



RTBU
NSW BRANCH

NSW BRANCH GENERAL PURPOSE FINANCIAL REPORT FOR 2019

Prepared: May 2020

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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 2019 to 31 December 2019**;
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 2019, 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 17 to 40) 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 2019, 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.

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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 21st of May 2020



ESV Business advice and accounting



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 2019**

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 22 May 2020; and
- that the full report was presented to the Committee of Management of the reporting unit on 11 June 2020 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 2019**.

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

ACTIVITIES	2019 RESULTS
1. Making agreements with employers.	<ul style="list-style-type: none"> • 13 agreements were approved in the reporting period. • This includes the amalgamation of the Transport Salaried Award and Agreement into the Transport for NSW and Sydney Metro Salaries and Conditions of Employment Award 2019.
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"> • Union Pride Rally - 2 March • International Women's Day events at Clyde Hub and Ryde Bus Depot – 8 March • Presented at Transport Symposium at Armidale – 9 March • Presented at a series of Sydney Alliance Union Solidarity Sessions • Candlelight Vigil for Christchurch – 21 March • Metro Trains Rally – 3 April • Change the Rules Campaign Events • International Day of Mourning events were held in Blacktown and Sydney on the 28th April 2019 to commemorate workers that have lost their lives at work. • May Day Parade and Rally and Join your Union Day • Presented at Northern Action Railway Group Symposium, Grafton – 4 May • Save Our Garrison Rally at Liverpool Station - 16 August • Keep our Busses Public Transport Rallies • Train Cleaner rally at Central Station – 18 December
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 – 7 Courses <ul style="list-style-type: none"> ○ 9 in June ○ 8 in July ○ 10 in August ○ 12 in August (Tram and Bus Division) ○ 12 in September (Locomotive Division) ○ 14 in November (Locomotive Division) ○ 11 in December (Locomotive Division) • Governance Training – 2 Courses <ul style="list-style-type: none"> ○ 8 in March ○ 3 in June • Staff Training – 2 Courses <ul style="list-style-type: none"> ○ 2 in March – ROC Training ○ 2 in August – ACTU Leaders Training

<p>9. Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.</p>	<ul style="list-style-type: none"> • Produced and distributed: <ul style="list-style-type: none"> - 3 - Issues of the official union journal <i>Rail & Road</i> - 12 issues of RTBU Express – electronic newsletter - 47 eDM updates - 30 Media Releases - Membership Diaries for every member - 55 – Branch bulletins - Rail Operations Division <ul style="list-style-type: none"> o 1 issue of Signaller's News o 1 Issue of Guards Blue Light - Locomotive Division: <ul style="list-style-type: none"> o 18 Loco Express Electronic newsletters o 27 Footplates - Tram and Bus <ul style="list-style-type: none"> o 5 Bus Express electronic newsletters o 1 issue of Tram & Bus Bulletin
<p>10. General Member Services</p>	<ul style="list-style-type: none"> • Range of member services provided: <ul style="list-style-type: none"> o RTBU Holiday Park o Access to other holiday facilities, through partner organisations o Financial Services through partner organisations o Taxation and accounting services through partner organisations o Member resources o Delegates Information Kits o Member resource Cds o Health fund services through partner organisation o Membership information kits o Website
<p>11. Legal Services</p>	<ul style="list-style-type: none"> • A range of legal referral services available to members through partner legal organisations • established internal industrial/legal resources to assist members with direct representation on a range of workplace issues, such as appeals, dismissal, disciplinary hearings (as per item 3. above) • Legal fund established through membership levy to provide Industrial/legal services.
<p>12. Policy Development and Compliance</p>	<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 2019** there were a total of **14,165** members of the (RTBU NSW) across the following Divisions of the union:

DIVISION	FINANCIAL MEMBERS	UNFINANCIAL MEMBERS	TOTAL
Rail Operations	3556	27	3583
Infrastructure	1281	23	1304
Workshops	667	8	675
Admin / Professional	1409	20	1429
Locomotive	3698	30	3728
Tram and Bus	3554	132	3686
TOTAL	14165	240	14405

Numbers of Employees

As at the **31 December 2019** there were **23** equivalent full-time employees.

POSITIONS

Elected Paid Officials	4
Employed Industrial Staff	14
Administrative Support	5

MEMBERS OF THE COMMITTEE OF MANAGEMENT

The members of the Committee of Management during the reporting period from 1 January 2019 and ending 31 December 2019 were:

BRANCH EXECUTIVE	
Branch President (Honorary)	Joanne McCallum
Branch Secretary	Alex Claassens
Assistant Branch Secretary Rail (Honorary)	Robert Hayden
Assistant Branch Secretary Road (Honorary)	Vacant – 1/1/2019 – 6/2/2019 David Babineau 7/2/2019 – 31/12/2019
Locomotive Divisional President	Brett Rosser
Locomotive Divisional Secretary	Robert Hayden
Tram & Bus Divisional President	Daniel Jagers
Tram & Bus Divisional Secretary	David Babineau
Infrastructure Divisional President	Michael Sullivan
Infrastructure Divisional Secretary	Scott Wilson
Administrative, Supervisory Technical and Professional Divisional President	Stephen Priestley
Administrative, Supervisory Technical and Professional Divisional Secretary	Usofono Filipo
Fleet Manufacture, Overhaul, Maintenance and Service Divisional President	Bronwyn Kelly
Fleet Manufacture, Overhaul, Maintenance and Service Divisional Secretary	Nyssa Parsons
Rail Operations Divisional President	Michael Sullivan
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

Signature of designated officer:

Name and title of designated officer:

Dated:

A. Claassens
Alexander Claassens Branch Secretary
21-May-2020

COMMITTEE OF MANAGEMENT STATEMENT

On 21 May 2020, 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 2019:

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: Alexander Claassen

Name and title of designated officer: Alexander Claassen - Branch Secretary

Dated: 21 - May - 2020

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 profit for the financial year was \$2,588,692 (FY2018: \$853,007). During the year a total fair value gains of \$1.779Mil were recorded in the financials as a result of union revaluing properties owned during the period.

Members Contributions to the Union including the Legal Levy totaled \$7.869Mil. This is 5% more than the previous year as fees increased on 1 July 2019 and member numbers increased by 319 on the prior year. 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 principally due to the impact of an increase in provision for Retirement Benefit in the 2019 year.

Administration expenses fell by 10%.

Legal costs increased during the period by \$219k, due to bus privatisation and metro campaigns and increased unfair dismissal activity during the year compared to FY2018.

Statement of Financial Position

Total assets increased by \$3.508Mill which was slightly more than 2018 growth. The increase consisted of an increase in cash on hand and bank of \$1.724Mill and after purchasing and replacing existing assets with new assets totaling \$57K. This increase in cash is a result of the surplus of \$2,588,692 for the year ended 2019 which generated cashflows of \$1,781,196. The increase in total assets is also attributable to the revaluation of investment properties and land and buildings by \$1.779Mil.

Total liabilities increased in 2019 by \$640K as compared to 2018, the increase is mainly attributable to the increase in the provision for retirement benefit by \$426K, increase in Annual Leave and Long Service Leave by \$168K and a slight increase in accounts payable by \$45K.

Statement of Cash Flows

Increase in cash held is \$1.724Mil providing a total cash balance in the unions books at Year end close of \$17.979Mil. Variances to the prior year are noted above and include asset purchases and a larger volume of creditor and payments to the national office during the financial year.

Cash flows from operations were more than 2018 year primarily as a result of higher receipts from members. Profit from ordinary activities was \$1.735Mil more than 2018.

Signature of designated officer:

A. Claassens

Name and title of designated officer:

Alexander Claassens Branch Secretary

Dated:

21 - May - 2020

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 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	3,215,821	3,249,726
Advertising	232,675	184,469
Operating costs	3,436,602	3,509,042
Donations to political parties	12,478	4,536
Legal costs	475,037	256,086

Signature of designated officer:

Name and title of designated officer:

Dated:

A Claassens
Alexander Claassens Branch Secretary
21-May-2020

FINANCIAL STATEMENTS**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH****STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31st December 2019**

	Notes	2019 \$	2018 \$
INCOME			
Members Contributions		7,364,432	7,032,301
Legal Levy Received		504,990	450,799
Capitation Fees and other revenue from another reporting entity		-	-
Interest Received		224,020	178,248
Rent Received		330,264	340,080
Grants and/or Donations	4	-	-
Valuation Gain from Investment Property		1,500,000	-
Revenue from Recovery of Wages Activity		-	-
Other Income		37,599	55,438
TOTAL INCOME		9,961,305	8,056,866
EXPENSES			
Employee Expenses	5A	3,215,821	3,249,726
Capitation Fee paid to National Office		912,525	859,968
Other Expenses to another Reporting Unit		-	-
Affiliation Fees	5B	254,717	233,197
Administration Expenses	5C	987,715	1,106,879
Grants or Donations	5D	22,283	21,550
Depreciation and Amortisation		87,486	94,047
Legal Costs	5E	475,037	256,086
Audit and Accounting Fees	5F	42,844	57,340
Other Expenses	5G	1,374,185	1,325,067
TOTAL EXPENSES		7,372,613	7,203,859
PROFIT FOR THE YEAR		2,588,692	853,007
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land and building		279,375	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,868,067	853,007

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 2019**

	Retained Profits	Asset Revaluation \$	Total \$
Balance 01/01/2018	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
Profit for the Year	2,588,692		2,588,692
Other Comprehensive Income for the Year		279,375	279,375
Total Comprehensive Income for the Year	2,588,692	279,375	2,868,067
Balance 31/12/2019	25,472,843	621,875	26,094,718

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 2019

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	9	17,979,273	16,254,924
Receivables	10	228,258	154,760
Other	11	118,556	156,671
TOTAL CURRENT ASSETS		18,326,087	16,566,355
NON-CURRENT ASSETS			
Receivable	10	979,046	978,772
Financial Assets	12	1,236	1,061
Property	13	1,024,000	764,750
Investment Property	14	7,666,432	6,181,739
Plant & Equipment	15	84,927	86,376
Motor Vehicles	16	116,083	109,842
TOTAL NON-CURRENT ASSETS		9,871,724	8,122,540
TOTAL ASSETS		28,197,811	24,688,895
CURRENT LIABILITIES			
Accounts Payable	17	551,862	506,386
Provisions	18	1,551,231	955,858
TOTAL CURRENT LIABILITIES		2,103,093	1,462,244
TOTAL LIABILITIES		2,103,093	1,462,244
NET ASSETS		26,094,718	23,226,651
ACCUMULATED FUNDS			
Reserves	19	621,875	342,500
Accumulated Surplus	20	25,472,843	22,884,151
ACCUMULATED FUNDS		26,094,718	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 CASH FLOWS**
For the Year Ended 31st December 2019

	Notes	2019 \$	2018 \$
Receipt from RTBU National Office		2,586	10,281
Receipts from Members		8,573,085	8,267,447
Payment to RTBU National Office		(1,066,025)	(808,763)
Payments to Suppliers and Employees		(6,353,845)	(6,425,177)
Interest Received		223,845	178,423
Rent Received		363,290	374,088
Rental Bond Received		-	-
Receipts - Other		38,259	80,621
Net Cash Provided by Operating Activities	B	1,781,196	1,677,465
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(56,847)	(35,356)
Payment for Assets		-	-
Net Cash (Used in) Investing Activities		(56,847)	(35,356)
Net Increase in Cash Held		1,724,349	1,642,109
Cash at beginning of the Year		16,254,924	14,612,815
Cash at the End of Year	A	17,979,273	16,254,924

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	17,979,273	16,254,924
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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 2019**

	2019	2018
	\$	\$
Note B – Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities		
Profit from Ordinary Activities	2,588,692	853,007
Depreciation	87,486	94,047
Gain from Sale of Asset		-
Valuation Gain from Investment Property	(1,500,000)	
Change in Assets and Liabilities		
Decrease / (Increase) in Receivables	(73,947)	73,947
Decrease in Prepaid Expenses	38,115	5,161
(Increase) in Promotional Items on Hand	-	-
Increase in Creditors	45,477	168,929
Increase/(Decrease) in Provision for employee benefits	595,373	482,374
Cash Flows from Operations	1,781,196	1,677,465

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 2019****NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements are a general purpose financial statement that have 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 16 Leases

The Branch has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (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. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

Adoption of AASB 16 has had no impact on the financial statements as there were no material leases that were to be recognized in accordance of AASB 16.

(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")

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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. Independent valuations were carried out on 1 July 2019 for Wollongong and 24 June 2019 for Hamilton. The property is measured at fair value through other comprehensive income.

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. Independent valuation was carried out on 1 July 2019. No depreciation is provided where the fair value basis is used. Investment property are measured at fair value through profit and loss.

(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.

(e) 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.

(f) 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.

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

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st December 2019

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

(g) 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 an operating lease is recognized on a straight line basis over the term of the lease. .

(h) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the 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.

(j) 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019**

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

(k) 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.

(l) 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 2019. In the Branch's assessment the impact of these new or amended Accounting Standards and Interpretations, are not relevant to the Branch.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019**

		2019	2018
		\$	\$
NOTE 2 – OPERATING SURPLUS			
Operating Surplus		<u>2,588,692</u>	<u>853,007</u>
Operating Surplus for the year			
Comprises -			
General Fund	A	2,278,761	319,676
Bus & Tram Picnic Fund	B	(91,089)	71,308
Bus & Tram Traffic Fund	C	47,279	(4,195)
Legal Fund	D	353,740	466,218
		<u>2,588,692</u>	<u>853,007</u>
NOTE 3A – GENERAL FUND INCOME			
Members Contributions		7,028,106	6,678,282
Interest Received		182,559	162,766
Rent Received		330,264	340,080
Grants and/or Donations		-	-
Net Gains on Sale of Assets		-	-
Valuation Gain from Investment		1,500,000	-
Other Income		37,599	55,438
TOTAL INCOME		<u>9,078,527</u>	<u>7,236,566</u>
EXPENSES			
Employee Expenses		3,215,821	3,249,726
Capitation Fee paid to National Office		912,526	859,968
Affiliation Fees		254,717	233,197
Administration Expenses		987,650	1,106,831
Grants or Donations		18,233	8,198
Depreciation and Amortisation		87,486	94,047
Legal Costs		284,543	251,470
Audit Fees		42,845	57,340
Other Expenses		995,946	1,056,218
TOTAL EXPENSES		<u>6,799,766</u>	<u>6,916,890</u>
PROFIT FOR THE YEAR		<u>2,278,761</u>	<u>319,676</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019**

	2019	2018
	\$	\$
NOTE 3B – BUS & TRAM PICNIC FUND		
INCOME		
Interest Received	34	36
Members' Contributions	160,650	188,272
TOTAL INCOME	160,684	188,308
EXPENSES		
Bank Charges	-	-
Picnic Expenses	251,773	117,000
TOTAL EXPENSES	251,773	117,000
PROFIT/(LOSS) FOR THE YEAR	(91,089)	71,308
NOTE 3C – BUS & TRAM TRAFFIC FUND		
INCOME		
Interest	4,391	6
Member Contributions	175,676	165,745
TOTAL INCOME	180,068	165,751
EXPENSES		
Consideration to Employers for Payroll Deductions	-	-
Campaigns	-	-
Traffic Fines Paid	130,516	165,330
Legal Expenses	2,273	4,616
Printing & Stationery	-	-
TOTAL EXPENSES	132,789	169,946
PROFIT/(LOSS) FOR THE YEAR	47,279	(4,195)
NOTE 3D – LEGAL FUND		
INCOME		
Interest	37,036	15,443
Legal Levy Received	504,990	450,799
TOTAL INCOME	542,026	466,242
EXPENSES		
Bank Charges	65	24
Legal Expenses	188,221	-
TOTAL EXPENSES	188,221	24
PROFIT FOR THE YEAR	353,740	466,218

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019	2018
	\$	\$
NOTE 4: GRANTS AND/OR DONATIONS		
Grants	-	-
Donations	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
NOTE 5 – EXPENSES		
Note 5A: Employee Expenses		
Office Holders:		
Wages and salaries	566,870	639,413
Superannuation	38,189	27,150
Leave and Other Entitlements	40,894	(72,475)
Retirement Benefit Expenses	426,748	485,937
Fringe Benefit Tax	32,955	15,800
Separation and Redundancies	-	-
Honorariums	-	-
	<hr/>	<hr/>
	1,105,656	1,095,825
	<hr/>	<hr/>
Employees other than Office Holders:		
Wages and salaries	1,790,108	1,830,917
Superannuation	167,890	158,338
Leave and Other Entitlements	127,731	68,842
Retirement Benefit Expenses	-	-
Fringe Benefit Tax	-	-
Separation and Redundancies	-	75,212
Honorariums – Bus	24,436	20,592
	<hr/>	<hr/>
	2,110,165	2,153,901
	<hr/>	<hr/>
	3,215,821	3,249,726
	<hr/>	<hr/>
Note 5B: Affiliation Fees		
ACTU – Paid to RTBU National Office	76,316	97,217
ALP	82,962	48,050
APHEDA	1,803	-
Barrier Industrial Council	399	399
Broken Hill Trades Hall Trust	406	406
CRUMA	100	-
Mckell Institute	8,000	8,000
Newcastle Trades Hall Council	3,959	3,881
Permanent Way Institution	1,036	1,000
Sydney Alliance	21,425	21,150
Sydney May Day Committee	-	-
Unions ACT	128	81
Unions NSW	56,840	51,531
Workers Health Centre	1,344	1,482
	<hr/>	<hr/>
	254,717	233,197

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019 \$	2018 \$
Note 5C: Administration Expenses		
Consideration to Employers for Payroll Deductions	-	-
Compulsory Levies – Paid to National Office	-	-
Fees/Allowance – Meeting and Conferences	-	-
Bank Fees	49,311	45,428
Branch Council, Conference and Meeting Expenses	131,233	124,269
Consulting Fees	81,992	213,929
Property Expenses		
Body Corporate Fees	319,151	235,861
Electricity	59,672	72,126
Rates & Taxes	48,624	51,568
Office Expenses		
Postage	9,660	9,549
Printing, Stationery & Computer Software	169,242	177,925
Publications and Subscriptions	8,819	769
Telephone	74,368	89,313
Website Maintenance	35,643	86,142
	<u>987,715</u>	<u>1,106,879</u>
Note 5D: Grants or Donations		
Grants		-
Donations:		
Total Paid that were \$1,000 or Less	5,883	16,095
Total Paid that Exceeded \$1,000	16,400	5,455
	<u>22,283</u>	<u>21,550</u>
Note 5E: Legal Costs		
Litigation	-	-
Other Legal Matters	475,037	256,086
	<u>475,037</u>	<u>256,086</u>
Note 5F: Audit and Accounting Fees		
Financial Statement Audit Services	33,880	34,421
Accounting Services	8,964	22,919
	<u>42,844</u>	<u>57,340</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019	2018
	\$	\$
Note 5G: Other Expenses		
Airfares and Travelling Expenses	28,864	29,613
Campaign Expenses	232,675	184,469
Council, Executive Expenses & Lost Time	25,442	112,813
Organizing Expenses	-	-
Fundraisers – Functions	-	-
General Expenses	9,915	23,869
Hire – Plant and Equipment	3,345	2,355
Insurance – General	130,690	92,411
Motor Vehicle Expenses	68,782	86,125
Members Training	591	-
Members Mortality Fund	31,500	25,000
Members Council Expense	-	-
Payroll Tax	88,618	94,824
Parking Levy	-	-
Picnic Expenses	251,773	117,000
Press Release	-	-
Rail & Road Publishing & Other Costs	100,391	133,836
Repair & Maintenance	117,497	117,343
Staff Fares & Travelling	25,161	24,759
Staff Training	26,575	15,012
Staff Uniforms	-	6,489
Traffic Fines Paid	130,515	167,935
Badges & Other Items	101,851	91,214
Penalties – via RO Act or RO Regulations	-	-
	<u>1,374,185</u>	<u>1,325,067</u>
NOTE 6: PICNIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	536,960	455,474
Interest	43	45
Members' Contributions (Incl. GST)	174,579	210,700
Bank Charges	-	-
Picnic Expenses	(259,735)	(129,259)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>451,847</u>	<u>536,960</u>
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	976,462	971,270
Interest	18,999	5,192
Bank Balance at End of Year	<u>995,461</u>	<u>976,462</u>

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019 \$	2018 \$
NOTE 7: TRAFFIC FUND ACCOUNT		
GENERAL ACCOUNT		
Bank Balance at Start of Year	98,047	55,974
Interest	18	6
Members' Contributions (Incl. GST)	180,137	188,142
Consideration to Employers for Payroll		
Deductions	-	-
Fines Paid	-	(132,074)
Legal Fees Paid	-	(9,320)
Campaign Expenses	-	-
Payment for Assets	-	-
Printing & Stationery	-	(4,681)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	278,202	98,047
TERM DEPOSIT ACCOUNT		
Bank Balance at Start of Year	2,741,233	2,725,814
Interest	57,086	15,419
Bank Balance at End of Year	2,798,319	2,741,233
NOTE 8: LEGAL FUND ACCOUNTS		
HO Legal Fund – General Account		
Bank Balance at Start of Year	777,219	526,327
Interest	15,928	13,025
Members' Contributions	223,122	237,867
Legal Fees Paid	-	-
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	1,016,270	777,219
HO Legal Fund – Term Deposit		
Bank Balance at Start of Year	741,838	733,415
Interest	15,924	8,423
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	757,762	741,838
Loco Legal Fund		
Bank Balance at Start of Year	460,942	330,629
Interest	9,298	7,913
Members' Contributions	112,200	122,400
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	582,441	460,942

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019 \$	2018 \$
NOTE 8: LEGAL FUND ACCOUNTS (CONT.)		
Bus & Tram Legal Fund		
Bank Balance at Start of Year	306,996	257,169
Interest	108	131
Members' Contributions	114,450	127,602
Bank Charges	(65)	(110)
Legal Fees Paid	(207,043)	(77,796)
Transfer to/from Other Accounts	-	-
Bank Balance at End of Year	<u>214,446</u>	<u>306,996</u>
NOTE 9 – CASH AND CASH EQUIVALENTS		
Cash on Hand	2,350	2,350
Cash at Bank and on Deposit	17,976,923	16,252,574
	<u>17,979,273</u>	<u>16,254,924</u>
NOTE 10 – RECEIVABLES		
CURRENT		
Receivable from Other Reporting Units –		
RTBU National Office	58,235	3,701
Membership Fees Receivable	170,022	150,399
Other Receivables	-	660
	<u>228,258</u>	<u>154,760</u>
NON-CURRENT		
Receivable from Related Party – RTBU New		
South Wales ("State")	<u>979,046</u>	<u>978,772</u>
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	14,138
Prepayments to RTBU National Office	-	-
Provision for Retirement Benefits	-	-
Prepayments	104,418	142,533
	<u>118,556</u>	<u>156,671</u>
NOTE 12 – FINANCIAL ASSETS		
Listed Shares	1,216	1,041
Share Endeavour	20	20
	<u>1,236</u>	<u>1,061</u>

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

	2019 \$	2018 \$
NOTE 13 - PROPERTY		
Wollongong – Valuation	330,000	305,000
Hamilton – Valuation	694,000	500,000
Less: Provision for Depreciation	-	(40,250)
	<u>1,024,000</u>	<u>764,750</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. Independent valuations were carried out on 24 June 2019 for Hamilton and 1 July 2019 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	7,500,000	6,000,000
Pitt St Renovation	190,651	190,651
Less: Provision for Depreciation	(24,219)	(8,912)
	<u>7,666,432</u>	<u>6,181,739</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 1 July 2019 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	690,946	680,310
Pitt St – Computer Hardware	430,141	414,793
Pitt St – Computer Software	97,260	97,260
Bus & Tram Division – Office Equipment	312,789	311,745
Bus & Tram Division – Computer	69,522	69,522
Hamilton – Air Conditioner	1,540	1,540
Less: Provision for Depreciation	(1,517,271)	(1,488,795)
	<u>84,927</u>	<u>86,376</u>

NOTE 16 – MOTOR VEHICLES

Motor Vehicles	339,892	310,074
Less: Provision for Depreciation	(223,809)	(200,232)
	<u>116,083</u>	<u>109,842</u>

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

NOTES TO THE FINANCIAL STATEMENTS **For the Year Ended 31st December 2019**

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	-
Disposal	-	-	-	-
Depreciation	(20,125)	(6,274)	(36,574)	(31,986)
Revaluations	-	-	-	-
Carrying Amount at End of Year	764,750	6,181,739	86,376	109,842

31 December 2019

	Property Own Use	Invest Property	Plant & Equip	Motor Vehicles
	\$	\$	\$	\$
Balance at Beginning of Year	764,750	6,181,739	86,376	109,842
Addition	-	-	27,027	29,818
Depreciation	(20,125)	(15,307)	(28,477)	(23,577)
Revaluation	279,375	1,500,000	-	-
Carrying Amount at End of Year	1,024,000	7,666,432	84,927	116,083

	2019 \$	2018 \$
NOTE 17 – ACCOUNTS PAYABLE		
Payable to Other Reporting Unit – National Office	87,036	149,426
Other Payable	-	-
Consideration to Employers for Payroll Deductions	-	-
Legal Costs	-	-
Other	464,826	356,960
	551,862	506,386

NOTE 18 – PROVISIONS

Office Holders		
Provision for Annual Leave	99,406	62,679
Provision for Long Service Leave	103,858	99,691
Provision for Retirement Benefits	865,992	439,244
Separation and Redundancies	-	-
Other	-	-
	1,069,256	601,614
Employees other than Office Holders		
Provision for Annual Leave	232,065	159,402
Provision for Long Service Leave	249,910	194,842
Provision for Retirement Benefits	-	-
Separation and Redundancies	-	-
Other	-	-
	481,975	354,244
TOTAL PROVISIONS	1,551,231	955,858

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019

NOTE 18 – PROVISIONS (CONT.)

	Annual Leave	Long Service Leave	Retirement Benefit
	\$	\$	\$
Movements during the Year			
Balance at beginning of the year	222,081	294,533	439,244
Increase (Decrease) in Provision	109,390	59,235	426,748
Balance at end of Year	331,471	353,768	865,992

	2019	2018
	\$	\$
NOTE 19 – RESERVES		
Asset Revaluation Reserve	621,875	342,500

	2019	2018
	\$	\$
NOTE 20 – ACCUMULATED FUNDS		
Unappropriated Profit Brought Forward	25,472,843	22,884,151

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	267,125	261,229
After 1 year but not more than 5 years	277,810	522,458
After five years	-	-
	544,935	783,687

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	2,586	10,281
Expenses Paid to RTBU National Office		
Capitation Fees	1,045,778	859,968
ACTU Membership Fees	83,948	104,679
Amounts Owed by RTBU National Office		
Prepayment of Capitation Fees	-	-
Expenses to be Reimbursed	58,235	3,701
Amounts Owed by RTBU New South Wales ("State")		
Receivable	979,046	978,772
Payment to former related party of the reporting unit	-	-

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019
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 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$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.

	2019	2018
	\$	\$
NOTE 23 – KEY MANAGEMENT PERSONNEL REMUNERATION		
Short-Term Employee Benefits		
Salary (Including Annual Leave Taken)	566,870	626,881
Annual Leave Accrued	99,407	62,679
Non-monetary Benefit – Motor Vehicle	43,407	43,407
	<u>709,684</u>	<u>733,167</u>
Post-Employment Benefits		
Superannuation	38,189	27,150
Retirement Benefit Accrued	865,992	439,244
	<u>904,181</u>	<u>466,394</u>
Other Long-Term Benefits		
Long-Service Leave Accrued	103,858	99,691
	<u>103,858</u>	<u>99,691</u>
TOTAL KEY MANAGEMENT PERSONNEL REMUNERATION	<u>1,717,723</u>	<u>1,299,052</u>

Reconciliation of the present value of the defined benefit obligation -

	2019	2018
	\$	\$
Present Value at the Beginning of the Year	3,525,161	3,205,852
Current Service Cost	8,061	10,092
Interest Cost	79,562	81,025
Contributions by Funds Participants	2,551	5,065
Actuarial (Gains) / Losses	769,409	561,454
Benefits Paid	(295,042)	(314,959)
Taxes, Premiums & Expenses Paid	8,198	(746)
Other	(20,543)	(22,621)
Present Value at the End of the Year	<u>4,069,159</u>	<u>3,525,161</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019
NOTE 23 – KEY MANAGEMENT PERSONNEL REMUNERATION (CONT.)

	2019	2018
	\$	\$
Fair Value at the Beginning of the Year	3,085,919	3,364,109
Interest Income	69,183	85,457
Actual Return	367,627	(38,465)
Employer Contributions		-
Contributions by Funds Participant	2,555	5,089
Benefits (Paid) Transferred In	(295,513)	(316,460)
Taxes, Premiums & Expenses Paid	8,212	(749)
Other	(34,816)	(13,062)
Fair Value at the End of the Year	<u>3,203,167</u>	<u>3,085,919</u>

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

Present Value of Funded Defined Benefit Obligations	4,069,159	3,525,161
Fair Value of Fund Assets at End of Year	(3,203,167)	(3,085,919)
Adjustment for Effect of Asset Ceiling		-
Net (Asset)/Liability Recognised in the Statement of Financial Position	<u>865,992</u>	<u>439,242</u>

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

	2019	2018
	%	%
Australian Equities	19.3	19.3
Overseas Equities	31.3	26.2
Australian Fixed Interest	3.5	5.6
Overseas Fixed Interest	4.8	3.5
Property	8.7	8.9
Other	23.5	26.7
Short Term Securities	8.9	9.8

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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 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>16,256,160</u>
	Floating Interest Rate	Fixed Interest 1 Year	Over 1 -5	Non Interest	Total
	\$	\$	\$	\$	\$
31 December 2019					
Cash	8,298,830	9,055,846	620,000	4,597	17,979,273
Financial Assets	-	-	-	1,236	1,236
	<u>8,298,830</u>	<u>9,055,846</u>	<u>620,000</u>	<u>5,833</u>	<u>17,980,509</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.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019**

NOTE 25 – FAIR VALUE MEASUREMENT

Fair Value Hierarchy

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these Instruments.

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.

31 December 2019	Level 1	Level 2	Level 3
Listed Securities	1,216	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	7,666,432
Properties for Own Use	-	-	1,024,000
	1,216	-	8,690,452
31 December 2018			
Listed Securities	1,041	-	-
Unlisted Securities	-	-	20
Investment Properties	-	-	6,181,739
Properties for Own Use	-	-	764,750
	1,041	-	6,946,509

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, recent sales location and market conditions.

AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION, NEW SOUTH WALES BRANCH**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st December 2019****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.

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.

NOTE 30: EVENTS OCCURRING AFTER THE REPORTING DATE

Subsequent to the end of the year the Australian economy was significantly impacted by the pandemic caused by COVID -19. This pandemic has not affected the amounts included within these financial statements, nor the ability of the Union to continue as a going concern.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Union, the results of those operations or the state of affairs of the Union in future financial years.

END OF REPORT