



RTBU
NSW BRANCH

NSW BRANCH GENERAL PURPOSE FINANCIAL REPORT FOR 2018

Prepared: May 2019



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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 2018 to 31 December 2018**;
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
8. Financial statements and explanatory notes.



**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 2018, 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 (on pages 15 to 39) and the Committee of Management statement and the subsection 255(2A) report.

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Branch as at 31st December 2018, 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 8 of the *Fair Work (Registered Organisations) Act 2009* (the “RO 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 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 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 Management's Responsibility 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 RO Act, 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 intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our 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.

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

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



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

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

We declare that we are an auditor registered under the RO Act.

Dated at Sydney on the 24th day of May 2019

ESV Accounting and Business Advisors

Tim Valtwies
Partner

Registration number: AA2017/92

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate for the year ended 31 December 2018

I, Alexander Claassens being the Branch Secretary of the Australian Rail, Tram & Bus Industry Union (NSW Branch) certify:

- that the documents lodged herewith are copies of the full report for the Australian Rail, Tram & Bus Industry Union (NSW Branch) for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 24 May 2019; and
- that the full report was presented to the Committee of Management of the reporting unit on [insert date] in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer:.....

Title of prescribed designated officer:

Dated:

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 at 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 2018.

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

ACTIVITIES	2018 RESULTS
1. Making agreements with employers.	<ul style="list-style-type: none"> • 14 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. Membership representation.	<ul style="list-style-type: none"> • Day to day individual member industrial advice • Organiser visits to workplaces and workplace meetings. • Participation in specific projects. • Representation in restructuring and reform processes, • Representing members in tribunals and related institutions and provided assistance and strategic advice to individual members in relation to workplace issues. • Attending State /Federal Commission hearings and advocacy on behalf of members individually or collectively. • Provide Workplace Health and Safety advice and guidance.
4. Campaigns	<ul style="list-style-type: none"> • Various "Politics in the Pub" events • Fixing NSW Transport Rallies • International Day of Mourning events were held in Blacktown and Sydney on the 28th April 2018 to commemorate workers that have lost their lives at work. • May Day Parade and Rally and Join your Union Day • AFTINET protest held on the 15th June 2018 • Blue Mountains Transport Forum held on Saturday, 13th October 2018 • Restore Inner West Line Rally held on Saturday, 20th October 2018 • Transport Workers National Day of Respect was held Monday, 5th November 2018 • Unions for Refugees Rally held at Circular Quay on the 20th of

	<p>November 2018</p> <ul style="list-style-type: none"> • Various Change the Rules events the last one for the year was held on the 6th of December 2018
5. Appointing 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 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. Training delegates & representatives.	<ul style="list-style-type: none"> • Union Delegate Training – 3 Courses <ul style="list-style-type: none"> ○ 14 In May ○ 6 in November ○ 16 in December • Governance Training – 3 Courses <ul style="list-style-type: none"> ○ 6 in May ○ 25 in November ○ 6 in December
9. 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 - 60 - membership bulletins - 52 Media Releases - Membership Diaries - Rail Operations Division <ul style="list-style-type: none"> ○ 1 issue of Signaller's News ○ 1 issue of Guards Blue Light - Locomotive Division: <ul style="list-style-type: none"> ○ Loco Express Electronic newsletters ○ 41 Footplates - Tram and Bus <ul style="list-style-type: none"> ○ Bus Express electronic newsletters ○ 1 issue of Tram & Bus Bulletin
10. 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

	<ul style="list-style-type: none"> ○ Member resources ○ Delegates Information Kits ○ Member resource Cds ○ Health fund services through partner organisation ○ Membership information kits ○ Website
11. 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.
12. Policy Development and Compliance	<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 of the legislated reporting requirements were met.

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 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.

- Alexander Claassens
- By virtue of his office within (RTBU NSW), Employee Representative appointed to the Board of the State Trustee Corporation
- Alexander Claassens
- Membership Elected Director of Endeavour Mutual Bank

PRESCRIBED INFORMATION

Number of Members

As at the 31 December 2018 there were a total of **14,166** members of the (RTBU NSW) across the following Divisions of the union:

DIVISION	FINANCIAL MEMBERS	UNFINANCIAL MEMBERS	TOTAL
Rail Operations	3,322	18	3,340
Infrastructure	1,287	17	1,304
Workshops	653	9	662
Admin / Professional	1,390	17	1,407
Locomotive	3,692	24	3,716
Tram and Bus	3,502	235	3,737
TOTAL	13,846	320	14,166

Numbers of Employees

As at the 31 December 2018 there were 20 equivalent full-time employees.

POSITIONS	
Elected Paid Officials	4
Employed Industrial Staff	11
Administrative Support	5

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The members of the Committee of Management during the reporting period from 1 January 2018 and ending 31 December 2018 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 – 01/01/2018 – 08/10/2018 Vacant – 09/10/2018 - 31/12/2018
Locomotive Divisional President	Brett Rosser
Locomotive Divisional Secretary	Robert Hayden
Tram & Bus Divisional President	David Woollams – 01/01/2018 – 11/10/2018 Daniel Jagers – 12/10/2018 – 31/12/2018
Tram & Bus Divisional Secretary	Chris Preston – 01/01/2018 – 11/10/2018 David Babineau – 12/10/2018 – 31/12/2018
Infrastructure Divisional President	Michael Sullivan
Infrastructure Divisional Secretary	Scott Wilson
Administrative, Supervisory Technical and Professional Divisional President	Paul Casey – 01/01/2018 – 02/10/2018 Stephen Priestley 12/10/2018 – 31/12/2018
Administrative, Supervisory Technical and Professional Divisional Secretary	Simon Bolin – 01/01/2018 – 11/10/2018 Usofono Filipo 12/10/2018 – 31/12/2018
Fleet Manufacture, Overhaul, Maintenance and Service Divisional President	Michael Bartlett – 01/01/2018 – 11/10/2018 Bronwyn Kelly – 12/10/2018 – 31/12/2018
Fleet Manufacture, Overhaul, Maintenance and Service Divisional Secretary	Nyssa Parsons
Rail Operations Divisional President	John Steck – 01/01/2018 – 11/10/2018 Michael Sullivan – 12/10/2018 – 31/12/2018
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

On 23 May 2019, 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 2018:

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: Alexandre Claassens, Branch Secretary.

Dated: 23-May-2019.

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.

Statements of Comprehensive Income

The gain for the year as reported was \$853,007.

Members Contributions to the Union including the Legal Levy totaled was \$7.483Mil. This is a little more (4%) than the previous year as fees increased on 1 July, 2018. With the growth of funds held on deposit The Union had reduced interest received due to falling interest rates being offered during the year.

Employee expenses rose due to the impact of an increase in provision for Retirement Benefit in the 2018 year.

Administration expenses fell by 3.7%.

Legal costs fell due to reduced Enterprise Agreement negotiation activity compared to 2017.

Statement of Financial Position

Total assets increased by \$1.457Mill which was slightly more than 2017 growth. The increase consisted of an increase in cash on hand and bank of \$1.646Mill and after purchasing and replacing existing assets with new assets totaling \$35K. This increase in cash is a result of the surplus of \$853,007 for the year ended 2018. A rise in amounts paid to the National Office of \$59K increased the cash outflow for 2018.

Total liabilities increased in 2018 (\$1.456Mill) compared to 2017 (\$858K) due to the increase to the provision for retirement benefit required. Our accounts payable had a slight increase (\$134K). The increase in the Long Service Leave provision (\$16K) was offset by the decrease in Annual Leave Provision (\$56K) in 2018.

Statement of Cash Flows

Increase in cash held is \$1.646Mil providing a total cash balance in the unions book at Year end close of \$16.254Mil. Variances to the prior year are noted above and include asset purchases and a larger volume of creditor payments due to activity in the financial year.

Cash flows from operations were more than 2017 year. Profit from ordinary activities was \$385K less than 2017.

Signature of designated officer: *A. Claassens.*
Name and title of designated officer: *Alexander Claassens, Branch Secretary.*
Dated: *23-May-2019*

Australian Rail, Tram and Bus Industry Union, New South Wales Branch
REPORT REQUIRED UNDER SUBSECTION 255(2A)

The Committee of Management presents the expenditure report¹ as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	3,249,726	2,467,869
Advertising	184,469	201,058
Operating costs	3,502,371	3,594,055
Donations to political parties	8,199	7,898
Legal costs	256,086	296,688

Signature of designated officer:

Name and title of designated officer:

Dated:

A Claassens
Alexander Claassens, Branch Secretary
23-May-2019

FINANCIAL STATEMENTS**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH****STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31st December 2018**

	Notes	2018 \$	2017 \$
INCOME			
Members Contributions		7,032,301	6,748,595
Legal Levy Received		450,799	445,335
Capitation Fees and other revenue from another reporting entity		-	-
Interest Received		178,248	251,155
Rent Received		340,080	285,615
Grants and/or Donations	4	-	-
Net Gains on Sale of Assets		-	8,636
Revenue from Recovery of Wages Activity		-	-
Other Income		55,438	68,365
TOTAL INCOME		8,056,866	7,807,701
EXPENSES			
Employee Expenses	5A	3,249,726	2,467,869
Capitation Fee paid to National Office		859,968	830,315
Other Expenses to another Reporting Unit		-	-
Affiliation Fees	5B	233,197	228,014
Administration Expenses	5C	1,106,879	1,149,135
Grants or Donations	5D	8,198	7,898
Depreciation and Amortisation		94,047	97,363
Legal Costs	5E	256,086	296,688
Audit and Accounting Fees	5F	57,340	53,517
Other Expenses	5G	1,338,418	1,438,152
TOTAL EXPENSES		7,203,859	6,568,951
PROFIT FOR THE YEAR		853,007	1,238,750
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		853,007	1,238,750

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 2018**

	Retained Profits	Asset Revaluation \$	Total \$
Balance 01/01/2017	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
Profit for the Year	853,007	-	853,007
Other Comprehensive Income for the Year	-	-	-
Total Comprehensive Income for the Year	853,007	-	853,007
Balance 31/12/2018	22,884,151	342,500	23,226,651

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 2018

	Notes	2018 \$	2017 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	16,254,924	14,612,815
Receivables	10	154,760	228,258
Other	11	156,671	208,525
TOTAL CURRENT ASSETS		16,566,355	15,049,598
NON-CURRENT ASSETS			
Receivable	10	978,772	979,046
Financial Assets	12	1,061	1,236
Property	13	764,750	784,875
Investment Property	14	6,181,739	6,169,911
Plant & Equipment	15	86,376	104,783
Motor Vehicles	16	109,842	141,828
TOTAL NON-CURRENT ASSETS		8,122,540	8,181,679
TOTAL ASSETS		24,688,895	23,231,277
CURRENT LIABILITIES			
Accounts Payable	17	506,386	337,456
Provisions	18	955,858	520,177
TOTAL CURRENT LIABILITIES		1,462,244	857,633
TOTAL LIABILITIES		1,462,244	857,633
NET ASSETS		23,226,651	22,373,644
ACCUMULATED FUNDS			
Reserves	19	342,500	342,500
Accumulated Surplus	20	22,884,151	22,031,144
ACCUMULATED FUNDS		23,226,651	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 CASH FLOWS
For the Year Ended 31st December 2018

	Notes	2018	2017
		\$	\$
Receipt from RTBU National Office		10,281	44,650
Receipts from Members		8,267,447	7,914,993
Payment to RTBU National Office		(808,763)	(887,214)
Payments to Suppliers and Employees		(6,425,177)	(6,190,396)
Interest Received		178,423	251,155
Rent Received		374,088	314,177
Rental Bond Received		-	59,368
Receipts - Other		80,621	69,511
Net Cash Provided by Operating Activities	B	1,677,465	1,576,244
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(35,356)	(234,782)
Payment for Assets		-	9,500
Net Cash (Used in) Investing Activities		(35,356)	(225,282)
Net Increase in Cash Held		1,642,109	1,350,962
Cash at beginning of the Year		14,612,815	13,261,853
Cash at the End of Year	A	16,254,924	14,612,815

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	16,254,924	14,612,815
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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 2018

	2018	2017
	\$	\$
Note B – Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities		
Profit from Ordinary Activities	853,007	1,238,750
Depreciation	94,047	97,636
Gain from Sale of Asset	-	(8,636)
Change in Assets and Liabilities		
Decrease / (Increase) in Receivables	73,947	(3,180)
Decrease in Prepaid Expenses	5,161	172,302
(Increase) in Promotional Items on Hand	-	(4,863)
Increase in Creditors	168,929	113,241
Increase/(Decrease) in Provision for employee benefits	<u>482,374</u>	<u>(29,006)</u>
Cash Flows from Operations	1,677,465	1,576,244

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 2018****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) New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 9 Financial Instruments

The Branch has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance has been used.

AASB 15 Revenue from Contracts with Customers

The Branch has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)

statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 January 2018.

(b) 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.

(c) 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.

(d) 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

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

(e) 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.

(f) 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.

(g) 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.

(h) 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 from members are recognized at the nominal amounts due less any expected credit losses. The entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance.

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.

(i) 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.

(j) 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.

(k) 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

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

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(m) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Branch for the annual reporting period ended 31 December 2018. The Branch's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Branch, are set out below.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND RELATED PARTY (CONT.)****AASB 16 Leases**

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Branch will adopt this standard from 1 January 2019 but the impact of its adoption is yet to be assessed by the Branch.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

		2018	2017
		\$	\$
NOTE 2 – OPERATING SURPLUS			
Operating Surplus		<u>853,007</u>	<u>1,238,750</u>
Operating Surplus for the year			
Comprises -			
General Fund	A	319,676	856,550
Bus & Tram Picnic Fund	B	71,308	(8,475)
Bus & Tram Traffic Fund	C	(4,195)	(68,799)
Legal Fund	D	<u>466,218</u>	<u>459,474</u>
		<u>853,007</u>	<u>1,238,750</u>
NOTE 3A – GENERAL FUND INCOME			
Members Contributions		6,678,282	6,359,348
Interest Received		162,766	107,233
Rent Received		340,080	285,615
Grants and/or Donations		-	-
Net Gains on Sale of Assets		-	8,636
Valuation Gain from Investment		-	-
Other Income		<u>55,438</u>	<u>68,365</u>
TOTAL INCOME		<u>7,236,566</u>	<u>6,829,197</u>
EXPENSES			
Employee Expenses		3,249,726	2,467,869
Capitation Fee paid to National Office		859,968	830,315
Affiliation Fees		233,197	228,014
Administration Expenses		1,106,831	1,139,505
Grants or Donations		8,198	7,898
Depreciation and Amortisation		94,047	97,363
Legal Costs		251,470	234,601
Audit Fees		57,340	53,517
Other Expenses		<u>1,056,008</u>	<u>913,565</u>
TOTAL EXPENSES		<u>6,916,865</u>	<u>5,972,647</u>
PROFIT FOR THE YEAR		<u>319,701</u>	<u>856,550</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**

	2018	2017
	\$	\$
NOTE 3B – BUS & TRAM PICNIC FUND		
INCOME		
Interest Received	36	13,595
Members' Contributions	188,272	211,839
TOTAL INCOME	188,308	225,434
EXPENSES		
Bank Charges	-	-
Picnic Expenses	117,000	233,909
TOTAL EXPENSES	117,000	233,909
PROFIT/(LOSS) FOR THE YEAR	71,308	(8,475)
NOTE 3C – BUS & TRAM TRAFFIC FUND		
INCOME		
Interest	6	58,480
Member Contributions	165,745	177,408
TOTAL INCOME	165,751	235,888
EXPENSES		
Consideration to Employers for Payroll Deductions	-	4,332
Campaigns	-	140,031
Traffic Fines Paid	165,330	150,648
Legal Expenses	4,616	4,475
Printing & Stationery	-	5,201
TOTAL EXPENSES	169,946	304,687
PROFIT/(LOSS) FOR THE YEAR	(4,195)	(68,799)
NOTE 3D – LEGAL FUND		
INCOME		
Interest	15,443	71,847
Legal Levy Received	450,799	445,335
TOTAL INCOME	466,242	517,182
EXPENSES		
Bank Charges	24	96
Legal Expenses	-	57,612
TOTAL EXPENSES	24	57,708
PROFIT FOR THE YEAR	466,218	459,474

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

	2018	2017
	\$	\$
NOTE 4: GRANTS AND/OR DONATIONS		
Grants	-	-
Donations	-	-
	-	-
NOTE 5 – EXPENSES		
Note 5A: Employee Expenses		
Office Holders:		
Wages and salaries	639,413	634,732
Superannuation	27,150	18,631
Leave and Other Entitlements	(72,475)	35,550
Retirement Benefit Expenses	485,937	7,707
Fringe Benefit Tax	15,800	30,017
Separation and Redundancies	-	-
Honorariums	-	-
	1,095,825	726,637
Employees other than Office Holders:		
Wages and salaries	1,830,917	1,646,162
Superannuation	158,338	153,673
Leave and Other Entitlements	68,842	(72,264)
Retirement Benefit Expenses	-	-
Fringe Benefit Tax	-	(7,264)
Separation and Redundancies	75,212	-
Honorariums – Bus	20,592	20,925
	2,153,901	1,741,232
	3,249,726	2,467,869
Note 5B: Affiliation Fees		
ACTU – Paid to RTBU National Office	97,217	74,775
ALP	48,050	64,243
Barrier Industrial Council	399	399
Broken Hill Trades Hall Trust	406	392
Mckell Institute	8,000	6,995
Newcastle Trades Hall Council	3,881	3,809
Permanent Way Institution	1,000	1,000
Sydney Alliance	21,150	20,410
Sydney May Day Committee	-	1,500
Unions ACT	81	60
Unions NSW	51,531	53,141
Workers Health Centre	1,482	1,291
	233,197	228,014

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

	2018	2017
	\$	\$
Note 5C: Administration Expenses		
Consideration to Employers for Payroll		
Deductions	-	4,332
Compulsory Levies – Paid to National Office	-	-
Fees/Allowance – Meeting and Conferences	-	-
Bank Fees	45,428	34,471
Branch Council, Conference and Meeting Expenses	124,269	137,922
Consulting Fees	213,929	269,858
Property Expenses		
Body Corporate Fees	235,861	177,186
Electricity	72,126	54,078
Rates & Taxes	51,568	46,122
Office Expenses		
Postage	9,549	34,943
Printing, Stationery & Computer Software	177,925	190,092
Publications and Subscriptions	769	6,002
Telephone	89,313	103,818
Website Maintenance	86,142	90,310
	<u>1,106,879</u>	<u>1,149,134</u>
Note 5D: Grants or Donations		
Grants	-	-
Donations:		
Total Paid that were \$1,000 or Less	5,723	6,352
Total Paid that Exceeded \$1,000	2,475	1,545
	<u>8,198</u>	<u>7,898</u>
Note 5E: Legal Costs		
Litigation	-	-
Other Legal Matters	256,086	296,688
	<u>256,086</u>	<u>296,688</u>
Note 5F: Audit and Accounting Fees		
Financial Statement Audit Services	34,421	35,217
Accounting Services	22,919	18,300
	<u>57,340</u>	<u>53,517</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

	2018	2017
	\$	\$
Note 5G: Other Expenses		
Airfares and Travelling Expenses	29,613	24,885
Campaign Expenses	184,469	201,058
Council, Executive Expenses & Lost Time	112,813	121,800
Organizing Expenses	-	-
Fundraisers – Functions	13,351	11,799
General Expenses	23,869	19,764
Hire – Plant and Equipment	2,355	4,473
Insurance – General	92,411	115,445
Motor Vehicle Expenses	86,125	69,973
Members Training	-	4,802
Members Mortality Fund	25,000	35,000
Members Council Expense	-	-
Payroll Tax	94,824	102,233
Parking Levy	-	19,120
Picnic Expenses	117,000	233,909
Press Release	-	16,498
Rail & Road Publishing & Other Costs	133,836	80,492
Repair & Maintenance	117,343	132,263
Staff Fares & Travelling	24,759	7,137
Staff Training	15,012	6,095
Staff Uniforms	6,489	5,474
Traffic Fines Paid	167,935	150,648
Badges & Other Items	91,214	75,284
Penalties – via RO Act or RO Regulations	-	-
	<u>1,338,418</u>	<u>1,438,152</u>
NOTE 6: PICNIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	455,474	480,144
Interest	45	39
Members' Contributions (Incl. GST)	210,700	235,294
Bank Charges	-	-
Picnic Expenses	(129,259)	(260,003)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>536,960</u>	<u>455,474</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	971,270	957,748
Interest	5,192	13,522
Bank Balance at End of Year	<u>976,462</u>	<u>971,270</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**

	2018 \$	2017 \$
NOTE 7: TRAFFIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	55,974	183,036
Interest	6	18
Members' Contributions (Incl. GST)	188,142	197,066
Consideration to Employers for Payroll		
Deductions	-	(4,332)
Fines Paid	(132,074)	(151,736)
Legal Fees Paid	(9,320)	(4,922)
Campaign Expenses	-	(154,034)
Payment for Assets	-	(3,400)
Printing & Stationery	(4,681)	(5,722)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>98,047</u>	<u>55,974</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	2,725,814	2,667,364
Interest	15,419	58,450
Bank Balance at End of Year	<u>2,741,233</u>	<u>2,725,814</u>
NOTE 8: LEGAL FUND ACCOUNTS		
HO Legal Fund – General Account		
Bank Balance at Start of Year	526,327	303,251
Interest	13,025	8,501
Members' Contributions	237,867	214,575
Legal Fees Paid	-	-
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>777,219</u>	<u>526,327</u>
HO Legal Fund – Term Deposit		
Bank Balance at Start of Year	733,415	710,095
Interest	8,423	23,320
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>741,838</u>	<u>733,415</u>
Loco Legal Fund		
Bank Balance at Start of Year	330,629	710,523
Interest	7,913	7,904
Members' Contributions	122,400	112,200
Transfer to/from Other Accounts	-	(500,000)
Bank Balance at End of Year	<u>460,942</u>	<u>330,629</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

	2018	2017
	\$	\$
NOTE 8: LEGAL FUND ACCOUNTS (CONT.)		
Bus & Tram Legal Fund		
Bank Balance at Start of Year	257,169	201,967
Interest	131	111
Members' Contributions	127,602	118,560
Bank Charges	(110)	(96)
Legal Fees Paid	(77,796)	(63,373)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>306,996</u>	<u>257,169</u>
NOTE 9 – CASH AND CASH EQUIVALENTS		
Cash on Hand	2,350	2,350
Cash at Bank and on Deposit	<u>16,252,574</u>	<u>14,610,465</u>
	<u>16,254,924</u>	<u>14,612,815</u>
NOTE 10 – RECEIVABLES		
CURRENT		
Receivable from Other Reporting Units – RTBU National Office	3,701	-
Membership Fees Receivable	150,399	202,415
Other Receivables	660	25,843
	<u>154,760</u>	<u>228,258</u>
NON-CURRENT		
Receivable from Related Party – RTBU New South Wales ("State")	<u>978,772</u>	<u>979,046</u>
<p>Amount receivable from the State is unsecured and no term of repayment or interest have been determined.</p>		
NOTE 11 – OTHER CURRENT ASSETS		
Promotional Items on Hand	14,138	14,138
Prepayments to RTBU National Office	-	8,482
Provision for Retirement Benefits	-	46,693
Prepayments	<u>142,533</u>	<u>139,212</u>
	<u>156,671</u>	<u>208,525</u>
NOTE 12 – FINANCIAL ASSETS		
Listed Shares	1,041	1,216
Share Endeavour	<u>20</u>	<u>20</u>
	<u>1,061</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 2018**

	2018	2017
	\$	\$
NOTE 13 - PROPERTY		
Wollongong – Valuation	305,000	305,000
Hamilton – Valuation	500,000	500,000
Less: Provision for Depreciation	<u>(40,250)</u>	<u>(20,125)</u>
	<u>764,750</u>	<u>784,875</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	190,651	172,549
Less: Provision for Depreciation	<u>(8,912)</u>	<u>(2,638)</u>
	<u>6,181,739</u>	<u>6,169,911</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	680,310	720,046
Pitt St – Computer Hardware	414,793	413,738
Pitt St – Computer Software	+ 97,260	42,413
Bus & Tram Division – Office Equipment	+ 311,745	314,589
Bus & Tram Division – Computer	69,522	64,788
Hamilton – Air Conditioner	1,540	1,540
Less: Provision for Depreciation	<u>(1,487,895)</u>	<u>(1,452,331)</u>
	<u>87,276</u>	<u>104,783</u>

NOTE 16 – MOTOR VEHICLES

Motor Vehicles	310,074	311,035
Less: Provision for Depreciation	<u>(200,232)</u>	<u>(169,207)</u>
	<u>109,842</u>	<u>141,828</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018
31 December 2017

	Property Own Use \$	Invest Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of Year	805,000	6,000,000	132,624	147,699
Addition	-	172,549	15,042	25,845
Disposal	-	-	-	-
Depreciation	(20,125)	(2,638)	(42,884)	(31,716)
Revaluations	-	-	-	-
Carrying Amount at End of Year	<u>784,875</u>	<u>6,169,911</u>	<u>104,783</u>	<u>141,828</u>

31 December 2018

	Property Own Use \$	Invest Property \$	Plant & Equip \$	Motor Vehicles \$
Balance at Beginning of Year	784,875	6,169,911	104,783	141,828
Addition	-	18,102	18,167	-
Depreciation	(20,125)	(6,274)	(36,574)	(31,986)
Carrying Amount at End of Year	<u>764,750</u>	<u>6,181,739</u>	<u>86,376</u>	<u>109,842</u>

2018

\$

2017

\$

NOTE 17 – ACCOUNTS PAYABLE

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

149,426

135

-

-

-

-

356,960

337,321

506,386337,456**NOTE 18 – PROVISIONS**

Office Holders

Provision for Annual Leave

62,679

118,698

Provision for Long Service Leave

99,691

116,047

Provision for Retirement Benefits

439,244

-

Separation and Redundancies

-

-

Other

-

-

601,614234,745

Employees other than Office Holders

Provision for Annual Leave

159,402

147,110

Provision for Long Service Leave

194,842

138,322

Provision for Retirement Benefits

-

-

Separation and Redundancies

-

-

Other

-

-

354,244354,244**TOTAL PROVISIONS**955,858520,177

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**

	Annual Leave	Long Service Leave	Retirement Benefit
	\$	\$	\$
Movements during the Year			
Balance at beginning of the year	265,808	254,368	(46,693)
Increase (Decrease) in Provision	<u>(43,727)</u>	<u>40,165</u>	<u>485,937</u>
Balance at end of Year	<u>222,081</u>	<u>294,533</u>	<u>439,244</u>
		2018	2017
		\$	\$
NOTE 19 – RESERVES			
Asset Revaluation Reserve		<u>342,500</u>	<u>342,500</u>
NOTE 20 – ACCUMULATED FUNDS			
Unappropriated Profit Brought Forward		<u>22,884,151</u>	<u>22,031,144</u>

NOTE 21 – CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Operating lease commitments—as lessor

The Union receives rent from a tenant where the lease has expired and other rental income on a property it does not own but is managed on a care and control basis.

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

Within one year	261,229	261,229
After 1 year but not more than 5 years	522,458	783,687
After five years	-	-
	<u>783,687</u>	<u>1,044,916</u>

Contingent assets or liabilities

To the Committee's knowledge, the Union has no known contingent liabilities as at 31 December 2018.

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	10,281	44,650
Expenses Paid to RTBU National Office		
Capitation Fees	859,968	913,241
ACTU Membership Fees	104,679	82,253
Amounts Owed by RTBU National Office		
Prepayment of Capitation Fees	-	8,482
Expenses to be Reimbursed	-	-
Amounts Owed by RTBU New South Wales ("State")		
Receivable	979,046	979,046

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018
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 2018, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$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.

	2018	2017
	\$	\$
NOTE 23 – KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (Including Annual Leave Taken)	626,881	634,732
Annual Leave Accrued	62,679	118,698
Non-monetary Benefit – Motor Vehicle	43,407	60,740
	<u>733,167</u>	<u>814,170</u>
Post-Employment Benefits		
Superannuation	27,150	18,631
Retirement Benefit Accrued	439,244	(46,693)
	<u>466,394</u>	<u>(28,062)</u>
Other Long-Term Benefits		
Long-Service Leave Accrued	99,691	116,077
	<u>99,691</u>	<u>116,077</u>
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	<u>1,299,052</u>	<u>902,185</u>

Reconciliation of the present value of the defined benefit obligation -

	2018	2017
	\$	\$
Present Value at the Beginning of the Year	3,205,852	3,006,654
Current Service Cost	10,092	10,053
Interest Cost	81,025	80,816
Contributions by Funds Participants	5,065	5,308
Actuarial (Gains) / Losses	561,454	129,104
Benefits Paid	(314,959)	(25,312)
Taxes, Premiums & Expenses Paid	(746)	(771)
Other	(22,621)	-
	<u>3,525,161</u>	<u>3,205,852</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

	2018	2017
	\$	\$
Fair Value at the Beginning of the Year	3,364,109	3,076,703
Interest Income	85,457	82,759
Actual Return	(38,465)	225,455
Employer Contributions	-	-
Contributions by Funds Participant	5,089	5,316
Benefits (Paid) Transferred In	(316,460)	(25,352)
Taxes, Premiums & Expenses Paid	(749)	(772)
Other	(13,062)	-
	<u>3,085,919</u>	<u>3,364,109</u>
Reconciliation of assets and liabilities recognized in the Statement of Financial Positions -		
Present Value of Funded Defined Benefit Obligations	3,525,161	3,205,852
Fair Value of Fund Assets at End of Year	(3,085,919)	(3,364,109)
Adjustment for Effect of Asset Ceiling	-	111,564
Net (Asset)/Liability Recognised in the Statement of Financial Position	<u>439,242</u>	<u>(46,693)</u>

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

	2018	2017
	%	%
Australian Equities	19.3	22.4
Overseas Equities	26.2	29.6
Australian Fixed Interest	5.6	6.9
Overseas Fixed Interest	3.5	3.6
Property	8.9	8.7
Other	26.7	19.3
Short Term Securities	9.8	9.5

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

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**
NOTE 24 – 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 2017					
Cash	5,106,780	8,882,876	620,809	2,350	14,612,815
Financial Assets	-	-	-	1,236	1,236
	<u>5,106,780</u>	<u>8,882,876</u>	<u>620,809</u>	<u>3,586</u>	<u>14,614,051</u>

	Floating Interest Rate	Fixed Interest 1 Year	Over 1 -5	Non Interest	Total
	\$	\$	\$	\$	\$
31 December 2018					
Cash	6,723,140	8,907,922	620,000	3,862	16,254,924
Financial Assets	-	-	-	1,236	1,236
	<u>6,723,140</u>	<u>8,907,922</u>	<u>620,000</u>	<u>5,098</u>	<u>16,254,924</u>

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 25 – 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.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018

31 December 2018	Level 1	Level 2	Level 3
Listed Securities	1,315	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	6,181,739
Properties for Own Use	-	-	764,750
	<u>1,315</u>	<u>-</u>	<u>6,946,509</u>
31 December 2017			
Listed Securities	1,315	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	6,169,911
Properties for Own Use	-	-	784,875
	<u>1,315</u>	<u>-</u>	<u>6,954,806</u>

NOTE 25 – 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 26 – 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 27: GOING CONCERN

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

NOTE 28: FINANCIAL SUPPORT

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

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2018**

NOTE 29: 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.

END OF REPORT