



RTBU

NSW Branch
Rail Tram and Bus Union

NSW BRANCH GENERAL PURPOSE FINANCIAL REPORT FOR 2016

Final: 25 May 2017

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SCOPE OF GENERAL PURPOSE FINANCIAL REPORT

This General Purpose Financial Report covers the;

1. Activities of the Australian Rail, Tram and Bus Industry Union NSW Branch (RTBU NSW), and results of those activities for the calendar year 1 January 2016 to 31 December 2016;
2. Significant changes in the nature of the activities as required under Fair Work (Registered Organisations) Act 2009.
3. Details of any significant changes in financial affairs.
4. Details of the rights of members to resign
5. Details of officers who hold positions as superannuation trustees or company directors.
6. Prescribed information - number of members and number of employees
7. Members of the committee of management

THE PRINCIPAL ACTIVITIES & RESULTS OF THE ACTIVITIES OF THE BRANCH

The (RTBU NSW) is a member based, federally registered trade union representing members whose usual place of work is located within the State of New South Wales (NSW) and the Australian Capital Territory (ACT) together with members employed rail, tram (light rail) and government owned and operated bus industries.

The reporting unit's activities are directed by the NSW Branch Executive and NSW Branch Council in accordance with our objectives and rules of registration.

The principal activities and the results of these activities fell into the following categories:

ACTIVITIES	2016 RESULTS
1. Making agreements with employers.	<ul style="list-style-type: none"> • 10 agreements were ratified in the reporting period.
2. Implementation of Branch Council's agenda,	<ul style="list-style-type: none"> • The Branch Plan provides a framework for major Branch activities, and include: <ul style="list-style-type: none"> - Organising - Servicing - Communications - Education and Training - Community - Campaigning - Political - Financial
3. Representing members in tribunals and related institutions and provided assistance and strategic advice to individual members in relation to workplace issues.	<ul style="list-style-type: none"> • Day to day individual member advice • representation in restructuring and reform processes, • attending Commission hearings and advocacy

<p>4. Community Campaigns</p>	<ul style="list-style-type: none"> • Sydney Alliance • Local Union Community Councils • White Ribbon Day • International Women's Day • May Day • Medicare • Newcastle Privatisation • Newcastle Save our Rail • Fix my Ride • Better Futures Campaign • Nurses Rally – Save Lismore & Penrith Hospital • Apheda • Chafta • Climate change rally • ETU Asbestosis Rally • Greens Transport Forums • MUA Hutchinson Peaceful assembly • Save our Councils • South Coast Labor council Cuts to steels works • Unanderra Access Group • Injured workers campaign •
<p>5. Electing representatives to peak trade union bodies.</p>	<ul style="list-style-type: none"> • UnionsNSW - 7 delegates and alternate delegates. • Unions Hunter – 6 delegates • South Coast Labor Council - 2 nominated delegates • Unions ACT – 1 delegate • Broken Hill Barrier Council – 1 delegate
<p>6. Attending meetings called by peak union bodies.</p>	<ul style="list-style-type: none"> • Attended approximately 25 UnionsNSW General Meetings. • 25 UnionsNSW Executive meetings • 6 UnionsNSW OHS & WC meetings • 4 Unions Hunter General meetings • 6 South Coast Labour Council meetings • 2 UnionsAct meetings •
<p>7. Affiliations</p>	<ul style="list-style-type: none"> • Workers Health Centre • McKell Foundation • Sydney Alliance • Permanent Way Institute • Australian Labor Party •
<p>8. Making submissions on behalf of the branch to inquiries and proceedings affecting the industry.</p>	<ul style="list-style-type: none"> • No submissions were made in 2016
<p>9. Training delegates & representatives.</p>	<ul style="list-style-type: none"> • 13 Delegate Training Courses – 96 participants • September– Union Governance – 17 participants •

<p>10. Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.</p>	<ul style="list-style-type: none"> • Produced and distributed: <ul style="list-style-type: none"> - 4 - issues of the official union journal <i>Rail & Road</i>; - 53 Media Releases - 17 - issues of RTBU Expresses and EDMs– electronic newsletters - 384 - RTBU Express posts - 56 – Branch bulletins - Rail Operations Division <ul style="list-style-type: none"> o 6 - Guards Blue Light newsletters o 2 - Signaller’s Newsletters - Locomotive Division: <ul style="list-style-type: none"> o 26 - Footplate Bulletins o 26 - Loco Express EDMs o 336 - Loco Articles o 2 - Loco Express Hard Copy - Tram and Bus <ul style="list-style-type: none"> o 23 - Bus Express electronic newsletters o 26 - Bus Express EDMs o 132 - Bus Express Articles o 12 - Bus Express Hard Copy
<p>11. General Member Services</p>	<ul style="list-style-type: none"> • Range of member services provided: <ul style="list-style-type: none"> o RTBU Holiday Park o Access to other holiday facilities, through partner organisations o Financial Services through partner organisations o Taxation and accounting services through partner organisations o Member resources (eg: WHS resource kit developed, new member kits) o Delegates Information Kits o Member resource Cds o Health fund services through partner organisation o Membership information kits o website
<p>12. Legal Services</p>	<ul style="list-style-type: none"> • A range of legal referral services available to members through partner legal organisations • established internal industrial/legal resources to assist members with direct representation on a range of workplace issues, such as appeals, dismissal, disciplinary hearings (as per item 3. above) • Legal fund established through membership levy to provide Industrial/legal services.

13. Policy Development	<ul style="list-style-type: none">A number of policy changes were implemented during the reporting period to improve the effectiveness and accountability across the Branch. All Branch Policies were reviewed and revised during 2016
14. Rule Changes affecting NSW	<ul style="list-style-type: none">Nil

ANY SIGNIFICANT CHANGES IN ACTIVITIES

The principle activities of the Branch during the year were that of a registered trade union and no significant change occurred in the nature of those activities.

DETAILS OF ANY SIGNIFICANT CHANGES IN FINANCIAL AFFAIRS

Refer to Discussion and Analysis of the financial factors later in this report.

DETAILS OF THE RIGHTS OF MEMBERS TO RESIGN

All members of the (RTBU NSW) have the right to resign from the union in accordance with **Rule 14, Resignation from Membership**, of the Rules of the Australian Rail Tram and Bus Industry Union

DETAILS OF OFFICERS WHO HOLD POSITIONS AS TRUSTEES OR COMPANY DIRECTORS

The following office holders hold positions as trustees or company directors, by virtue of their office of the (RTBU NSW):

- | | |
|----------------|--|
| Alex Claassens | <ul style="list-style-type: none">• By virtue of his office within (RTBU NSW), Employee Representative appointed to the Board of the State Trustee Corporation |
| Alex Claassens | <ul style="list-style-type: none">• Membership Elected Director of the Select Encompass Credit Union |

PREScribed INFORMATION

Number of Members

As at the 31 December 2016 there were a total of **13,805** members of the (RTBU NSW) across the following Divisions of the union:

DIVISION	FINANCIAL MEMBERS	UNFINANCIAL MEMBERS	TOTAL
Rail Operations	3042	23	3065
Infrastructure	1339	13	1352
Workshops	615	3	618
Admin / Professional	1582	17	1599
Locomotive	3372	20	3392
Tram and Bus	3647	132	3779
TOTAL	13,597	208	13,805

Numbers of Employees

As at the 31 December 2016 there were 18 equivalent full-time employees.

POSITIONS	
Elected Paid Officials	4
Employed Industrial Staff	9
Administrative Support	5

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The members of the Committee of Management during the reporting period were:

BRANCH EXECUTIVE		
Joanne McCallum	Branch President (Honorary)	1/01/2016 to 31/12/2016
Alex Claassens	Branch Secretary	1/01/2016 to 31/12/2016
Robert Hayden	Assistant Branch Secretary Rail (Honorary)	1/01/2016 to 31/12/2016
David Woollams	Assistant Branch Secretary Road (Honorary)	1/01/2016 to 31/12/2016
Brett Rosser	Locomotive Divisional President (Honorary)	1/01/2016 to 31/12/2016
Robert Hayden	Locomotive Divisional Secretary	1/01/2016 to 31/12/2016
David Woollams (<i>Elected</i>)	Tram & Bus Divisional President	21/04/2016 to 31/12/2016
Chris Preston	Tram & Bus Divisional Secretary	1/01/2016 to 31/12/2016
Michael Sullivan	Infrastructure Divisional President (Honorary)	1/01/2016 to 31/12/2016
James Buckley	Infrastructure Divisional Secretary (Honorary)	1/01/2016 to 31/12/2016
Mark Thompson (<i>resigned</i>)	Administrative, Supervisory Technical and Professional Divisional President (Honorary)	1/01/2016 to 24/10/2016
Stephen Lourey (<i>resigned</i>)	Administrative, Supervisory Technical and Professional Divisional Secretary (Honorary)	1/01/2016 to 18/8/2016
Michael Bartlett	Fleet Manufacture, Overhaul, Maintenance and Service Divisional President (Honorary)	1/01/2016 to 31/12/2016
David Hastie (<i>resigned</i>)	Fleet Manufacture, Overhaul, Maintenance and Service Divisional Secretary (Honorary)	1/01/2016 to 19/8/2016
John Steck	Rail Operations Divisional President (Honorary)	1/01/2016 to 31/12/2016
Craig Turner	Rail Operations Divisional Secretary (Honorary)	1/01/2016 to 31/12/2016

THE REGISTERED OFFICE OF THE AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NSW BRANCH IS:

LEVEL 4, 321 PITT STREET
SYDNEY NSW 2000

2016 ELECTIONS

E2015/303 were conducted and declared by the AEC on 21st April 2016.

E2016/138 were conducted and declared by the AEC on 15th August 2016.

E2016/99 were conducted and declared by the AEC on 13th September 2016.

E2016/166 were conducted and declared by the AEC on 20th September 2016.



ALEXANDER CLAASSENS
NSW Branch Secretary

COMMITTEE OF MANAGEMENT STATEMENT

On the 25 May 2017 the Committee of Management of the Australian, Rail Tram and Bus Industry Union, New South Wales Branch passed the following resolution in relation to the General Purpose Financial Report (GPFR) of the reporting unit for the financial year ended 31st December, 2016:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - (v) information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made 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 Branch 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 in accordance with such resolution as passed by the committee of management.



ALEXANDER CLAASSENS

NSW BRANCH SECRETARY

Signed at Sydney on the 25 May 2017

DISCUSSION AND ANALYSIS OF THE FINANCIAL FACTORS

This discussion and analysis is provided to members in understanding the financial report.

Related Party and Financial Support

This report relates to the Australian Rail, Tram and Bus Industry Union, New South Wales Branch ("Branch"), which is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 and is part of a separate legal entity as opposed to Rail, Tram & Bus Union of NSW previously known as (*The Australian Rail, Tram and Bus Industry Union, New South Wales*) which is an organization registered under the Industrial Relations Act 1996 (NSW) ("State Union").

Members of the Branch are also members of the State Union. The Branch accounts for the whole of the members' income and is responsible for all expenditure other than income and expenditure which related specifically to the assets of the State Union.

The Branch financially supports the State Union by assisting, as required with the maintenance of State Union assets in exchange for the use of such assets.

Statements of Comprehensive Income

The profit for the year as reported was \$4,682,016 which is due to

- A fall in member contribution levels
- A reduction in employee costs
- An unrealized fair value gain from a revaluation of investment property of \$2,800,000

Statement of Financial Position

Total assets increased by \$4,851,949, mainly as a result of the revaluation of the investment Property and property by \$2,800,000 and \$342,500.

Members Accumulated Funds increased by \$5,024,516 which is the profit for the year.

Statement of Cash Flows

Increase in cash held by \$1,613,796 mainly as a result of \$1,713,380 in cashflow from operations during the year.

FINANCIAL REPORTS

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31st December 2016

	Notes	2016 \$	2015 \$
INCOME			
Members Contributions		6,571,623	6,901,631
Legal Levy Received		486,268	509,379
Capitation Fees		-	-
Interest Received		231,521	223,254
Rent Received		344,985	276,360
Grants and/or Donations	4	3,211	-
Net Gains on Sale of Assets		-	187
Valuation Gain from Investment Property		2,800,000	-
Other Income		65,875	94,790
TOTAL INCOME		10,503,483	8,005,601
EXPENSES			
Employee Expenses	5A	2,293,523	2,792,414
Capitation Fee paid to National Office		823,649	833,670
Affiliation Fees	5B	231,409	200,489
Administration Expenses	5C	1,075,679	971,016
Grants or Donations	5D	20,197	7,574
Depreciation and Amortisation		88,376	94,352
Legal Costs	5E	62,380	60,042
Audit and Accounting Fees	5F	67,473	53,155
Other Expenses	5G	1,158,781	1,135,255
TOTAL EXPENSES		5,821,467	6,147,967
PROFIT FOR THE YEAR		4,682,016	1,857,634
OTHER COMPREHENSIVE INCOME			
Gain on Revaluation of Property		342,500	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,024,516	1,857,634

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
STATEMENT OF CHANGES MEMBER'S FUND**As at 31st December 2016**

	Retained Profits	Asset Revaluation Reserve \$	Total \$
Balance 01/01/2015	14,252,744	-	14,252,744
Profit for the Year	1,857,634	-	1,857,634
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	1,857,634	-	1,857,634
Balance 31/12/2015	16,110,378	-	16,110,378
Profit for the Year	4,682,016	-	4,682,016
Other Comprehensive Income for the Year	-	342,500	342,500
Total Comprehensive Income for the Year	4,682,016	342,500	5,024,516
Balance 31/12/2016	20,792,394	342,500	21,134,894

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
STATEMENT OF FINANCIAL POSITION

As at 31st December 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	13,261,853	11,648,057
Receivables	10	226,259	371,815
Other Assets	11	383,944	158,194
TOTAL CURRENT ASSETS		13,872,056	12,178,066
NON-CURRENT ASSETS			
Receivable	10	977,865	973,538
Financial Assets	12	1,236	1,236
Property	13	805,000	475,000
Investment Property	14	6,000,000	3,200,000
Plant & Equipment	15	132,623	145,216
Motor Vehicles	16	147,699	111,474
TOTAL NON-CURRENT ASSETS		8,064,423	4,906,464
TOTAL ASSETS		21,936,479	17,084,530
CURRENT LIABILITIES			
Accounts Payable	17	244,695	293,013
Provisions	18	556,890	681,139
TOTAL CURRENT LIABILITIES		801,585	974,152
TOTAL LIABILITIES		801,585	974,152
NET ASSETS		21,134,894	16,110,378
ACCUMULATED FUNDS			
Reserves	19	342,500	-
Accumulated Surplus	20	20,792,394	16,110,378
ACCUMULATED FUNDS		21,134,894	16,110,378

The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
STATEMENT OF CASH FLOWS
For the Year Ended 31st December 2016

	Notes	2016 \$	2015 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from RTBU National Office		34,914	32,676
Receipts from Members		7,903,537	7,601,254
Payment to RTBU National Office		(1,060,000)	(860,000)
Payments to Suppliers and Employees		(5,845,590)	(5,496,970)
Interest Received		231,522	223,254
Rent Received		379,484	303,996
Receipts - Other		69,513	98,960
Net Cash Provided by (Used in) Operating Activities	B	<u>1,713,380</u>	<u>1,903,171</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(156,074)	-
Proceeds from sale of plant and equipment		56,490	5,295
Net Cash Provided by (Used in) Investing Activities		<u>(99,584)</u>	<u>5,295</u>
Net Increase in Cash Held		1,613,796	1,908,466
Cash at beginning of the Year		11,648,057	9,739,591
Cash at the End of Year	A	<u>13,261,853</u>	<u>11,648,057</u>

NOTES TO THE STATEMENT OF CASH FLOW
Note A - Reconciliation of Cash

Cash at the end of the financial year as show in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at Bank and on Deposit	<u>13,261,853</u>	<u>11,648,057</u>
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The accompanying notes form part of these financial statements

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
STATEMENT OF CASH FLOWS
For the Year Ended 31st December 2016

	2016	2015
	\$	\$
Note B – Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities		
Profit from Ordinary Activities	4,682,016	1,857,634
Depreciation	88,376	94,352
Valuation Gain from Investment Property	(2,800,000)	-
Change in Assets and Liabilities		
Decrease / (Increase) in Receivables	141,269	(128,705)
(Increase) / Decrease in Prepaid Expenses	(168,470)	89,158
(Increase) / Decrease in Promotional Items	(2,880)	19,145
(Decrease) in Creditors	(48,282)	(47,029)
(Decrease) / Increase in Provision for employee benefits	(178,649)	18,616
Cash Flows from Operations	<u>1,713,380</u>	<u>1,903,171</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY**

The financial statement is a general purpose financial statement that has been prepared in accordance with Australia Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), other mandatory professional reporting requirements, 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, New South Wales Branch is a not-for-profit entity

The financial report is prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

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

(a) Related Party and Financial Support

These financial statements relate to the Australian Rail, Tram and Bus Industry Union, New South Wales Branch ("Branch"), which is a reporting unit for the purposes of the Fair Work (Registered Organisations) Act 2009 (Cth) and is part of a separate legal entity as opposed to The Rail, Tram and Bus Union, New South Wales which is an organization registered under the Industrial Relations Act 1996 (NSW) ("State Union")

Members of the Branch are also members of the State Union. The Branch accounts for the whole of the members' income and is responsible for all expenditure other than income and expenditure which related specifically to the assets of the State Union.

The Branch financially supports the State Union by assisting, as required with the maintenance of State Union assets in exchange for use of such assets.

(b) Property, Plant & Equipment.

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

Plant and equipment

Plant and equipment are included at cost. The carrying amount is reviewed annually by the Committee of Management to ensure it is not in excess of recoverable amount.

Property for own use

Freehold land and buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the entity to have periodic independent valuations, with annual appraisals being made by the committee. The last independent valuations were carried out on 6 December 2016 for Wollongong and 13 December 2016 for Hamilton.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)*Investment property*

Property held to earn rental income is separately disclosed from property held for own use. Investment properties are measured on the fair value basis. As with property held for own use, it is the policy of the entity to have periodic independent valuations, with annual appraisals being made by directors. The change in fair value of investment properties are recorded in the income statement. No depreciation is provided where the fair value basis is used.

(c) Income Tax

No provision for income tax is necessary, as "Trade Unions" are exempt from income tax under Section 50.1 of the Income Tax Assessment Act 1997.

(d) 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.

(e) 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 unions 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.

(f) Revenue

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

Member contributions and levies are recognised on an accrued basis and recorded as revenue in the year in which it relates.

Receivables for goods and services are recognized at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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

(g) Comparative

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.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)**(h) Significant accounting judgements and estimates**

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Fair Value of property

The Union carries its property and investment property at fair value based on independent valuations. The changes in the fair value recognised in the Statement of Profit or Loss and Other Comprehensive income. At the end of each reporting period, the Union reviews and update their assessment of the fair value of the property, taking into account any impairment indicators and the most recent independent valuations. The key assumptions are set out in the investment property note and property note.

(i) New Australian Accounting Standards*Adoption of New Australian Accounting Standard requirements*

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact.

(j) 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. The Branch only had loans and receivables financial assets at the end of the year.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)*Impairment of financial assets*

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)****(k) Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit 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 liability other than a financial liability 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 liability 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 reporting units 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 liabilities 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 interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

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

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

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting unit's obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

		2016	2015
		\$	\$
NOTE 2 – OPERATING SURPLUS			
Operating Surplus		4,682,016	1,857,634
		<hr/>	<hr/>
Operating Surplus (Deficiency) for the Comprises -			
General Fund	A	3,933,305	1,217,715
Bus & Tram Picnic Fund	B	145,925	12,310
Bus & Tram Traffic Fund	C	99,279	111,796
Legal Fund	D	503,507	515,813
		<hr/>	<hr/>
		4,682,016	1,857,634
		<hr/>	<hr/>
NOTE 3A – GENERAL FUND INCOME			
Members Contributions		6,165,711	6,502,601
Interest Received		115,248	110,736
Rent Received		344,985	276,360
Grants and/or Donations		3,211	-
Net Gains on Sale of Assets		-	187
Valuation gain from investment property		2,800,000	-
Other Income		65,875	94,790
TOTAL INCOME		<hr/> 9,495,030	<hr/> 6,984,674
		<hr/>	<hr/>
EXPENSES			
Employee Expenses		2,293,525	2,792,414
Capitation Fee paid to National Office		823,649	833,670
Affiliation Fees		231,409	200,489
Administrations Expenses		1,071,316	966,575
Grants or Donations		20,197	7,574
Depreciation and Amortisation		88,376	94,352
Legal Costs		46,791	41,895
Audit Fees		67,473	53,155
Other Expenses		918,991	776,835
TOTAL EXPENSES		<hr/> 5,561,727	<hr/> 5,766,959
		<hr/>	<hr/>
PROFIT FOR THE YEAR		<hr/> 3,933,305	<hr/> 1,217,715
		<hr/>	<hr/>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016	2015
	\$	\$
NOTE 3B – BUS & TRAM PICNIC FUND		
INCOME		
Interest Received	21,040	22,813
Members' Contributions	230,371	219,329
TOTAL INCOME	251,411	242,142
EXPENSES		
Bank Charges	15	-
Picnic Expenses	105,471	229,832
TOTAL EXPENSES	105,486	229,832
PROFIT FOR THE YEAR	145,925	12,310
NOTE 3C – BUS & TRAM TRAFFIC FUND INCOME		
Interest	68,159	73,217
Member Contributions	175,541	179,701
TOTAL INCOME	243,700	252,918
EXPENSES		
Consideration to Employers for Payroll Deductions	4,284	4,328
Traffic Fines Paid	134,319	128,588
Legal Expenses	5,818	8,206
TOTAL EXPENSES	144,421	141,122
NET INCOME	99,279	111,796
NOTE 3D – LEGAL FUND INCOME		
Interest	27,074	16,488
Legal Levy Received	486,268	509,379
TOTAL INCOME	513,342	525,867
EXPENSES		
Bank Charges	64	113
Legal Expenses	9,771	9,941
TOTAL EXPENSES	9,835	10,054
NET INCOME	503,507	515,813

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016 \$	2015 \$
NOTE 4: GRANTS AND/OR DONATIONS		
Grants	-	-
Donations	3,211	-
	<u>3,211</u>	<u>-</u>
NOTE 5 – EXPENSES		
Note 5A: Employee Expenses		
Office Holders:		
Wages and salaries	635,146	750,321
Superannuation	32,272	48,129
Leave and Other Entitlements	67,900	7,445
Retirement Benefit Expenses	(170,469)	108,455
Fringe Benefit Tax	26,922	22,840
Separation and Redundancies	-	-
Honorariums	-	-
	<u>591,771</u>	<u>937,190</u>
Employees other than Office Holders:		
Wages and salaries	1,627,072	1,787,784
Superannuation	137,414	133,397
Leave and Other Entitlements	(43,534)	(128,806)
Retirement Benefit Expenses	(32,546)	31,522
Fringe Benefit Tax	(9,604)	7,812
Separation and Redundancies	-	-
Honorariums	22,950	23,515
	<u>1,701,752</u>	<u>1,855,224</u>
	<u>2,293,523</u>	<u>2,792,414</u>
Note 5B: Affiliation Fees		
ACTU – Paid to RTBU National Office	71,918	48,274
ALP	64,927	65,336
Barrier Industrial Council	399	399
Broken Hill Trades Hall Trust	348	348
Mckell Institute	12,384	3,781
Newcastle Trades Hall Council	3,760	2,778
Permanent Way Institution	1,000	1,000
Sydney Alliance	20,191	20,320
Sydney May Day Committee	455	-
Unions ACT	42	36
Unions NSW	54,725	56,978
Workers Health Centre	1,260	1,239
	<u>231,409</u>	<u>200,489</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016	2015
	\$	\$
Note 5C: Administration Expenses		
Consideration to Employers for Payroll	4,284	4,328
Compulsory Levies – Paid to National ACTU IR Levy	-	13,015
Fees/Allowance – Meeting and Bank Fees	36,572	52,405
Branch Council, Conference and Meeting Expenses	128,218	107,483
Consulting Fees	244,146	183,950
Property Expenses		
Body Corporate Fees	180,641	142,452
Electricity	47,650	46,115
Rates & Taxes	42,573	36,549
Office Expenses		
Postage	13,128	8,809
Printing, Stationery & Computer Software	196,069	169,790
Publications and Subscriptions	4,888	5,156
Telephone	97,405	97,806
Website Maintenance	80,105	103,156
	<u>1,075,679</u>	<u>971,016</u>
Note 5D: Grants or Donations		
Grants	-	-
Donations:		
Total Paid that were \$1,000 or Less	3,586	6,374
Total Paid that Exceeded \$1,000	16,611	1,200
	<u>20,197</u>	<u>7,574</u>
Note 5E: Legal Costs		
Litigation	-	-
Other Legal Matters	62,380	60,042
	<u>62,380</u>	<u>60,042</u>
Note 5F: Audit and Accounting Fees		
Financial Statement Audit Services	44,951	39,866
Accounting Services	22,522	13,289
	<u>67,473</u>	<u>53,155</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016	2015
	\$	\$
Note 5G: Other Expenses		
Airfares and Travelling Expenses	31,413	20,539
Council, Executive Expenses & Lost Time	215,724	49,802
Organizing Expenses	-	-
Fundraisers – Functions	12,244	7,100
General Expenses	18,364	21,523
Hire – Plant and Equipment	3,447	889
Insurance – General	116,921	100,975
Motor Vehicle Expenses	68,873	85,381
Members Training	23,624	13,955
Members Mortality Fund	57,500	19,773
Members Council Expense	-	-
Payroll Tax	102,662	116,528
Parking Levy	18,800	18,480
Picnic Expenses	105,471	229,832
Press Release	1,320	5,272
Rail & Road Publishing & Other Costs	83,778	101,770
Repair & Maintenance	103,465	111,775
Staff Fares & Travelling	9,767	10,747
Staff Training	5,839	11,219
Staff Uniforms	5,300	7,701
Traffic Fines Paid	134,319	128,588
Badges & Other Items	39,950	73,406
Penalties – via RO Act or RO Regulations	-	-
	<u>1,158,781</u>	<u>1,135,255</u>
NOTE 6: PICNIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	355,729	367,545
Interest	38	26
Members' Contributions (Incl. GST)	245,841	240,973
Bank Charges	(15)	-
Picnic Expenses	(116,018)	(252,815)
Transfer to/from Other Accounts	(5,431)	-
Bank Balance at End of Year	<u>480,144</u>	<u>355,729</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	936,747	914,053
Interest	21,001	22,694
Bank Balance at End of Year	<u>957,748</u>	<u>936,747</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

	2016	2015
	\$	\$
NOTE 7: TRAFFIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	186,939	154,824
Interest	20	9
Members' Contributions (Incl. GST)	197,499	120,597
Consideration to Employers for Payroll Deductions	(4,284)	(4,328)
Fines Paid	(130,125)	(79,025)
Legal Fees Paid	(6,400)	-
Transfer to/from Other Accounts	(60,613)	(5,138)
Bank Balance at End of Year	<u>183,036</u>	<u>186,939</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	2,599,226	2,526,009
Interest	68,138	73,217
Bank Balance at End of Year	<u>2,667,364</u>	<u>2,599,226</u>
NOTE 8: LEGAL FUND ACCOUNTS		
HO Legal Fund – General Account		
Bank Balance at Start of Year	759,524	508,347
Interest	2,433	3,175
Members' Contributions	242,928	256,359
Legal Fees Paid	(1,634)	(8,357)
Transfer to/from Other Accounts	(700,000)	-
Bank Balance at End of Year	<u>303,251</u>	<u>759,524</u>
HO Legal Fund – Term Deposit		
Bank Balance at Start of Year	-	-
Interest	10,095	-
Transfer to/from Other Accounts	700,000	-
Bank Balance at End of Year	<u>710,095</u>	<u>-</u>
Loco Legal Fund		
Bank Balance at Start of Year	573,636	437,958
Interest	14,487	13,278
Members' Contributions	122,400	122,400
Bank Balance at End of Year	<u>710,523</u>	<u>573,636</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016	2015
	\$	\$
NOTE 8: LEGAL FUND ACCOUNTS (CONT.)		
Bus & Tram Legal Fund		
Bank Balance at Start of Year	79,947	50,989
Interest	59	35
Members' Contributions	131,139	130,620
Bank Charges	(64)	(113)
Legal Fees Paid	(9,114)	(1,584)
Transfer to/from Other Accounts	-	(100,000)
Bank Balance at End of Year	<u>201,967</u>	<u>79,947</u>
NOTE 9 – CASH AND CASH EQUIVALENTS		
Cash on Hand	2,350	2,350
Cash at Bank and on Deposit	13,259,503	11,645,707
	<u>13,261,853</u>	<u>11,648,057</u>
NOTE 10 – RECEIVABLES		
CURRENT		
Receivable from Other Reporting Units – RTBU National Office	1,414	7,490
Membership Fees Receivable	218,360	362,928
Other Receivables	6,485	1,397
	<u>226,259</u>	<u>371,815</u>
NON-CURRENT		
Receivable from Related Party – RTBU New South Wales ("State")	<u>977,865</u>	<u>973,538</u>
Amount receivable from the State is unsecured and no terms of repayment or interest have been determined.		
NOTE 11 – OTHER CURRENT ASSETS		
Promotional Items on Hand	9,275	6,395
Prepayments to RTBU National Office	175,828	21,964
Provision for retirement benefits	54,400	-
Prepayments	144,441	129,835
	<u>383,944</u>	<u>158,194</u>
NOTE 12 – FINANCIAL ASSETS		
Listed Shares	1,216	1,216
Share Encompass	20	20
	<u>1,236</u>	<u>1,236</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2016

	2016	2015
	\$	\$
NOTE 13 - PROPERTY		
Wollongong – Valuation	305,000	200,000
Hamilton – Valuation	500,000	300,000
Less: Provision for Depreciation		(25,000)
	<u>805,000</u>	<u>475,000</u>

Valuations of Property for Own Use

The basis of the valuation of is fair value, being the amounts for which the properties 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, subject to similar leases and takes into consideration occupancy rates and returns on investment. The last independent valuations were carried out on 13 December 2016 for Hamilton and 6 December 2016 for Wollongong by a fellow of Australian Property Institute and an accredited independent valuer having recent experience in the location and category of the property being valued.

NOTE 14 – INVESTMENT PROPERTY

Sydney – L3/Pitt St - Valuation	<u>6,000,000</u>	<u>3,200,000</u>
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Valuations of Investment Property

The basis of the valuation of investment properties is fair value, being the amounts for which the properties 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, subject to similar leases and takes into consideration occupancy rates and returns on investment. The last independent valuations were carried out on 13 January 2017 by a fellow of Australian Property Institute and an accredited independent valuer having recent experience in the location and category of the investment property being valued.

NOTE 15 – PLANT & EQUIPMENT

Pitt St – Office Equipment etc	716,066	706,368
Pitt St – Computer Hardware	402,675	392,314
Pitt St – Computer Software	42,413	42,413
Bus & Tram Division – Office Equipment	314,795	314,795
Bus & Tram Division – Computer	64,787	54,607
Hamilton – Air Conditioner	1,540	1,540
Less: Provision for Depreciation	(1,409,653)	(1,366,821)
	<u>132,623</u>	<u>145,216</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

	2016	2015
	\$	\$
NOTE 16 – MOTOR VEHICLES		
Motor Vehicles	285,190	314,137
Less: Provision for Depreciation	(137,491)	(202,663)
	<u>147,699</u>	<u>111,474</u>

31 December 2015	Property Own Use \$	Investment Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of Year	487,500	3,200,000	180,196	163,454
Addition	-	-	15,568	-
Disposal	-	-	(987)	(19,689)
Depreciation	(12,500)	-	(49,561)	(32,291)
Carrying Amount at End of Year	<u>475,000</u>	<u>3,200,000</u>	<u>145,216</u>	<u>111,474</u>

31 December 2016	Property Own Use \$	Investment Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of Year	475,000	3,200,000	145,216	111,474
Addition	-	-	31,596	124,478
Disposal	-	-	(474)	(56,091)
Depreciation	(12,500)	-	(43,714)	(32,162)
Revaluations	342,500	2,800,000		
Carrying Amount at End of Year	<u>805,000</u>	<u>6,000,000</u>	<u>132,624</u>	<u>147,699</u>

	2016	2015
	\$	\$
NOTE 17 – ACCOUNTS PAYABLE		
Payable to Other Reporting Unit – National Office	3,850	-
Other Payable		
Consideration to Employers for Payroll Deductions	-	-
Legal Costs – litigations	-	-
Legal Costs – others	-	-
Other	240,845	293,013
	<u>244,695</u>	<u>293,013</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016	2015	
	\$	\$	
NOTE 18 – PROVISIONS			
Office Holders			
Provision for Annual Leave	96,444	62,951	
Provision for Long Service Leave	102,781	68,374	
Provision for Retirement Benefits (refer to note 11)	-	116,069	
Separation and Redundancies	-	-	
	<u>199,225</u>	<u>247,394</u>	
Employees other than Office Holders			
Provision for Annual Leave	154,422	176,831	
Provision for Long Service Leave	203,243	224,368	
Provision for Retirement Benefits	-	32,546	
Separation and Redundancies	-	-	
	<u>357,665</u>	<u>433,745</u>	
TOTAL PROVISIONS	<u>556,890</u>	<u>681,139</u>	
	Annual Leave	Long Service Leave	Retirement Benefit
Movements during the Year	\$	\$	\$
Balance at beginning of the year	239,782	292,742	148,615
Increase (Decrease) in Provision	11,084	13,282	(203,015)
Balance at end of Year	<u>250,866</u>	<u>306,024</u>	<u>(54,400)</u>
	2016	2015	
	\$	\$	
NOTE 19 – RESERVES			
Asset Revaluation Reserve	<u>342,500</u>	<u>-</u>	
NOTE 20 – ACCUMULATED FUNDS			
Unappropriated Profit Brought Forward	<u>20,792,394</u>	<u>16,110,378</u>	

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

NOTE 21 – CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Operating lease commitments—as lessor

The lessor's rental agreement expired on 30 November 2016 with an option to renew for a period of 5 years. The option has not yet been exercised. The Union also receives rent from a tenant where the lease has expired and other on property it does not own but is managed on a care and control bases. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows:

	2016	2015
	\$	\$
Within one year	-	217,691
After 1 year but not more than 5 years	-	-
After five years	-	-
	<hr/>	<hr/>
	-	217,691
Contingent assets or liabilities		

To the Committee's knowledge, the Union has no known contingent liabilities as at 31 December 2016.

NOTE 22 – Related Party Disclosure

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue Received from RTBU National Office		
Reimbursement for Expenses Paid	34,765	7,820
Expenses Paid to RTBU National Office		
Capitation Fees	906,014	917,037
ACTU Membership Fees	79,110	53,101
ACTU IR Levy	-	14,316
Amounts Owed by RTBU National Office		
Prepayment of Capitation Fees	175,828	21,964
Expenses to be Reimbursed	1,414	7,490
Amounts Owed by RTBU New South Wales ("State")		
Receivable	977,865	973,538
Terms and conditions of transactions with related parties		

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016

	2016 \$	2015 \$
NOTE 23 – KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (Including Annual Leave Taken)	635,146	756,101
Annual Leave Accrued	96,444	62,951
	<u>731,590</u>	<u>819,052</u>
Post-Employment Benefits		
Superannuation	32,272	48,129
Retirement Benefit Accrued	(54,400)	116,069
	<u>(22,128)</u>	<u>164,198</u>
Other Long-Term Benefits		
Long-Service Leave Accrued	102,781	68,374
	<u>102,781</u>	<u>68,374</u>
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	<u>812,243</u>	<u>1,051,624</u>

NOTE 24 – RETIREMENT BENEFITS OBLIGATIONS

The economic entity 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 -

Present Value at the Beginning of the Year	3,524,204	3,866,370
Current Service Cost	41,118	21,374
Interest Cost	103,717	105,075
Contributions by Funds Participants	10,983	13,723
Actuarial (Gains) / Losses	(143,891)	250,624
Benefits Paid	(536,173)	(491,909)
Taxes, Premiums & Expenses Paid	513	11
Present Value at the End of the Year	<u>3,000,471</u>	<u>3,765,268</u>
Fair Value at the Beginning of the Year	3,385,885	3,859,387
Interest Income	99,706	104,875
Actual Return	107,089	130,778
Employer Contributions	-	-
Contributions by Funds Participant	10,990	13,729
Benefits (Paid) Transferred In	(536,532)	(492,126)
Taxes, Premiums & Expenses Paid	513	11
Fair Value at the End of the Year	<u>3,067,651</u>	<u>3,616,654</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

Reconciliation of assets and liabilities recognized in the Statement of Financial Positions -

	2016	2015
	\$	\$
Present Value of Funded Defined Benefit Obligations	3,000,471	3,765,268
Fair Value of Fund Assets at End of Year	(3,067,651)	(3,616,654)
Adjustment for Effect of Asset Ceiling	12,780	-
Net (Asset)/Liability Recognised in the Statement of Financial Position	(54,400)	148,614

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

	2016	2015
	%	%
Australian Equities	24.7	24.0
Overseas Equities	31.1	31.4
Australian Fixed Interest	5.6	6.7
Overseas Fixed Interest	1.9	2.1
Property	9.0	8.7
Other	22.0	19.6
Short Term Securities	5.7	7.5

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

NOTE 25 – FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch'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

	Floating Interest Rate	Fixed Interest		Non Interest	Total
		1 Year	Over 1 -5		
	\$	\$	\$	\$	\$
31 December 2015					
Cash	5,764,638	4,735,341	1,145,728	2,350	11,648,057
Financial Assets	-	-	-	1,236	1,236
	<u>5,764,638</u>	<u>4,735,341</u>	<u>1,145,728</u>	<u>3,586</u>	<u>11,649,293</u>
31 December 2016					
Cash	6,044,986	7,214,515	-	2,350	13,261,851
Financial Assets	-	-	-	1,236	1,236
	<u>6,044,986</u>	<u>7,214,515</u>	<u>-</u>	<u>3,586</u>	<u>13,263,087</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016
NOTE 25 – FINANCIAL INSTRUMENTS

Weighted average interest rate 1.7%

Credit Risk Exposure

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the Branch to incur a financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts.

The carrying amounts of cash and investments approximate net fair values.

NOTE 26 – FAIR VALUE MEASUREMENT**Fair Value Hierarchy**

The following tables detail the reporting unit's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

	Level 1	Level 2	Level 3
31 December 2016			
Listed Securities	1,315	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	6,000,000
Properties for Own Use	-	-	805,000
	1,315	-	6,805,020
31 December 2015			
Listed Securities	1,315	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	3,200,000
Properties for Own Use	-	-	475,000
	1,315	-	3,675,020

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to

Valuation techniques for fair value measurements categorized within level 2 and level 3

- Unlisted securities have been valued at cost
- Properties for own use and investment properties have been valued based on similar assets, location and market conditions.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2016**

NOTE 27 – PROVIDING INFORMATION

In accordance with the requirements of the Fair Work (Registered Organisation) Act 2009, the attention of members is drawn to the provisions of Subsection (1) to (3) of Section 272 which reads as follows-

- (1) A member of a reporting unit, or the general manager of Fair Work Commission, 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, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

NOTE 28: GOING CONCERN

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

NOTE 29: FINANCIAL SUPPORT

The reporting unit has not agreed to provide any financial support to any reporting units other than referred to in Note 1.

NOTE 30: ASSETS & LIABILITIES ACQUIRED

The reporting unit 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.



**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION,
NEW SOUTH WALES BRANCH**

Opinion

We have audited the accompanying financial report of Australian Rail, Tram and Bus Industry Union, New South Wales Branch (“the Union”), which comprises the statement of financial position as at 31st December 2016, the statement of comprehensive income, statement of changes in members’ fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion, the financial report presents fairly, in all material respects, in accordance with the *Fair Work (Registered Organisation) Act 2009*, and applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Union as at 31st December 2016, and its financial performance and its cash flows for the year then ended; and

As part of the audit of the financial statements, we have concluded that management’s use of the going concern basis of accounting in the preparation of the financial report 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 our report. We are independent of the Union in accordance with the auditor independence requirements of the *Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion, the recovery of wages activity financial report, properly and fairly reports all information required by the reporting guidelines of the General Manager as per subsection 253(2) of *Fair Work (Registered Organisations) Act 2009*, including;

- i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- ii. any donations or other contributions deducted from recovery money.

Basis of Opinion

Our responsibility is to express an opinion on the recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards. We have been advised that no revenue has been derived from undertaking recovery of wages activity during the reporting period.

**Other information**

The Committee of Management is responsible for the other information. The other information comprises the information in the Operating Report for the year ended 31st December 2016, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Committee of Managements' Responsibilities for the financial report

The Committee of Management of the Union (the "Committee") is responsible for the preparation and fair presentation in accordance with the Australian Accounting Standards (including Australian Accounting Interpretation) and the *Fair Work (Registered Organisations) Act 2009* and for such internal control as the Committee determines is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error.

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

The Committee is responsible for overseeing the Union's financial reporting process.

The Committee is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with Section 253(2) of the *Fair Work (Registered Organisations) Act 2009*.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar4.pdf This description forms part of our auditor's report.



Other matters

In accordance with the reporting guidelines for the purposes of Section 253, the following declarations are made in reference to the auditor;

- a. is a registered company auditor and a partner of ESV Accounting and Business Advisors; and
- b. is a member of Chartered Accountants Australia and New Zealand, and holds a current Public Practice Certificate.

Dated at Sydney on the 25 May 2017

ESV

ESV Accounting and Business Advisors

Tim Valtwies
Partner