



Rail, Tram & Bus Union (NSW Branch)

AC:DT

21st June 2018

Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Sir/Madam,

Re: Lodgement of the General Purpose Report for the Rail, Tram and Bus Union, New South Wales Branch for Year Ending 31 December 2017

Please find enclosed documentation for the Rail, Tram and Bus Union, New South Wales Branch.

Please do not hesitate to contact me if you require any further information regarding same.

Yours faithfully

ALEX CLAASSENS
BRANCH SECRETARY

Australian Rail, Tram & Bus Industry Union (NSW Branch) ABN 55 090 785 801

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ORGANISING WORKERS IN THE TRANSPORT INDUSTRY
PROTECTING AND BUILDING RIGHTS AT WORK



RTBU
NSW BRANCH

NSW BRANCH GENERAL PURPOSE FINANCIAL REPORT FOR 2017

Prepared: May 2018

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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 2017 to 31 December 2017**;
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

INDEPENDENT AUDITOR'S STATEMENT

ACCOUNTANTS AND
BUSINESS ADVISORS



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

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

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 2017, the statement of comprehensive income, statement of changes in members' equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the Committee of Management statement.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Branch as at 31st 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) part 3 of Chapter 2 of the Fair Work (Registered Organisations) Act 2009 (the "FW Act") and any other requirements imposed by the Reporting Guidelines.

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 Branch 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.

Information Other than the Financial Report and Audit 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 our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we

2018-19 GPFR
of NSW Branch
31/12/17 to 31/12/18
ESV/2018/19/001

2018-19 GPFR
of NSW Branch
31/12/17 to 31/12/18
ESV/2018/19/001

A member of ESV - The International Accounting Group - a worldwide network of independent member firms affiliated with the International Federation of Accountants (IFAC).

Committee of Management's Responsibility for the Financial Report

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 intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

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 and users taken on the basis of the financial report.

REPORT ON THE RECOVERY OF WADES ACTIVITY FINANCIAL REPORT

in our opinion, the financial statements and notes and recovery of wages activity financial report (note 1) properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- ## Notes of Concern

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Accounting and Business
Advisers

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the recovery of wages activity report, based on our audit conducted in accordance with Australian Auditing Standards.

Dated at Sydney on the 14th day of May 2018

ESV

ESV Accounting and Business Advisers



Tim Valtwies
Partner

Registration number: AA2017/92

RAIL TRAM AND BUS UNION – NEW SOUTH WALES BRANCH OFFICE
s268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
Certificate for the period ended 31 December 2017

I, Alexander Claassens, being the Branch Secretary of the Rail, Tram and Bus Industry Union (RTBU) New South Wales Branch, certify:

- That the documents lodged herewith is the full report for the Rail, Tram and Bus Union for the period ended 31 December 2017 referred to in s268 of the Fair Work (*Registered Organisations*) Act 2009; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on the 24th May 2018 in accordance with s268 of the Fair Work (*Registered Organisations*) Act 2009
- That the full financial report was provided to members of the reporting unit on the 24th May 2018; and
- That the full report was then confirmed and passed at a meeting of the committee of management of the reporting unit on the 15th June 2018 in accordance with s268 of the Fair Work (*Registered Organisations*) Act 2009.

Signature of the Prescribed Designated Officer



Name of the Prescribed Designated Officer:
Title of Prescribed Designated Officer:
Dated;

Alexander Claassens
Branch Secretary
21st June 2018

OPERATING REPORT

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 Committee of Management presents its operating report on the Reporting Unit for the year ended 31st December 2017.

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

ACTIVITIES	2017 RESULTS
1. Making agreements with employers.	<ul style="list-style-type: none"> 13 agreements were approved 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
4. Community Campaigns	<ul style="list-style-type: none"> Unions 4 Refugees Sydney Alliance Local Union Community Councils Workers Compensation White Ribbon Day International Women's Day May Day CFMEU – ABCC Protest NAIDOC – BBQ St Vincent de Paul CEO Sleep Out Politics in the Pub Bankstown Line Closure New InterCity Fleet (NIF) APHEDA Marriage Equality NTEU Strike Support Trans Pacific Partnership Protest

	<ul style="list-style-type: none"> • Equal Pay Event • Pink Ribbon Event • Carols for Cause – Liverpool Hospital
5. Electing representatives to peak trade union bodies.	<ul style="list-style-type: none"> • UnionsNSW - 7 delegates • Hunter Unions - 7 delegates • South Coast Labor Council – 2 Delegates • Unions ACT – 1 Delegate • Broken Hill Barrier Council – 1 delegate
6. Attending meetings called by peak union bodies.	<ul style="list-style-type: none"> • Attended approximately 34 UnionsNSW General meetings. • UnionsNSW Executive meetings • UnionsNSW OHS & WC meetings • Unions Hunter General meetings • South Coast Labour Council meetings • UnionsAct meetings
7. Affiliations	<ul style="list-style-type: none"> • Workers Health Centre • McKell Foundation • Sydney Alliance • Permanent Way Institute • Australian Labor Party
8. Making submissions on behalf of the branch to inquiries and proceedings affecting the industry.	<ul style="list-style-type: none"> • 1 Submission – Mirvac Development Applications at the Eveleigh Workshop Site
9. Training delegates & representatives.	<ul style="list-style-type: none"> • May – Delegate Training – 15 participants • October – Delegate Training – 12 participants • November – Delegate Training – 7 participants
10. Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.	<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>; – 22 issues of RTBU Express – electronic newsletter – 80 - membership bulletins – 52 Media Releases – Rail Operations Division <ul style="list-style-type: none"> ○ Signaller's News – Locomotive Division: <ul style="list-style-type: none"> ○ Loco Express Electronic newsletters – Tram and Bus <ul style="list-style-type: none"> ○ Bus Express electronic newsletters
11. General Member Services	<ul style="list-style-type: none"> • Range of member services provided: <ul style="list-style-type: none"> ○ RTBU Holiday Park ○ Access to other holiday facilities, through partner organisations ○ Financial Services through partner organisations ○ Taxation and accounting services through partner organisations ○ Member resources (eg: WHS resource kit developed, new member kits) ○ Delegates Information Kits ○ Member resource Cds ○ Health fund services through partner

	<p>organisation</p> <ul style="list-style-type: none"> ○ Membership information kits ○ website
12. Legal Services	<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

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 2017 there were a total of **13,802** members of the (RTBU NSW) across the following Divisions of the union:

DIVISION	FINANCIAL MEMBERS	UNFINANCIAL MEMBERS	TOTAL
Rail Operations	3,179	35	3,214
Infrastructure	1,303	24	1,327
Workshops	625	7	632
Admin / Professional	1,405	34	1,439
Locomotive	3,496	28	3,524
Tram and Bus	3,458	208	3,666
TOTAL	13,466	336	13,802

Numbers of Employees

As at the 31 December 2017 there were 21 equivalent full-time employees.

POSITIONS	
Elected Paid Officials	4
Employed Industrial Staff	12
Administrative Support	5

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The members of the Committee of Management during the reporting period from 1 January 2017 and ending 31 December 2017 were:

BRANCH EXECUTIVE	
Branch President (Honorary)	Joanne McCallum
Branch Secretary	Alex Claassens
Assistant Branch Secretary Rail (Honorary)	Robert Hayden
Assistant Branch Secretary Road (Honorary)	David Woollams
Locomotive Divisional President	Brett Rosser
Locomotive Divisional Secretary	Robert Hayden
Tram & Bus Divisional President	David Woollams
Tram & Bus Divisional Secretary	Chris Preston
Infrastructure Divisional President	Michael Sullivan
Infrastructure Divisional Secretary	Scott Wilson – 21/9/2017 – 31/12/2017
Administrative, Supervisory Technical and Professional Divisional President	Paul Casey – 21/9/2017 – 31/12/2017
Administrative, Supervisory Technical and Professional Divisional Secretary	Simon Bolin – 21/9/2017 – 31/12/2017
Fleet Manufacture, Overhaul, Maintenance and Service Divisional President	Michael Bartlett
Fleet Manufacture, Overhaul, Maintenance and Service Divisional Secretary	Nyssa Parsons – 2/2/2017 - 31/12/2017
Rail Operations Divisional President	John Steck
Rail Operations Divisional Secretary	Craig Turner

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

LEVEL 4, 321 PITT STREET
SYDNEY NSW 2000

COMMITTEE OF MANAGEMENT STATEMENT

NSW Branch (GPFR) for 2017

COMMITTEE OF MANAGEMENT STATEMENT

On 24 May 2018, The Committee of Management (Branch Executive) of the Australian Rail, Tram & Bus Industry Union (NSW Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2017:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that 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 a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance;
 - (vii) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management (Branch Executive).

Signature of designated officer:

Name and title of designated officer:

Dated:

24 - May - 2018.

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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 which is an organisation 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.

Statement of Comprehensive Income

The gain for the year as reported was \$1.239 Mill.

Members Contributions to the Union including the Legal Levy totaled \$7.194Mill. This is a little more (1.9%) than the previous year as fees increased on 1 July, 2017. With the growth of funds held on deposit The Union had larger interest received even though interest rates offered remained stagnant for the year. A minor profit was realized upon the Sale of a Union motor vehicle.

Employee expenses had a reduced impact of write down on Retirement Benefit in the 2016 year. Whilst it appears that it grew by 7.6% in comparison to 2016, if the significant write down in retirement Benefit expenses totaling \$170K where removed, the variance would reflect increased staff and annual increments only and be comparable to 2016.

Administration expenses grew by 6.4%.

Legal costs significantly increased in the latter part of 2017 as negotiations took place for an increment to the Enterprise agreement.

Statement of Financial Position

Total assets increased by \$1.295Mill which was slightly less than 2016 growth. The increase consisted of an increase in cash on hand and bank of \$1.351Mill and after purchasing and replacing existing assets new asset of \$225K net. This increase in cash is a result of the surplus of \$1.239Mill for the year ended 2017. A decrease in amounts paid to the National Office of \$152K reduced the cash outflow for 2017.

Total liabilities in value remained similar at year 2017 (\$857,663) as the 2016 Year (\$801,585). Our accounts payable had a slight increase (\$93K) this was offset by the decrease in the Long Service Leave provision due to staff changes amounted to \$52K. Annual leave provision slightly increased as well to \$265K in 2017 from \$251K in 2016

The movement in Members Accumulated Funds is shown at the Statement of Changes in Member's Equity. In 2016 whilst reporting a profit of \$4.682Mill, an Asset revaluation of \$2.8Mill was also included to increase Members Equity. 2016 included a significant revaluation and that amounted to \$2.8 Million which has not occurred in 2017. The increase in Members equity solely relates to the profit generated by the union for the 2017 year as audited.

Statement of Cash Flows

Increase in cash held is \$1,350,962 providing a total cash balance in the unions book at Year end close of \$14,612,815. Variances to the prior year are noted above and include Revaluation, asset purchases and a larger volume of creditor payments due to activity in the financial year.

Cash flows from operations were less than 2016 year. Profit from ordinary activities was \$600K less but changes in prepayments and provisions reduced the variance from last year to be \$100K less generated in 2017 from operations.

FINANCIAL REPORTS**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH****STATEMENT OF COMPREHENSIVE INCOME**
For the Year Ended 31st December 2017

	Notes	2017 \$	2016 \$
INCOME			
Members Contributions		6,748,595	6,571,624
Legal Levy Received		445,335	486,268
Capitation Fees		-	-
Interest Received		251,155	231,522
Rent Received		285,615	344,985
Grants and/or Donations	4	-	3,211
Net Gains on Sale of Assets		8,636	-
Valuation Gain from Investment Property		-	2,800,000
Other Income		68,365	65,875
TOTAL INCOME		7,807,701	10,503,483
EXPENSES			
Employee Expenses	5A	2,467,869	2,293,525
Capitation Fee paid to National Office		830,315	823,649
Affiliation Fees	5B	228,014	231,409
Administration Expenses	5C	1,149,135	1,075,679
Grants or Donations	5D	7,898	20,197
Depreciation and Amortisation		97,363	88,376
Legal Costs	5E	296,688	62,380
Audit and Accounting Fees	5F	53,517	67,473
Other Expenses	5G	1,438,152	1,158,782
TOTAL EXPENSES		6,568,951	5,821,467
PROFIT FOR THE YEAR		1,238,750	4,682,016
OTHER COMPREHENSIVE INCOME			
Gain on Revaluation of Land & Building		-	342,500
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,238,750	5,024,516

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 EQUITY**As at 31st December 2017**

	Retained Profits	Asset Revaluation \$	Total \$
Balance 01/01/2016	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
Profit for the Year	1,238,750	-	1,238,750
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	1,238,750	-	1,238,750
Balance 31/12/2017	22,031,144	342,500	22,373,644

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 2017

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	14,612,815	13,261,853
Receivables	10	228,258	226,259
Other	11	208,525	383,944
TOTAL CURRENT ASSETS		15,049,598	13,872,056
NON-CURRENT ASSETS			
Receivable	10	979,046	977,865
Financial Assets	12	1,236	1,236
Property	13	784,875	805,000
Investment Property	14	6,169,911	6,000,000
Plant & Equipment	15	104,783	132,623
Motor Vehicles	16	141,828	147,699
TOTAL NON-CURRENT ASSETS		8,181,679	8,064,423
TOTAL ASSETS		23,231,277	21,936,479
CURRENT LIABILITIES			
Accounts Payable	17	337,456	244,695
Provisions	18	520,177	556,890
TOTAL CURRENT LIABILITIES		857,633	801,585
TOTAL LIABILITIES		857,633	801,585
NET ASSETS		22,373,644	21,134,894
ACCUMULATED FUNDS			
Reserves	19	342,500	342,500
Accumulated Surplus	20	22,031,144	20,792,394
ACCUMULATED FUNDS		22,373,644	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 CASH FLOWS
For the Year Ended 31st December 2017

	Notes	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt from RTBU National Office		44,650	34,914
Receipts from Members		7,914,993	7,903,537
Payment to RTBU National Office		(887,214)	(1,060,000)
Payments to Suppliers and Employees		(6,190,396)	(5,845,590)
Interest Received		251,155	231,522
Rent Received		314,177	379,484
Rental Bond Received		59,368	-
Receipts - Other		69,511	69,513
Net Cash Provided by Operating Activities	B	1,576,244	1,713,380
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(234,782)	(156,074)
Payment for Assets		9,500	56,490
Net Cash (Used in) Investing Activities		(225,282)	(99,584)
Net Increase in Cash Held		1,350,962	1,613,796
Cash at beginning of the Year		13,261,853	11,648,057
Cash at the End of Year	A	14,612,815	13,261,853

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	14,612,815	13,261,853
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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 2017

	2017	2016
	\$	\$
Note B – Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities		
Profit from Ordinary Activities	1,238,750	4,682,016
Depreciation	97,636	88,376
Gain from Sale of Asset	(8,636)	-
Valuation Gain from Investment Property	-	(2,800,000)
Change in Assets and Liabilities		
(Increase) / Decrease in Receivables	(3,180)	141,269
Decrease / (Increase) in Prepaid Expenses	172,302	(168,470)
(Increase) / Decrease in Promotional Items on Hand	(4,863)	(2,880)
Increase / (Decrease) in Creditors	113,241	(48,282)
(Decrease) in Provision for employee benefits	(29,006)	(178,649)
Cash Flows from Operations	<u>1,576,244</u>	<u>1,713,380</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 2017****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 and is part of a separate legal entity as opposed to Rail, Tram and Bus Union of 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.

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 last independent valuation was carried out on 19 January 2017. No depreciation is provided where the fair value basis is used.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2017****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)****(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 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.

(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.

(h) Significant accounting judgements and estimates

No 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS**For the Year Ended 31st December 2017****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)****(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.

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 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 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 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 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.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)****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.

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.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

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.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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.

(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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)**

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 2017

		2017	2016
		\$	\$
NOTE 2 – OPERATING SURPLUS			
Operating Surplus		<u>1,238,750</u>	<u>4,682,016</u>
Operating Surplus for the year			
Comprises -			
General Fund	A	856,550	3,933,305
Bus & Tram Picnic Fund	B	(8,475)	145,925
Bus & Tram Traffic Fund	C	(68,799)	99,279
Legal Fund	D	<u>459,474</u>	<u>503,507</u>
		<u>1,238,750</u>	<u>4,682,016</u>
NOTE 3A – GENERAL FUND INCOME			
Members Contributions		6,359,348	6,165,711
Interest Received		107,233	115,248
Rent Received		285,615	344,985
Grants and/or Donations		-	3,211
Net Gains on Sale of Assets		8,636	-
Valuation Gain from Investment		-	2,800,000
Other Income		<u>68,365</u>	<u>65,875</u>
TOTAL INCOME		<u>6,829,197</u>	<u>9,495,030</u>
EXPENSES			
Employee Expenses		2,467,869	2,293,525
Capitation Fee paid to National Office		830,315	823,649
Affiliation Fees		228,014	231,409
Administration Expenses		1,139,505	1,071,316
Grants or Donations		7,898	20,197
Depreciation and Amortisation		97,363	88,376
Legal Costs		234,601	46,791
Audit Fees		53,517	67,473
Other Expenses		<u>913,565</u>	<u>918,991</u>
TOTAL EXPENSES		<u>5,972,647</u>	<u>5,561,727</u>
PROFIT FOR THE YEAR		<u>856,550</u>	<u>3,933,305</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2017

	2017	2016
	\$	\$
NOTE 3B – BUS & TRAM PICNIC FUND		
INCOME		
Interest Received	13,595	21,040
Members' Contributions	211,839	230,371
TOTAL INCOME	225,434	251,411
EXPENSES		
Bank Charges	-	15
Picnic Expenses	233,909	105,471
TOTAL EXPENSES	233,909	105,486
PROFIT/(LOSS) FOR THE YEAR	(8,475)	145,925
NOTE 3C – BUS & TRAM TRAFFIC FUND		
INCOME		
Interest	58,480	68,159
Member Contributions	177,408	175,541
TOTAL INCOME	235,888	243,700
EXPENSES		
Consideration to Employers for Payroll Deductions	4,332	4,284
Campaigns	140,031	
Traffic Fines Paid	150,648	134,319
Legal Expenses	4,475	5,818
Printing & Stationery	5,201	
TOTAL EXPENSES	304,687	144,421
PROFIT/(LOSS) FOR THE YEAR	(68,799)	99,279
NOTE 3D – LEGAL FUND		
INCOME		
Interest	71,847	27,074
Legal Levy Received	445,335	486,268
TOTAL INCOME	517,182	513,342
EXPENSES		
Bank Charges	96	64
Legal Expenses	57,612	9,771
TOTAL EXPENSES	57,708	9,835
PROFIT FOR THE YEAR	459,474	503,507

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2017

	2017	2016
	\$	\$
NOTE 4: GRANTS AND/OR DONATIONS		
Grants	-	-
Donations	-	3,211
	-	3,211
NOTE 5 – EXPENSES		
Note 5A: Employee Expenses		
Office Holders:		
Wages and salaries	634,732	635,146
Superannuation	18,631	32,272
Leave and Other Entitlements	35,550	67,900
Retirement Benefit Expenses	7,707	(170,469)
Fringe Benefit Tax	30,017	26,922
Separation and Redundancies	-	-
Honorariums	-	-
	726,637	591,771
Employees other than Office Holders:		
Wages and salaries	1,646,162	1,627,072
Superannuation	153,673	137,414
Leave and Other Entitlements	(72,264)	(43,534)
Retirement Benefit Expenses	-	(32,546)
Fringe Benefit Tax	(7,264)	(9,604)
Separation and Redundancies	-	-
Honorariums – Bus	20,925	22,950
	1,741,232	1,701,752
	2,467,869	2,293,523
Note 5B: Affiliation Fees		
ACTU – Paid to RTBU National Office	74,775	71,918
ALP	64,243	64,927
Barrier Industrial Council	399	399
Broken Hill Trades Hall Trust	392	348
Mckell Institute	6,995	12,384
Newcastle Trades Hall Council	3,809	3,760
Permanent Way Institution	1,000	1,000
Sydney Alliance	20,410	20,191
Sydney May Day Committee	1,500	455
Unions ACT	60	42
Unions NSW	53,141	54,725
Workers Health Centre	1,291	1,260
	228,014	231,409

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017

	2017	2016
	\$	\$
Note 5C: Administration Expenses		
Consideration to Employers for Payroll		
Deductions	4,332	4,284
Compulsory Levies – Paid to National Office	-	-
Fees/Allowance – Meeting and Conferences	-	-
Bank Fees	34,471	36,572
Branch Council, Conference and Meeting Expenses	137,922	128,218
Consulting Fees	269,858	244,146
Property Expenses		
Body Corporate Fees	177,186	180,641
Electricity	54,078	47,650
Rates & Taxes	46,122	42,573
Office Expenses		
Postage	34,943	13,128
Printing, Stationery & Computer Software	190,092	196,069
Publications and Subscriptions	6,002	4,888
Telephone	103,818	97,405
Website Maintenance	90,310	80,105
	<u>1,149,134</u>	<u>1,075,679</u>
Note 5D: Grants or Donations		
Grants	-	-
Donations:		
Total Paid that were \$1,000 or Less	6,352	3,586
Total Paid that Exceeded \$1,000	1,545	16,611
	<u>7,898</u>	<u>20,197</u>
Note 5E: Legal Costs		
Litigation	-	-
Other Legal Matters	296,688	62,380
	<u>296,688</u>	<u>62,380</u>
Note 5F: Audit and Accounting Fees		
Financial Statement Audit Services	35,217	44,951
Accounting Services	18,300	22,522
	<u>53,517</u>	<u>67,473</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017

	2017	2016
	\$	\$
Note 5G: Other Expenses		
Airfares and Travelling Expenses	24,885	31,413
Campaign Expenses	201,058	24
Council, Executive Expenses & Lost Time	121,800	215,724
Organizing Expenses	-	-
Fundraisers – Functions	11,799	12,244
General Expenses	19,764	18,364
Hire – Plant and Equipment	4,473	3,447
Insurance – General	115,445	116,921
Motor Vehicle Expenses	69,973	68,873
Members Training	4,802	23,624
Members Mortality Fund	35,000	57,500
Members Council Expense	-	-
Payroll Tax	102,233	102,662
Parking Levy	19,120	18,800
Picnic Expenses	233,909	105,471
Press Release	16,498	1,320
Rail & Road Publishing & Other Costs	80,492	83,754
Repair & Maintenance	132,263	103,465
Staff Fares & Travelling	7,137	9,767
Staff Training	6,095	5,839
Staff Uniforms	5,474	5,300
Traffic Fines Paid	150,648	134,319
Badges & Other Items	75,284	39,950
Penalties – via RO Act or RO Regulations	-	-
	<u>1,438,152</u>	<u>1,158,781</u>
NOTE 6: PICNIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	480,144	355,729
Interest	39	38
Members' Contributions (Incl. GST)	235,294	245,841
Bank Charges	-	(15)
Picnic Expenses	(260,003)	(116,018)
Transfer to/from Other Accounts	-	(5,431)
Bank Balance at End of Year	<u>455,474</u>	<u>480,144</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	957,748	936,747
Interest	13,522	21,001
Bank Balance at End of Year	<u>971,270</u>	<u>957,748</u>

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2017

	2017	2016
	\$	\$
NOTE 7: TRAFFIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	183,036	186,939
Interest	18	20
Members' Contributions (Incl. GST)	197,066	197,499
Consideration to Employers for Payroll		
Deductions	(4,332)	(4,284)
Fines Paid	(151,736)	(130,125)
Legal Fees Paid	(4,922)	(6,400)
Campaign Expenses	(154,034)	-
Payment for Assets	(3,400)	-
Printing & Stationery	(5,722)	-
Transfer to/from Other Accounts	-	(60,613)
Bank Balance at End of Year	55,974	183,036
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	2,667,364	2,599,226
Interest	58,450	68,138
Bank Balance at End of Year	2,725,814	2,667,364
NOTE 8: LEGAL FUND ACCOUNTS		
HO Legal Fund – General Account		
Bank Balance at Start of Year	303,251	759,524
Interest	8,501	2,433
Members' Contributions	214,575	242,928
Legal Fees Paid	-	(1,634)
Transfer to/from Other Accounts	-	(700,000)
Bank Balance at End of Year	526,327	303,251
HO Legal Fund – Term Deposit		
Bank Balance at Start of Year	710,095	-
Interest	23,320	10,095
Transfer to/from Other Accounts	-	700,000
Bank Balance at End of Year	733,415	710,095
Loco Legal Fund		
Bank Balance at Start of Year	710,523	573,636
Interest	7,904	14,487
Members' Contributions	112,200	122,400
Transfer to/from Other Accounts	(500,000)	-
Bank Balance at End of Year	330,629	710,523

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017

	2017	2016
	\$	\$
NOTE 8: LEGAL FUND ACCOUNTS (CONT.)		
Bus & Tram Legal Fund		
Bank Balance at Start of Year	201,967	79,947
Interest	111	59
Members' Contributions	118,560	131,139
Bank Charges	(96)	(64)
Legal Fees Paid	(63,373)	(9,114)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	257,169	201,967
NOTE 9 – CASH AND CASH EQUIVALENTS		
Cash on Hand	2,350	2,350
Cash at Bank and on Deposit	14,610,465	13,259,503
	14,612,815	13,261,853
NOTE 10 – RECEIVABLES		
CURRENT		
Receivable from Other Reporting Units – RTBU National Office	-	1,414
Membership Fees Receivable	202,415	218,360
Other Receivables	25,843	6,485
	228,258	226,259
NON-CURRENT		
Receivable from Related Party – RTBU New South Wales ("State")	979,046	977,865
Amount receivable from the State is unsecured and no term of repayment or interest have been determined.		
NOTE 11 – OTHER CURRENT ASSETS		
Promotional Items on Hand	14,138	9,275
Prepayments to RTBU National Office	8,482	175,828
Provision for Retirement Benefits	46,693	54,400
Prepayments	139,212	144,441
	208,525	383,944
NOTE 12 – FINANCIAL ASSETS		
Listed Shares	1,216	1,216
Share Encompass	20	20
	1,236	1,236

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31st December 2017

	2017	2016
	\$	\$
NOTE 13 - PROPERTY		
Wollongong – Valuation	305,000	305,000
Hamilton – Valuation	500,000	500,000
Less: Provision for Depreciation	(20,125)	-
	<u>784,875</u>	<u>805,000</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 Australia 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	6,000,000	6,000,000
Pitt St Renovation	172,549	-
Less: Provision for Depreciation	(2,638)	-
	<u>6,169,911</u>	<u>6,000,000</u>

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 Australia 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	720,046	716,066
Pitt St – Computer Hardware	413,738	402,675
Pitt St – Computer Software	42,413	42,413
Bus & Tram Division – Office Equipment	314,589	314,795
Bus & Tram Division – Computer	64,788	64,787
Hamilton – Air Conditioner	1,540	1,540
Less: Provision for Depreciation	(1,452,331)	(1,409,653)
	<u>104,783</u>	<u>132,623</u>

NOTE 16 – MOTOR VEHICLES

Motor Vehicles	311,035	285,190
Less: Provision for Depreciation	(169,207)	(137,491)
	<u>141,828</u>	<u>147,699</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017

31 December 2016

	Property Own Use \$	Invest 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	805,000	6,000,000	132,624	147,699

31 December 2017

	Property Own Use \$	Invest Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of Year	805,000	6,000,000	132,623	147,699
Addition	-	172,549	15,042	25,845
Depreciation	(20,125)	(2,638)	(42,884)	(31,716)
Carrying Amount at End of Year	784,875	6,169,911	104,783	141,828

2017

\$

2016

\$

NOTE 17 – ACCOUNTS PAYABLE

Payable to Other Reporting Unit – National
Office
Other Payable
Consideration to Employers for Payroll
Deductions
Legal Costs
Other

135

3,850

-

-

-

-

337,321

240,845

337,456

244,695

NOTE 18 – PROVISIONS

Office Holders
Provision for Annual Leave
Provision for Long Service Leave
Separation and Redundancies

118,698

96,444

116,047

102,781

-

-

234,745

199,225

Employees other than Office Holders

Provision for Annual Leave
Provision for Long Service Leave
Separation and Redundancies

147,110

154,422

138,322

203,243

-

-

285,432

357,665

TOTAL PROVISIONS

520,177

556,890

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017**

	Annual Leave	Long Service Leave	Retirement Benefit
Movements during the Year			
Balance at beginning of the year	\$ 250,866	\$ 306,024	\$ (54,400)
Increase (Decrease) in Provision	14,942	(51,656)	7,707
Balance at end of Year	265,808	254,368	(46,693)

2017

\$

2016

\$

NOTE 19 – RESERVES

Asset Revaluation Reserve

342,500

342,500

NOTE 20 – ACCUMULATED FUNDS

Unappropriated Profit Brought Forward

22,031,144

20,792,394

NOTE 21 – CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Operating lease commitments—as lessor

Rent of the investment property. The lessor's rental agreement expires 30 November 2016 with 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:

Within one year	261,229	-
After 1 year but not more than 5 years	783,687	-
After five years	-	-
	1,044,916	-

Contingent assets or liabilities

To the Committee's knowledge, the Union has no known contingent liabilities as at 31 December 2017.

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	44,650	34,765
Expenses Paid to RTBU National Office		
Capitation Fees	913,241	927,978
ACTU Membership Fees	82,253	79,110
Amounts Owed by RTBU National Office		
Prepayment of Capitation Fees	8,482	153,864
Expenses to be Reimbursed	-	1,414
Amounts Owed by RTBU New South Wales ("State")		
Receivable	979,046	977,865

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017
NOTE 22 – Related Party Disclosure (Cont.)

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 2017, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$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.

	2017	2016
	\$	\$
NOTE 23 – KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (Including Annual Leave Taken)	634,732	635,146
Annual Leave Accrued	118,698	96,444
	<u>753,430</u>	<u>731,590</u>
Post-Employment Benefits		
Superannuation	18,631	32,272
Retirement Benefit Accrued	(46,693)	(54,400)
	<u>(28,062)</u>	<u>(22,128)</u>
Other Long-Term Benefits		
Long-Service Leave Accrued	116,077	102,781
	<u>116,077</u>	<u>102,781</u>
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	<u>841,445</u>	<u>812,243</u>

Reconciliation of the present value of the defined benefit obligation -

	2017	2016
	\$	\$
Present Value at the Beginning of the Year	3,006,654	3,524,204
Current Service Cost	10,053	41,118
Interest Cost	80,816	103,717
Contributions by Funds Participants	5,308	10,983
Actuarial (Gains) / Losses	129,104	(143,891)
Benefits Paid	(25,312)	(536,173)
Taxes, Premiums & Expenses Paid	(771)	513
Present Value at the End of the Year	<u>3,205,852</u>	<u>3,000,471</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2017

	2017	2016
	\$	\$
Fair Value at the Beginning of the Year	3,076,703	3,385,885
Interest Income	82,759	99,706
Actual Return	225,455	107,089
Employer Contributions	-	-
Contributions by Funds Participant	5,316	10,990
Benefits (Paid) Transferred In	(25,352)	(536,532)
Taxes, Premiums & Expenses Paid	(772)	513
Fair Value at the End of the Year	<u>3,364,109</u>	<u>3,067,651</u>

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

Present Value of Funded Defined Benefit Obligations	3,205,852	3,000,471
Fair Value of Fund Assets at End of Year	(3,364,109)	(3,067,651)
Adjustment for Effect of Asset Ceiling	<u>111,564</u>	<u>12,780</u>
Net (Asset)/Liability Recognised in the Statement of Financial Position	<u>(46,693)</u>	<u>(54,400)</u>

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

	2017	2016
	%	%
Australian Equities	22.4	24.7
Overseas Equities	29.6	31.1
Australian Fixed Interest	6.9	5.6
Overseas Fixed Interest	3.6	1.9
Property	8.7	9.0
Other	19.3	22.0
Short Term Securities	9.5	5.7

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 1 Year	Over 1 -5	Non Interest	Total
	\$	\$	\$	\$	\$
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 2017**

NOTE 25 – FINANCIAL INSTRUMENTS (CONT.)

	Floating Interest Rate	Fixed Interest		Non Interest	Total
		1 Year	Over 1 -5		
	\$	\$	\$	\$	\$
31 December 2017					
Cash	5,106,780	8,882,876	620,809	2,350	14,612,815
Financial Assets	-	-	-	1,236	1,236
	5,106,780	8,882,876	620,809	3,586	14,614,051

Weighted average interest rate 1.6%

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 2017			
Listed Securities	1,315	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	6,169,911
Properties for Own Use	-	-	784,875
	1,315	-	6,954,806
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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS****For the Year Ended 31st December 2017****NOTE 26 – FAIR VALUE MEASUREMENT (CONT.)**

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 approximate their fair values due to their short term nature.

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.

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.