee of Management of the Australian Rail Tram & Bus Industry Union National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 31 December 2017:

The Committee of Management declared 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 National Office will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the National Office; and
  - (ii) the financial affairs of the National Office have been managed in accordance with the rules of the organisation including the rules of the National Office; and
  - (iii) the financial records of the National Office have been kept and maintained in accordance with the RO Act; and
  - (iv) the financial records of the National Office have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no further information has been sought in any request of a member of the National Office or General Manager of FWC under section 272 of the RO Act; and
  - (vi) no order for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.
- (f) The National Office has not derived any revenue during the year as a result of any recovery of wages activity it may have undertaken on behalf of members.

  
Signed 9th May, 2018 by Allan Barden in accordance with such resolution as is passed by the committee of management.

ALLAN BARDEN  
Assistant National Secretary

Dated: 9th May, 2018

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**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Note    | 2017<br>\$       | 2016<br>\$       |
|--|---------|------------------|------------------|
| <b>REVENUE</b>                             |         |                  |                  |
| Capitation Fees                            | 2A      | 1,944,631        | 1,939,717        |
| Affiliation Fees                           | 2B      | 160,280          | 155,325          |
| Levies                                     | 2C      | -                | -                |
| Investment Income                          | 2D      | 125,188          | 91,632           |
| Rent Received                              | 2E      | 104,400          | 104,400          |
| Sponsorship Income                         |         | 28,636           | -                |
| Gain on revaluation of investment property | 9       | 250,000          | 1,600,000        |
| Other Income                               |         | 39,257           | 25,789           |
| <b>TOTAL REVENUE</b>                       |         | <b>2,652,392</b> | <b>3,916,863</b> |
| <b>EXPENSES</b>                            |         |                  |                  |
| Employee Expenses                          | 3A      | 789,580          | 774,076          |
| Affiliation Fees                           | 3B      | 200,166          | 198,277          |
| Administration Expenses                    | 3C      | 927,585          | 543,735          |
| Grants or Donations                        | 3D      | 24,961           | 48,951           |
| Depreciation and Amortisation              | 10 & 11 | 33,156           | 49,598           |
| Legal Costs                                | 3E      | 82,958           | 135,906          |
| Audit Fees                                 | 19      | 17,338           | 19,225           |
| Other Expenses                             | 3G      | 204,366          | 198,244          |
| Loss on Asset Disposal                     | 3F      | -                | -                |
| <b>TOTAL EXPENSES</b>                      |         | <b>2,280,110</b> | <b>1,968,012</b> |
| <b>PROFIT FOR THE YEAR</b>                 |         | <b>372,282</b>   | <b>1,948,851</b> |

The accompanying Notes form part of this Financial Report.

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

|                                  | Note | 2017<br>\$        | 2016<br>\$        |
|----------------------------------|------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>            |      |                   |                   |
| Cash and cash equivalents        | 4    | 2,056,889         | 2,342,787         |
| Receivables                      | 5    | 246,845           | 102,967           |
| Financial Assets                 | 6    | 2,276,123         | 2,181,610         |
| Other                            | 7    | 47,566            | 42,376            |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>4,627,423</b>  | <b>4,669,740</b>  |
| <b>NON CURRENT ASSETS</b>        |      |                   |                   |
| Financial Assets                 | 8    | 20                | 20                |
| Investment Property              | 9    | 5,750,000         | 5,500,000         |
| Plant & Equipment                | 10   | 120,281           | 137,523           |
| Intangible Assets                | 11   | 15,492            | 30,379            |
| <b>TOTAL NON CURRENT ASSETS</b>  |      | <b>5,885,793</b>  | <b>5,667,922</b>  |
| <b>TOTAL ASSETS</b>              |      | <b>10,513,216</b> | <b>10,337,662</b> |
| <b>CURRENT LIABILITIES</b>       |      |                   |                   |
| Trade and other Payables         | 12   | 144,814           | 170,570           |
| Provisions                       | 13   | 433,849           | 452,783           |
| Income in Advance                | 14   | 23,790            | 175,828           |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>602,453</b>    | <b>799,181</b>    |
| <b>TOTAL LIABILITIES</b>         |      | <b>602,453</b>    | <b>799,181</b>    |
| <b>NET ASSETS</b>                |      | <b>9,910,763</b>  | <b>9,538,481</b>  |
| <b>ACCUMULATED SURPLUS</b>       |      |                   |                   |
| Accumulated Surplus              |      | 9,910,763         | 9,538,481         |
| <b>ACCUMULATED SURPLUS</b>       |      | <b>9,910,763</b>  | <b>9,538,481</b>  |



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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

|  | Note | Retained<br>Surplus<br>\$ | Total<br>\$      |
|--|------|---------------------------|------------------|
| <b>Balance at 1 January 2016</b>           | 15   | 7,589,630                 | 7,589,630        |
| Transfer from Reserve to Retained Earnings |      |                           | -                |
| Profit for the Year                        |      | 1,948,851                 | 1,948,851        |
| <b>Balance at 31 December 2016</b>         |      | <u>9,538,481</u>          | <u>9,538,481</u> |
| Profit for the Year                        |      | 372,282                   | 372,282          |
| <b>Balance at 31 December 2017</b>         |      | <u>9,910,763</u>          | <u>9,910,763</u> |

**NOTE TO THE STATEMENT OF CHANGES IN EQUITY**

**Note A - Compulsory Levy**

Other than capitation fees and ACTU Levies, National Office receive no other compulsory levy.

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**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

|  | Note      | 2017<br>\$       | 2016<br>\$       |
|--|-----------|------------------|------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES:</b>                      |           |                  |                  |
| Receipts from other reporting units                              | 5         | 2,081,382        | 2,305,832        |
| Other Income   |           | 15,073           | 28,368           |
| Payments to other reporting units                                |           | -                | -                |
| Payments to Suppliers and Employees                              |           | (2,506,685)      | (1,886,373)      |
| Rent Received  |           | 114,840          | 114,840          |
| Interest Received  |           | 10,519           | 91,633           |
| <b>Net cash (used)/provided by operating activities</b>          | <b>16</b> | <b>(284,872)</b> | <b>654,300</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                       |           |                  |                  |
| Payment for plant and equipment                                  |           | (1,026)          | (9,158)          |
| <b>Net cash used in investing activities</b>                     |           | <b>(1,026)</b>   | <b>(9,158)</b>   |
| <b>Net (decrease)/increase in cash and cash equivalents held</b> |           | <b>(285,898)</b> | <b>645,142</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b>    |           | <b>2,342,787</b> | <b>1,697,645</b> |
| <b>Cash and cash equivalents at the end of the year</b>          | <b>4</b>  | <b>2,056,889</b> | <b>2,342,787</b> |

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION - NATIONAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements are general purpose financial statements that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Rail, Tram and Bus Industry Union, National Office is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below.

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

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

**Accounting Policies**

**(a) Income Tax**

The Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however the union still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**(b) Fair Value of Assets and Liabilities**

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

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

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

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

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

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

**(c) Property Plant & Equipment**

Property Plant and equipment is carried at cost less any accumulated depreciation

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

**(d) Depreciation**

The depreciable amount of all fixed assets including buildings and leasehold improvements, is depreciated on either a straight line or diminishing balance basis over their useful lives to the Union commencing from the time the asset is held ready for use.

The depreciation rates used for each asset are between 3% and 66% The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings

**(e) Impairment of Assets**

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

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

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**Accounting Policies (Con't)**

**(f) Investment Property**

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

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

Valuations

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

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

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

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

Derecognition

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

**(g) Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the union's intangible assets are:

|                     | 2017         | 2016         |
|---------------------|--------------|--------------|
| Website Development | 2 to 3 years | 2 to 3 years |

**(h) Employee Entitlements**

Provision for employee entitlements in the form of Long Service Leave and Accrued Annual Leave has been made for the estimated accrued entitlement of all employees on the basis of their terms of employment. In the case of Long Service Leave, the accrual has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

Contributions are made by the National Council to employee superannuation funds and are charged as expenses when incurred.

**(i) Defined Superannuation Schemes**

In respect to defined benefit plans, the cost of providing the benefits is determined using the projected unit cost method. Actuarial calculations are conducted by State Super. The amount recognised in the Statement of Financial Position represents the present value of the defined benefits obligations adjusted for any unrecognised actuarial gains and losses and unrecognised past service costs less the fair value of the plan's assets. The Union has defined benefit obligations for members participating in the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Superannuation Scheme. All Schemes are closed to new members.

**(j) Leases**

All lease payments are for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**(k) Financial Instruments**

Initial recognition and measurement

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**Financial Instruments (Con't)**

Classification and subsequent measurement

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

Amortised cost is calculated as 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.

**(i) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**(ii) Financial Liabilities**

Non-derivative financial liabilities, (excluding 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 Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

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

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

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

**(l) Cash and Cash Equivalents**

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

**(m) Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Union manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Union documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be 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 remeasurement 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.

**(n) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from capitation fees and levies are accounted for on an accrual basis and are recorded as revenue in the year to which it relates.

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

Rental revenue from lease is recognised on an accrual basis and is recorded as revenue in the year to which it relates.

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**Financial Instruments (Con't)**

**(o) Gains - Sale of Assets**

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

**(p) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 in the statement of financial position are shown inclusive of GST.

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

**(q) Trade and Other Receivables**

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

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

**(r) Trade and Other Payables**

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

**(s) Comparatives**

When required by Accounting Standards and the Fair Work (Registered Organisation) Act 2009, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**(t) Adoption of new and revised accounting standards**

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

AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

These standards will be applicable retrospectively (subject to the provisions on hedge accounting) and include revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the union on initial application of AASB 9 and associated Amending Standards include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to the hedging of non-financial items.

The committee of management does not anticipate that the adoption of AASB 9 will impact the Union's financial statements.

AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

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

The main changes introduced by the new Standard include:

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

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

The adoption of AASB 16 will impact the Union's financial statements by including a right to use asset of an office lease on the balance sheet at the date of adoption.

AASB 1058: Income for Not-for-Profit Entities (applicable for annual reporting periods commencing on or after 1 January 2019).

This standard provides guidance on income recognition and will work in conjunction with AASB15.

AASB 1058 applies to transactions where the consideration to acquire an asset is significantly less than fair value, and to the receipt of volunteer services

The committee of management does not anticipate that the adoption of AASB 1058 will impact the Union's financial statements.

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|   | 2017<br>\$       | 2016<br>\$       |
|---|------------------|------------------|
| <b>2 INCOME</b>                                   |                  |                  |
| <b>2A: Capitation Fees</b>                        |                  |                  |
| NSW Branch  | 830,219          | 823,760          |
| QLD Branch  | 363,333          | 353,022          |
| SA & NT Branch                                    | 72,158           | 74,612           |
| VIC Branch  | 555,334          | 565,600          |
| TAS Branch  | 21,488           | 20,478           |
| WA Branch   | 102,098          | 102,245          |
|   | <u>1,944,631</u> | <u>1,939,717</u> |
| <b>2B: Affiliation Fees</b>                       |                  |                  |
| NSW Branch  | 74,775           | 71,918           |
| QLD Branch  | 33,766           | 31,755           |
| SA & NT Branch                                    | 5,191            | 5,374            |
| VIC Branch  | 36,807           | 37,067           |
| TAS Branch  | 2,282            | 1,981            |
| WA Branch   | 7,457            | 7,231            |
|   | <u>160,280</u>   | <u>155,325</u>   |
| <b>2C: Levies</b>                                 |                  |                  |
| NSW Branch  | -                | -                |
| QLD Branch  | -                | -                |
| SA & NT Branch                                    | -                | -                |
| VIC Branch  | -                | -                |
| TAS Branch  | -                | -                |
| WA Branch   | -                | -                |
|   | <u>-</u>         | <u>-</u>         |
| <b>2D: Investment Income</b>                      |                  |                  |
| Interest Received                                 | 10,829           | 9,451            |
| Income & Gains on IFP                             | 114,359          | 82,181           |
|   | <u>125,188</u>   | <u>91,632</u>    |
| <b>2E: Rent Received</b>                          |                  |                  |
| Property at Redfern                               | 104,400          | 104,400          |
|   | <u>104,400</u>   | <u>104,400</u>   |
| <b>3 EXPENSES</b>                                 |                  |                  |
| <b>3A: Employee Expenses</b>                      |                  |                  |
| Holders of Office:                                |                  |                  |
| Wages and Salaries                                | 350,256          | 294,524          |
| Superannuation                                    | 16,075           | 15,493           |
| Leave and Other Entitlements                      | (49,174)         | 27,745           |
| Separation and Redundancies                       | -                | -                |
| Retirement Benefit Expenses                       | (3,746)          | (63,750)         |
|   | <u>313,411</u>   | <u>274,012</u>   |
| Employees Other than Officeholders:               |                  |                  |
| Wages and Salaries                                | 391,277          | 423,196          |
| Superannuation                                    | 43,504           | 46,498           |
| Leave and Other Entitlements                      | 41,388           | 30,370           |
| Separation and Redundancies                       | -                | -                |
| Other Employee Expenses                           | -                | -                |
|   | <u>476,169</u>   | <u>500,064</u>   |
|   | <u>789,580</u>   | <u>774,076</u>   |
| <b>3B: Affiliation Fees</b>                       |                  |                  |
| ACTU  | 160,280          | 155,325          |
| International Transport Workers Federation        | 19,934           | 24,332           |
| Rail Industry Safety Standards Board              | 4,455            | 4,880            |
| The Mckell Institute                              | 4,000            | 5,625            |
| Law Society of NSW                                | -                | 1,050            |
| Tracksafe   | 10,000           | 5,000            |
| Union Aid Abroad                                  | 1,498            | 2,066            |
|   | <u>200,166</u>   | <u>198,277</u>   |
| <b>3C: Administration Expenses</b>                |                  |                  |
| Consideration to employers for payroll deductions | -                | -                |
| Compulsory Levies                                 |                  |                  |
| ACTU 2016 IR Levy                                 | -                | -                |
| ACTU 2017 IR Levy                                 | -                | -                |
| Fee/Allowances – Meeting and Conferences          |                  |                  |
| Attendance  | 582              | 269              |
| Council Executive Expenses and Lost Time          | 100,579          | 15,015           |
| Conference and Meeting Expenses                   |                  |                  |
| Accommodations                                    | 99,600           | 52,930           |
| Airfares & Travelling Expenses                    | 261,447          | 136,007          |
| Conference and Meetings                           | 74,848           | 22,548           |
| National Executive                                | -                | -                |
| Accountancy                                       | 69,155           | 63,904           |
| Advertising                                       | 119              | 3,724            |
| Bank Charges & Fees                               | 20,990           | 14,229           |
| Consultants                                       | 98,331           | 40,282           |
| Property Expenses                                 |                  |                  |
| Building Expenses                                 | 23,603           | 22,327           |
| Rates & Land Taxes                                | 13,819           | 10,677           |
| Rent Paid   | 86,908           | 83,600           |

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**3C: ADMINISTRATION EXPENSES (Con't)**

|  | 2017<br>\$     | 2016<br>\$     |
|--|----------------|----------------|
| Office Expenses                          |                |                |
| General Expenses                         | 23,292         | 15,622         |
| Postage                                  | 719            | 2,005          |
| Printing and Stationery                  | 22,847         | 27,488         |
| Subscription and Membership              | 8,373          | 8,435          |
| Telephone                                | 20,131         | 16,881         |
| Website                                  | 2,243          | 7,792          |
|  | <u>927,585</u> | <u>543,735</u> |
| <b>3D: Grants or Donations</b>           |                |                |
| Grants                                   | -              | -              |
| Donations                                |                |                |
| Total paid that were \$1,000 or less     | 5,220          | 2,760          |
| Total paid that exceeded \$1,000         | 19,741         | 46,191         |
|  | <u>24,961</u>  | <u>48,951</u>  |
| <b>3E: Legal Costs</b>                   |                |                |
| Litigation                               | 48,660         | 91,238         |
| Other Legal Matters                      | 34,299         | 44,668         |
|  | <u>82,959</u>  | <u>135,906</u> |
| <b>3F: Net Losses on Asset Disposal</b>  |                |                |
| Motor Vehicles                           | -              | -              |
|  | <u>-</u>       | <u>-</u>       |
| <b>3G: Other Expenses</b>                |                |                |
| Campaigns                                | -              | 12,323         |
| Fringe Benefit Tax                       | 4,040          | 5,855          |
| Fines                                    | -              | -              |
| General Expense                          | 35,014         | 10,711         |
| Insurances – General                     | -              | 20,833         |
| Interest                                 | 26,571         | 210            |
| Motor Vehicle Expenses                   | 16,047         | 16,299         |
| Penalties - via RO Act or RO Regulations | -              | -              |
| Repairs and Maintenance                  | 487            | 8,170          |
| Badges & Other Items                     | 27,594         | -              |
| Doubtful Debt Expenses                   | 94,612         | 123,843        |
|  | <u>204,366</u> | <u>198,244</u> |

The following items have not occurred in the reporting periods:

Periodic or Membership Subscriptions  
Donations or Grants Received  
Capitation Fees Paid

**4 CASH AND CASH EQUIVALENTS**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Cash at Bank and on Deposit | 2,056,889        | 2,342,787        |
|                             | <u>2,056,889</u> | <u>2,342,787</u> |

**5 TRADE AND OTHER RECEIVABLES**

|                               |                |                |
|-------------------------------|----------------|----------------|
| Receivables from the Branches | 459,573        | 225,553        |
| Other Receivables             | 5,728          | 1,257          |
| Provision for doubtful debts  | (218,455)      | (123,843)      |
|                               | <u>246,845</u> | <u>102,967</u> |

Receivables from the Branches

|   | VIC       | NSW       | SA/NT    | QLD       | TAS     | WA       | TOTAL       |
|---|-----------|-----------|----------|-----------|---------|----------|-------------|
| <i>Opening Balance - Receivables</i>        | 37,615    | 5,330     | 5,444    | 50,782    | 2,540   | 123,843  | 225,553     |
| Amounts Charged to Branches                 |           |           |          |           |         |          |             |
| Capitation Fees                             | 610,868   | 913,241   | 79,374   | 399,666   | 23,636  | 112,308  | 2,139,094   |
| Affiliation Fees                            | 40,488    | 82,253    | 5,711    | 37,143    | 2,510   | 8,203    | 176,308     |
| ACTU Levies                                 | -         | -         | -        | -         | -       | -        | -           |
| Other Reimbursements                        | -         | -         | -        | -         | -       | -        | -           |
| <i>Total amounts charged to branches</i>    | 651,356   | 995,494   | 85,085   | 436,809   | 26,147  | 120,511  | 2,315,401   |
| Amount Received from Branches               |           |           |          |           |         |          |             |
| Capitation Fees                             | (526,346) | (895,553) | (77,680) | (386,904) | (5,642) | (12,949) | (1,905,074) |
| Affiliation Fees                            | (40,488)  | (82,253)  | (5,711)  | (37,143)  | (2,510) | (8,203)  | (176,308)   |
| ACTU Levies                                 | -         | -         | -        | -         | -       | -        | -           |
| <i>Total amounts received from branches</i> | (566,834) | (977,806) | (83,390) | (424,047) | (8,152) | (21,152) | (2,081,382) |
| <i>Closing Balance 31/12/2017</i>           | 122,136   | 23,018    | 7,138    | 63,544    | 20,535  | 223,201  | 459,573     |

**6 FINANCIAL ASSETS - CURRENT**

|  | 2017<br>\$       | 2016<br>\$       |
|--|------------------|------------------|
| Opening Investment with Industry Fund Services | 2,181,610        | 2,114,111        |
| Income & Gains on IFP (Note 2D)                | 114,359          | 82,181           |
| Management Fees                                | (19,846)         | (14,683)         |
| Investment with Industry Fund Services         | <u>2,276,123</u> | <u>2,181,610</u> |

**7 OTHER CURRENT ASSETS**

|             |        |        |
|-------------|--------|--------|
| Prepayments | 47,566 | 42,376 |
|-------------|--------|--------|

**8 FINANCIAL ASSETS - NON-CURRENT**

|                               |    |    |
|-------------------------------|----|----|
| Shares Encompass Credit Union | 20 | 20 |
|-------------------------------|----|----|



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|                                 | 2017<br>\$ | 2016<br>\$ |
|---------------------------------|------------|------------|
| <b>9 INVESTMENT PROPERTY</b>    |            |            |
| Redfern Property – at Valuation | 5,750,000  | 5,500,000  |

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

An independent valuations on the investment property at 83-89 Renwick Street, Redfern, NSW was carried out by PJC Property Services, and a report issued on 13th February, 2018. The valuation determined a market value of \$5,750,000. The net revaluation gain on the property of \$250,000 was recorded in the Statement of Comprehensive Income.

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 property during the year was \$104,400 (2016: \$104,400).

Direct expenses incurred in relation to the investment property that generated rental income during the year were \$34,520 (2016: \$21,799). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Union does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements

The fair value of investment property is determined by the independent valuer using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of investment property is included within Level 2 - refer Note 20D.

**10 PROPERTY, PLANT AND EQUIPMENT**

|                                | Leasehold<br>Improvements | Plant &<br>Equipment | Motor Vehicles | Total     |
|--------------------------------|---------------------------|----------------------|----------------|-----------|
| Plant and Equipment            | 99,388                    | 194,574              | 60,079         | 354,041   |
| Less: Accumulated Depreciation | (22,758)                  | (178,677)            | (32,325)       | (233,760) |
|                                | 76,629                    | 15,897               | 27,754         | 120,281   |

**MOVEMENTS IN CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT**

31 December 2016

|                                       | Leasehold<br>Improvements | Plant &<br>Equipment | Motor Vehicle | Total    |
|---------------------------------------|---------------------------|----------------------|---------------|----------|
| Balance at Beginning of Year          | 84,908                    | 18,229               | 46,210        | 149,348  |
| Additions                             | -                         | 8,326                | -             | 8,323    |
| Disposals                             | -                         | -                    | -             | -        |
| Depreciation                          | (4,245)                   | (5,506)              | (10,397)      | (20,148) |
| <i>Carrying Amount at End of Year</i> | 80,663                    | 21,049               | 35,812        | 137,524  |

31 December 2017

|                                       | Leasehold<br>Improvements | Plant &<br>Equipment | Motor Vehicles | Total    |
|---------------------------------------|---------------------------|----------------------|----------------|----------|
| Balance at Beginning of Year          | 80,663                    | 21,049               | 35,812         | 137,524  |
| Additions                             | -                         | 1,026                | -              | 1,026    |
| Disposals                             | -                         | -                    | -              | -        |
| Depreciation                          | (4,033)                   | (6,177)              | (8,059)        | (18,269) |
| <i>Carrying Amount at End of Year</i> | 76,630                    | 15,898               | 27,753         | 120,281  |

**11 INTANGIBLE ASSETS**

|                                       | 2017<br>\$ | 2016<br>\$ |
|---------------------------------------|------------|------------|
| Website Development                   | 78,547     | 78,547     |
| Less: Accumulated Amortisation        | (63,055)   | (48,167)   |
|                                       | 15,492     | 30,380     |
| Balance at Beginning of Year          | 30,379     | 59,828     |
| Additions                             | -          | -          |
| Disposals                             | -          | -          |
| Amortisation                          | (14,887)   | (29,449)   |
| <i>Carrying Amount at End of Year</i> | 15,492     | 30,379     |

**12 ACCOUNTS PAYABLE**

|   |         |         |
|---|---------|---------|
| Consideration to Employers for Payroll Deductions | -       | -       |
| Payable to the Branches                           |         |         |
| NSW Branch  | 886     | 5,359   |
| TAS Branch  | 7,082   | 1,101   |
| QLD Branch  | -       | 12,540  |
| WA Branch   | -       | -       |
| SA Branch   | -       | -       |
| Trade Creditors                                   | 57,959  | 26,588  |
| Legal Cost - Other Legal Matters (Litigation \$0) | -       | 40,551  |
| Other Payable                                     | 78,887  | 84,431  |
|   | 144,814 | 170,570 |

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|   | 2017             | 2016               |               |                     |
|---|------------------|--------------------|---------------|---------------------|
|   | \$               | \$                 |               |                     |
| 13 PROVISIONS   |                  |                    |               |                     |
| Officeholders:  |                  |                    |               |                     |
| Provision for Annual Leave  | 80,064           | 143,187            |               |                     |
| Provision for Long Service Leave  | 133,112          | 118,656            |               |                     |
| Provision for ADO   | 42,621           | 43,129             |               |                     |
| Provision for Retirement Benefits   | (25,058)         | (21,312)           |               |                     |
| Provision for Separations and Redundancies  | -                | -                  |               |                     |
|   | <u>230,740</u>   | <u>283,660</u>     |               |                     |
| Employees Other than Officeholders:   |                  |                    |               |                     |
| Provision for Annual Leave  | 125,590          | 98,373             |               |                     |
| Provision for Long Service Leave  | 57,209           | 51,409             |               |                     |
| Provision for ADO   | 20,309           | 19,340             |               |                     |
| Provision for Separations and Redundancies  | -                | -                  |               |                     |
|   | <u>203,108</u>   | <u>169,123</u>     |               |                     |
|   | <u>433,849</u>   | <u>452,783</u>     |               |                     |
| Movement during the Year:   |                  |                    |               |                     |
|   | Annual Leave     | Long Service Leave | ADO           | Retirement Benefits |
| Benefits Balance at the Beginning of the Year   | 241,561          | 170,065            | 62,469        | (21,312)            |
| Increase/(Decrease) in Provision  | (35,907)         | 20,256             | 461           | (3,746)             |
| Balance at the End of Year  | <u>205,654</u>   | <u>190,321</u>     | <u>62,931</u> | <u>(25,058)</u>     |
| 14 INCOME IN ADVANCE  | 2017             | 2016               |               |                     |
|   | \$               | \$                 |               |                     |
| Capitation Fees in Advance - RTBU NSW   | <u>23,790</u>    | <u>175,828</u>     |               |                     |
| 15 EQUITY   |                  |                    |               |                     |
| Compulsory Levy/voluntary contribution fund- if invested in assets  | -                | -                  |               |                     |
| Other fund(s) required by rules   | -                | -                  |               |                     |
| 16 CASH FLOW INFORMATION  |                  |                    |               |                     |
| Reconciliation of cash flow from operations   |                  |                    |               |                     |
| Profit  | 372,282          | 1,948,851          |               |                     |
| Adjustments for non-cash items:   |                  |                    |               |                     |
| Depreciation  | 33,156           | 49,598             |               |                     |
| (Gain) on Financial Asset   | (94,513)         | (67,499)           |               |                     |
| Gain on revaluation of investment property  | (250,000)        | (1,600,000)        |               |                     |
| Changes in assets and liabilities:  |                  |                    |               |                     |
| Decrease/(Increase) in receivables  | (149,067)        | 134,276            |               |                     |
| (Decrease)/Increase in payables   | (25,756)         | 37,071             |               |                     |
| (Decrease)/Increase in Income in Advance  | (152,038)        | 162,389            |               |                     |
| (Decrease)/Increase in provisions   | (18,934)         | (10,387)           |               |                     |
| Net cash flows from operations  | <u>(284,872)</u> | <u>654,299</u>     |               |                     |
| 17 RETIREMENT BENEFITS OBLIGATIONS  |                  |                    |               |                     |
| Other than for one employee, employees of the National Council are entitled to benefits from a superannuation plan on retirement, disability or death. For these employees, the National Council participated in a defined contribution plan. The benefits provided under this plan are based on accumulated contributions and earnings for each employee. The National Council's liability is limited to paying the contributions to the plan.             |                  |                    |               |                     |
| For one employee, the National Council participated in an employer sponsored defined benefits plan during the year. The benefit provided by the plan is based on the length of service of the member at retirement. Employees contribute various percentages of their gross income and the union may contribute up to 4.5 times the employees final average salary at retirement depending on the length of membership and the employees own contributions. |                  |                    |               |                     |
| Reconciliation of the present value of the defined benefit obligation -   |                  |                    |               |                     |
|   | 2017             | 2016               |               |                     |
|   | \$               | \$                 |               |                     |
| Present Value at the Beginning of the Year  | 1,076,919        | 876,062            |               |                     |
| Opening PV adjustment   | 10,611           | 389,014            |               |                     |
| Current Service Cost  | 3,580            | 14,758             |               |                     |
| Interest Cost   | 28,780           | 37,226             |               |                     |
| Contributions by Funds Participants   | 1,890            | 3,942              |               |                     |
| Actuarial Gains   | 45,976           | (51,645)           |               |                     |
| Benefits Paid   | (25,312)         | (192,441)          |               |                     |
| Taxes, Premiums & Expenses Paid   | (771)            | 3                  |               |                     |
| Present Value at the End of the Year  | <u>1,141,673</u> | <u>1,076,919</u>   |               |                     |

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**RETIREMENT BENEFITS OBLIGATIONS (Con't)**

|  | 2017             | 2016             |
|--|------------------|------------------|
|  | \$               | \$               |
| Fair Value at the Beginning of the Year  | 1,098,231        | 833,622          |
| Opening FV adjustment                    | (9,052)          | 333,237          |
| Interest Income                          | 29,297           | 29,651           |
| Actual Return                            | 79,813           | 36,974           |
| Employer Contributions                   | -                | -                |
| Contributions by Funds Participant       | 1,882            | 3,881            |
| Benefits (Paid) Transferred In           | (8,975)          | (139,137)        |
| Taxes, Premiums & Expenses Paid          | -                | 3                |
| <i>Fair Value at the End of the Year</i> | <u>1,190,923</u> | <u>1,098,231</u> |

Reconciliation of assets and liabilities recognised in the Statement of Financial Position -

|   |                 |                 |
|---|-----------------|-----------------|
| Present Value of Funded Defined Benefit Obligations                     | 1,141,673       | 1,076,919       |
| Fair Value of Fund Assets at End of Year                                | (1,190,923)     | (1,098,231)     |
| Surplus in excess of recovery available from schemes                    | 24,192          | -               |
| Net (Asset)/Liability Recognised in the Statement of Financial Position | <u>(25,058)</u> | <u>(21,312)</u> |

The percentage of the Funds assets invested in each asset class at 31 December

|                           |      |      |
|---------------------------|------|------|
| Australian Equities       | 22.4 | 25.0 |
| Overseas Equities         | 29.6 | 31.0 |
| Australian Fixed Interest | 6.9  | 5.6  |
| Overseas Fixed Interest   | 3.6  | 1.9  |
| Property                  | 8.7  | 9.0  |
| Cash                      | 6.9  | 5.7  |
| Other                     | 19.3 | 22.0 |

All fund assets are invested at arm's length through independent fund managers.

**Description of risks**

There are a number of risks to which the fund exposes the Employer. The more significant risks relating to the defined benefits are:

- Investment risk - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- Longevity risk - The risk that pensioners live longer than assumed, increasing future pensions.
- Pension indexation risk - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- Salary growth risk - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- legislative risk - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The fund has no significant concentration of investment risk or liquidity risk.

**Significant Actuarial Assumptions at the Reporting Date**

| As at   | 31-Dec-17  |
|---|--|
| Discount rate   | 2.65% pa   |
| Salary increase rate<br>(excluding promotional increases) | 2.50% 2016/2017 to 2018/2019; 3.50% 2019/2020 and 2020/2021; 3.00%<br>pa 2021/2022 to 2025/2026; 3.50% pa thereafter |
| Rate of CPI increase                                      | 2.25% 2017/2018 to 2019/2020; 2.50% pa thereafter  |

**18 RELATED PARTY DISCLOSURES**

**18A: RELATED PARTY TRANSACTIONS**

|                       | VIC            | NSW            | SA/NT         | QLD            | TAS           | WA             |
|-----------------------|----------------|----------------|---------------|----------------|---------------|----------------|
| Revenue Received from |                |                |               |                |               |                |
| Capitation Fees       | 478,496        | 814,139        | 70,618        | 351,731        | 5,129         | 11,772         |
| Affiliation Fees      | 36,807         | 74,775         | 5,191         | 33,766         | 2,282         | 7,457          |
| ACTU Levies           | -              | -              | -             | -              | -             | -              |
|                       | <u>515,304</u> | <u>888,914</u> | <u>75,809</u> | <u>385,497</u> | <u>7,411</u>  | <u>19,229</u>  |
| Amount owed by        | 122,136        | 23,018         | 7,138         | 63,544         | 20,535        | 223,201        |
|                       | <u>122,136</u> | <u>23,018</u>  | <u>7,138</u>  | <u>63,544</u>  | <u>20,535</u> | <u>223,201</u> |
| Income in advance     | -              | 23,790         | -             | -              | -             | -              |
|                       | <u>-</u>       | <u>23,790</u>  | <u>-</u>      | <u>-</u>       | <u>-</u>      | <u>-</u>       |

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|   | 2017<br>\$     | 2016<br>\$     |
|---|----------------|----------------|
| <b>18B: KEY MANAGEMENT PERSONNEL REMUNERATION</b> |                |                |
| Short-Term Employee Benefit                       |                |                |
| Salary (including annual leave taken)             | 350,256        | 294,524        |
| Annual Leave Accrued                              | 80,064         | 143,187        |
| ADO Accrued                                       | 42,621         | 43,129         |
| Performance Bonus                                 | -              | -              |
|   | <u>472,942</u> | <u>480,841</u> |
| Post-Employment Benefits                          |                |                |
| Superannuation                                    | 16,075         | 15,493         |
| Retirement Benefit Accrued                        | (25,058)       | (21,312)       |
|   | <u>(8,983)</u> | <u>(5,819)</u> |
| Other Long-Term Benefits:                         |                |                |
| Long-Service Leave Accrued                        | 133,112        | 118,656        |
|   | <u>133,112</u> | <u>118,656</u> |
| <b>Total</b>                                      | <u>597,071</u> | <u>593,677</u> |
| <b>19 AUDITORS' REMUNERATION</b>                  |                |                |
| Remuneration of the auditor for:                  |                |                |
| - auditing or reviewing the financial report      | 17,338         | 19,225         |
| - other services                                  | -              | -              |
|   | <u>17,338</u>  | <u>19,225</u>  |
| <b>20 FINANCIAL INSTRUMENTS</b>                   |                |                |

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

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:

**20A: Categories of Financial Instruments**

**Financial Assets**

|  |                  |                  |
|--|------------------|------------------|
| Cash and cash equivalents                  | 2,056,889        | 2,342,787        |
| Trade and other receivables                | 465,300          | 226,810          |
| Financial assets                           | 2,276,123        | 2,181,610        |
| <b>Carrying amount of financial assets</b> | <u>4,798,313</u> | <u>4,751,207</u> |

**Financial Liabilities**

|   |                |                |
|---|----------------|----------------|
| Financial liabilities at amortised cost         |                |                |
| Trade and other payables                        | 144,814        | 170,570        |
| <b>Carrying amount of financial liabilities</b> | <u>144,814</u> | <u>170,570</u> |

**20B: Financial risk management policies**

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

**20C: Specific financial risk exposures and management**

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

**(a) Interest Rate Risk**

Exposure to interest rate risk arises on financial assets 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.

**Net Income and Expense from Financial Assets**

|   |                |               |
|---|----------------|---------------|
| <b>Cash &amp; Financial Assets</b>        |                |               |
| Interest Received                         | 10,829         | 9,451         |
| Income & Gains on IFP                     | 114,359        | 82,181        |
| <b>Net gain from cash and receivables</b> | <u>125,187</u> | <u>91,632</u> |

The Union has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

The Union's exposure to interest rate risk and the effective average interest rate for each class of financial assets and financial liabilities are set out below.

31 December 2016

|                  | Fixed Interest<br>Rate | Floating Interest<br>Rate | Non Interest   | Total            |
|------------------|------------------------|---------------------------|----------------|------------------|
|                  | \$                     | \$                        | \$             | \$               |
| Financial Assets | 118,655                | 2,224,405                 | (275)          | 2,342,785        |
| Receivables      | -                      | 2,181,610                 | -              | 2,181,610        |
|                  | <u>-</u>               | <u>-</u>                  | <u>230,341</u> | <u>230,341</u>   |
|                  | <u>118,655</u>         | <u>4,406,015</u>          | <u>230,066</u> | <u>4,754,736</u> |

Weighted Average Interest Rate 1.9%

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**(a) Interest Rate Risk (Con't)**

31 December 2017

|                  | Fixed Interest Rate | Floating Interest Rate | Non Interest   | Total            |
|------------------|---------------------|------------------------|----------------|------------------|
|                  | \$                  | \$                     | \$             | \$               |
| Financial Assets | 119,628             | 1,937,261              | -              | 2,056,889        |
| Receivables      | -                   | 2,276,123              | -              | 2,276,123        |
|                  | -                   | -                      | 465,300        | 465,300          |
|                  | <u>119,628</u>      | <u>4,213,384</u>       | <u>465,300</u> | <u>4,798,313</u> |

Weighted Average Interest Rate 2.6%

**Sensitivity analysis**

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

| Sensitivity analysis of the risk that the Union is exposed to for 2016 | Change in risk variable % | Effect on |                |
|--|---------------------------|-----------|----------------|
|  |                           | Equity    | Profit or Loss |
| Interest Rate risk   | +/- 0.5%                  | 22,622    | 22,622         |

| Sensitivity analysis of the risk that the Union is exposed to for 2017 | Change in risk variable % | Effect on |                |
|--|---------------------------|-----------|----------------|
|  |                           | Equity    | Profit or Loss |
| Interest Rate risk   | +/- 0.5%                  | 21,665    | 21,665         |

**(b) Liquidity Risk**

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

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

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

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

**Contractual maturities for financial liabilities 2016**

|   | On Demand      | < 1 year<br>\$ | 1- 2 years<br>\$ | 2- 5 years<br>\$ | >5 years<br>\$ | Total<br>\$    |
|---|----------------|----------------|------------------|------------------|----------------|----------------|
| Financial liabilities due for payment         |                |                |                  |                  |                |                |
| Accounts payable (excluding leave provisions) | 170,570        | -              | -                | -                | -              | 170,570        |
| <b>Total expected outflows</b>                | <b>170,570</b> | <b>-</b>       | <b>-</b>         | <b>-</b>         | <b>-</b>       | <b>170,570</b> |

**Contractual maturities for financial liabilities 2017**

|   | On Demand      | < 1 year<br>\$ | 1- 2 years<br>\$ | 2- 5 years<br>\$ | >5 years<br>\$ | Total<br>\$    |
|---|----------------|----------------|------------------|------------------|----------------|----------------|
| Financial liabilities due for payment         |                |                |                  |                  |                |                |
| Accounts payable (excluding leave provisions) | 144,814        | -              | -                | -                | -              | 144,814        |
| <b>Total expected outflows</b>                | <b>144,814</b> | <b>-</b>       | <b>-</b>         | <b>-</b>         | <b>-</b>       | <b>144,814</b> |

**Contractual maturities for financial assets 2016**

|  | On Demand        | < 1 year<br>\$ | 1- 2 years<br>\$ | 2- 5 years<br>\$ | >5 years<br>\$ | Total<br>\$      |
|--|------------------|----------------|------------------|------------------|----------------|------------------|
| Financial assets - cash flows realisable |                  |                |                  |                  |                |                  |
| Cash and cash equivalents                | 2,294,746        | 48,040         | -                | -                | -              | 2,342,786        |
| Trade and other receivables              | 226,810          | -              | -                | -                | -              | 226,810          |
| Financial assets                         | 2,181,610        | -              | -                | -                | -              | 2,181,610        |
| <b>Total expected inflows</b>            | <b>4,703,166</b> | <b>48,040</b>  | <b>-</b>         | <b>-</b>         | <b>-</b>       | <b>4,751,206</b> |

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**Contractual maturities for financial assets 2017**

|  | On Demand        | < 1 year      | 1– 2 years | 2– 5 years | >5 years | Total            |
|--|------------------|---------------|------------|------------|----------|------------------|
| Financial assets - cash flows realisable |                  | \$            | \$         | \$         | \$       | \$               |
| Cash and cash equivalents                | 2,008,096        | 48,794        | -          | -          | -        | 2,056,890        |
| Trade and other receivables              | 465,300          | -             | -          | -          | -        | 465,300          |
| Financial assets                         | 2,276,123        | -             | -          | -          | -        | 2,276,123        |
| <b>Total expected inflows</b>            | <b>4,749,520</b> | <b>48,794</b> | <b>-</b>   | <b>-</b>   | <b>-</b> | <b>4,798,314</b> |

**20C: Specific financial risk exposures and management (Con't)**

**(c) Credit Risk**

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

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

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise cleared as being financially sound.

**Credit Risk Exposures**

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

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

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

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union. The trade receivables balance at 31 December 2017 and 31 December 2016 do not include any counterparties with external credit ratings.

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

**Ageing of financial assets that were past due but not impaired for 2016**

|                             | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total   |
|-----------------------------|--------------|---------------|---------------|----------|---------|
|                             | \$           | \$            | \$            | \$       | \$      |
| Trade and other receivables | 93,182       | 9,786         | -             | -        | 102,968 |

**Ageing of financial assets that were past due but not impaired for 2017**

|                             | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days | Total   |
|-----------------------------|--------------|---------------|---------------|----------|---------|
|                             | \$           | \$            | \$            | \$       | \$      |
| Trade and other receivables | 150,687      | 26,973        | 52,924        | 16,263   | 246,846 |

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**20D: Fair Value Estimation**

The net carrying amounts of all financial assets and financial liabilities approximate net fair values.

The Union measures and recognises Investment Property at fair value on a recurring basis after initial recognition.

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

**(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. |
| Level 2 | Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.   |
| Level 3 | Measurements based on unobservable inputs for the asset or liability.  |

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

**Valuation Techniques**

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

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

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

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

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

**(a) Fair Value Hierarchy (Con't)**

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

| 31 December, 2016                           | Level 1                   | Level 2   | Level 3                | Total     |
|---|---------------------------|---|------------------------|-----------|
|   | \$                        | \$  | \$                     | \$        |
| Recurring fair value measurements           |                           |   |                        | -         |
| Non-financial assets                        | -                         | -   | -                      | -         |
| Investment property                         | -                         | 5,500,000   | -                      | 5,500,000 |
| Total non-financial assets recognised at FV | -                         | 5,500,000   | -                      | 5,500,000 |
| 31 December, 2017                           | Level 1                   | Level 2   | Level 3                | Total     |
|   | \$                        | \$  | \$                     | \$        |
| Recurring fair value measurements           |                           |   |                        | -         |
| Non-financial assets                        | -                         | -   | -                      | -         |
| Investment property                         | -                         | 5,750,000   | -                      | 5,750,000 |
| Total non-financial assets recognised at FV | -                         | 5,750,000   | -                      | 5,750,000 |
| Description                                 | Fair Value at 31-Dec 2017 | Valuation technique                                     | Inputs used            |           |
| Investment property                         | 5,750,000                 | Market approach using recent observable market data for | Price per square metre |           |

(i) The fair value of the investment property and buildings is determined at least every three years based on valuations by an independent valuer. At the end of each intervening period, the Committee reviews 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.

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**21 SECTION 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or General Manager:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

**22 REGISTERED OFFICE**

The registered office and principle place of business of National Office:

Suite 210, Trades Hall  
4 - 10 Goulburn Street  
Sydney NSW 2000

**23 RECOVERY WAGES**

The Union has not derived any revenue during the year as a result of any recovery of wages activity it may have undertaken on behalf of members.

**24 GOING CONCERN**

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

**25 FINANCIAL SUPPORT**

The Union has not agreed to provide any financial support to any reporting units nor did it require any financial support.

**26 ASSETS & LIABILITIES ACQUIRED**

The Union has not acquired any asset or liability as a result of an amalgamation, a restructure of branches, determination or revocation of the Fair Work Commission.

**27 OPERATING LEASE COMMITMENTS - AS LESSOR**

The Investment property is leased to a third party on a 'month to month' basis. Accordingly there are no future minimum rentals receivable at balance date.



**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION  
NATIONAL OFFICE**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
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**Opinion**

We have audited the financial report of Australian Rail, Tram and Bus Industry Union National Office, which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Rail, Tram and Bus Industry Union National Office as at 31 December 2017, 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).

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

**Basis for Opinion**

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

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

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

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

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

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

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

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**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION  
NATIONAL OFFICE**

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

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

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

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Union to cease to continue as a going concern.



**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION  
NATIONAL OFFICE**

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Union audit. We remain solely responsible for our audit opinion.
- We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

We declare that Mr. Graham Webb is an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

*H M Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000

*G Webb*

**Graham Webb**  
Partner  
Dated: 9 May 2018