

# **Australian Rail, Tram and Bus Industry Union, West Australian Branch**

## **Financial Report**

**For the year ended 31 December 2018**

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

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**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

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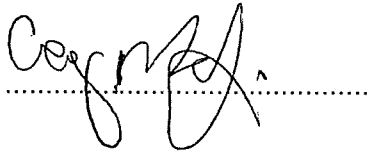
**Certificate by Prescribed Designated Officer**

For the year ended 31 December 2018

I, Craig McKinley, being the officer responsible of the Australian Rail, Tram and Bus Industry Union, West Australian Branch, certify:

- That the documents lodged herewith are copies of the full report for the Australian Rail, Tram and Bus Industry Union, West Australian Branch for the period ended 31 December 2018 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 26 April 2019; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 5 June 2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer

Craig McKinley

Title of prescribed designated officer

Branch Secretary

Date

14 June 2019

## **OPERATING REPORT**

The committee of management of the Australian Rail, Tram and Bus Industry Union, West Australian Branch (**"the WA Branch"**) have prepared this operating report in order to satisfy the requirements of section 254 of the *Fair Work (Registered Organisations) Act 2009* and regulation 159 of the *Fair Work (Registered Organisations) Regulations 2009*. This operating report is for the financial year ending 31 December 2018.

### **Review of the WA Branch's principal activities**

The WA Branch is an association of employees. The WA Branch covers employees who are employed in or in connection with the railway and tramway industries throughout Western Australia, but not those who are employed in the Public Transport Authority of Western Australia.

The committee of management has reviewed the principal activities of the WA Branch. The principal activities of the WA Branch in the financial year ended 31 December 2018 were:

- exercising right of entry to hold discussions with current members of the WA Branch and to recruit new members to join the WA Branch;
- negotiating enterprise agreements;
- providing members with advice and representation in relation to individual and collective employment issues;
- advancing the interests of the WA Branch at meetings of the National Council and National Executive of the Australian Rail, Tram and Bus Industry Union; and
- advocating for more rail jobs and better working conditions through participation in WA Labor and UnionsWA.

#### Results of right of entry to hold discussions

The WA Branch exercised right of entry a number of times throughout the financial year ended 31 December 2018. This has resulted in the WA Branch:

- holding general discussions with members;
- signing up new members;
- providing members with information about industrial disputes;
- advising members about their rights and entitlements at work.

#### Results of enterprise agreement negotiation activities

The WA Branch engaged in enterprise bargaining with Australia Western Railroad Pty Ltd to replace the Aurizon enterprise agreement. The workers at Australia Western Railroad Pty Ltd voted to make that enterprise agreement.

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

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**OPERATING REPORT (continued)**

*Results of providing employees with industrial advice and representation*

- The WA Branch has assisted several members with unfair dismissal claims in the Fair Work Commission and has brought an underpayment claim in the Industrial Magistrates Court of Western Australia. The majority of the claims have been settled without the need to go to trial.
- The WA Branch has regularly provided advocacy to its members for matters such as disciplinarys, payment of wages disputes, allowances and overtime payment disputes as well as helping members clarify clauses of their agreements. In most cases, members have achieved a more satisfactory outcome by bringing the WA Branch in to assist them with resolving their industrial issues.
- Through arrangements that the WA Branch negotiated with several law firms, injured members of the WA Branch were provided with legal advice and representation in relation to workers' compensation matters.

*Results of participation at the National Council and National Executive*

The WA Branch has actively participated in meetings of the National Council and the National Executive. The main achievement from this process was reaching an agreement to start the process of amalgamating the WA Branch with the PTA Branch of the Australian Rail, Tram and Bus Industry Union. This is expected to be achieved by 2022.

*Results of advocacy at WA Labor and UnionsWA*

- The WA Branch's affiliation with WA Labor has enabled it to participate in the shaping of the party's policies. The WA Branch's aim in participating in WA Labor is to advocate for better employment opportunities and conditions for railway industry workers.
- The WA Branch's affiliation and participation in UnionsWA affairs has enabled it to shape the direction of the broader union movement in Western Australia.

*No significant changes in the activities of the WA Branch*

There were no significant changes in the nature of the WA Branch's principal activities during the financial year.

**Significant changes in the WA Branch's financial affairs**

For the last several years, the General Purpose Financial Reports and the Auditor's Reports for the WA Branch have indicated a need for the WA Branch to increase its member subscriptions and to decrease its overhead expenditure in order to remain as a going concern.

From 1 January 2018 to around late September 2018, the WA Branch's financial affairs became significantly worse than what they were in previous years. Member subscriptions had dropped, and internal expenditure had increased.

In September 2018, a new Branch Executive was elected. The new Branch Executive implemented immediate expenditure cuts (including the making of an FTE redundant). The new Branch

**OPERATING REPORT (continued)**

Executive started working on a plan to increase its membership subscriptions through better recruiting and communication activities. The WA Branch expects to realise the benefits of these changes during the 2019 financial year.

**Members' rights to resign**

Members may resign from the WA Branch in accordance with section 174 of the *Fair Work Act 2009*, which reads as follows:

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

**Officers as trustees of superannuation schemes**

No officer of the WA Branch was a trustee, or the director of a trustee, of a superannuation scheme because of their membership or position within the WA Branch.

**Information prescribed by regulation 159**

As at 31 December 2018:

- (a) There were 682 people recorded in the register of members. Each of those persons were financial members of the WA Branch.

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

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**OPERATING REPORT (continued)**

- (b) The WA Branch had the following number of employees during 2018:
- i. From 1 January 2018 to 28 September 2018: four full time employees and one casual employee.
  - ii. From 28 September 2018 to 5 October 2018: five full time employees.
  - iii. From 6 October 2018 to 27 November 2018: four full time employees.
  - iv. From 28 November 2018 to 3 December 2018: four full time employees and one casual employee.
  - v. 4 December 2018 to 31 December 2018: three full time employees and one casual employee.
- (c) The following people were members of the committee of management during the financial year ended 31 December 2018:

NAME	PERIOD
Craig McKinley	Full year
Graeme Filcock	27 September 2018 to 31 December 2018
Steve Young	27 September 2018 to 31 December 2018
Allycia Old	27 September 2018 to 31 December 2018
Jayson Manners	Full year
Garry Adams	27 September 2018 to 31 December 2018
Peter Visentin	Full year
Walter Rowe	1 January 2018 to 27 September 2018
Philip Woodcock	1 January 2018 to 27 September 2018

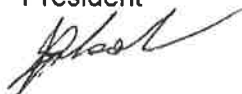
For and on behalf of the Committee of Management:

Dated at Perth, Western Australia this 16/4/19

Craig McKinley  
Branch Secretary



Graeme Filcock  
President



**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS  
INDUSTRY UNION, WEST AUSTRALIAN BRANCH****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Australian Rail, Tram and Bus Industry Union, West Australian Branch (the Reporting unit), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement and the s255(2A) report.

In our opinion:

- (1) The accompanying financial report presents fairly, in all material respects, the financial position of Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch as at 31 December 2018 and its financial performance and its cash flows for the year ended on that date in accordance with the Fair Work (Registered Organisations) Act 2009, including:
  - (i) Australian Accounting Standards (including Australian Accounting Interpretations); and
  - (iii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
- (2) The management's use of the going concern basis of accounting in the preparation of the Reporting unit's financial statements is appropriate.

**Emphasis of Matter**

We draw attention to note 1(w) in the financial report which highlights that the Reporting unit incurred a trading loss of \$64,052 (2017: \$40,559) during the year and had an increase in net liabilities to \$8,407 (from \$55,645 net assets) as at 31 December 2018. These conditions, along with mitigating factors indicate the existence of significant uncertainty in relation to the ability of the entity to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business.

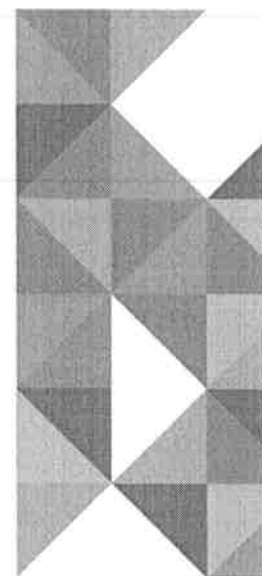
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**PARTNERS**

**Timothy Turner**  
BBus (Acc), FCPA, CTA  
Registered Company Auditor

**Vick Gelevitis**  
BBus (Acc), FCPA, CTA

**Darryl Rodrigues**  
BSc, BBus (Acc), CPA



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND  
BUS INDUSTRY UNION, WEST AUSTRALIAN BRANCH  
(CONTINUED)**

**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 Reporting unit in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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 Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report. 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, 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.

**Auditor's Declaration**

- (1) In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.
- (2) I, Timothy Turner declare I am an approved auditor registered under the RO Act, a member of CPA Australia and I hold a current Public Practice Certificate.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND  
BUS INDUSTRY UNION, WEST AUSTRALIAN BRANCH  
(CONTINUED)**

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

The committee of management of the Reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee are responsible for assessing the Reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the Reporting unit 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.

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.

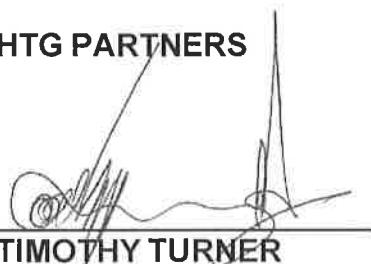
**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND  
BUS INDUSTRY UNION, WEST AUSTRALIAN BRANCH  
(CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Report (continued)**

- 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 Reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting unit 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 business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my 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.

**HTG PARTNERS**



**TIMOTHY TURNER**

**PARTNER**

**AUDITOR REGISTRATION NUMBER AA2017/123**

Signed at Perth on this 17<sup>th</sup> day of April 2019

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

Committee of Management Statement

For the year ended 31 December 2018

On the 16<sup>th</sup> April 2019 at a Committee of Management meeting of the Australian Rail, Tram and Bus Industry Union, West Australian Branch **(the WA Branch)** the following resolution was passed in relation to the general purpose financial report 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 the reporting guidelines of the Commissioner.
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the WA Branch for the financial year ending 31 December 2018.
- (d) There are reasonable grounds to believe that the WA Branch will be able to pay its debts as and when they become due and payable.
- (e) During the financial year ending 31 December 2018 and since the end of that year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the WA Branch;
  - (ii) the financial affairs of the WA Branch have been managed in accordance with the rules of the organisation including the rules of the WA Branch;
  - (iii) the financial records of the WA Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009*  
**(the RO Act);**
  - (iv) the WA Branch does not know whether its financial records have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation;
  - (v) where the information has been sought in any request by a member of the WA Branch or Commissioner duly made under section 272 of the

RO Act, that information 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.

This declaration is made in accordance with a resolution of the Committee of Management of the WA Branch on 16 April 2019.

**Signature of designated officer:**

A handwritten signature in black ink, appearing to read 'Craig McKinley', written over a light grey rectangular background.

**Name and title of designated officer:** Craig McKinley, Branch Secretary

**Dated:** 16 April 2019

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

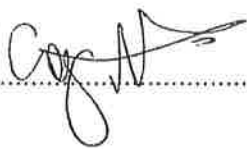
**Subsection 255 (2A) Report**

For the year ended 31 December 2018

The Committee of Management presents its expenditure report as required under subsection 255 (2A) of the Fair Work (Registered Organisation) Act 2009 on the Reporting Unit for the year ended 31 December 2018.

Categories of Expenditure	2018 \$	2017 \$
Remuneration of employees and other employment – related costs and expenses	370,629	423,363
Advertising	-	-
Operating costs	196,232	234,577
Donations to political parties	-	-
Legal costs	2,898	15,772

Signature of prescribed designated officer



Name of prescribed designated officer

Craig McKinley

Title of prescribed designated officer

Branch Secretary

Date



**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscription		368,167	401,366
Capitation fees		-	-
Levies	2	15,679	16,649
Interest		57	215
Rental revenue		-	-
Other revenue	2	121,804	173,243
<b>Total revenue</b>		<u>505,707</u>	<u>591,473</u>
<b>Other Income</b>			
Grants and donations		-	-
Share of net profit from associate		-	-
Net gains from sale of assets		-	-
Net gain on fair value movement on financial assets held for trading		-	-
Net result from investment properties	16	-	41,680
<b>Total other income</b>		<u>-</u>	<u>41,680</u>
<b>Total revenue and other income</b>		<u>505,707</u>	<u>633,153</u>
<b>Expenses</b>			
Employee expenses	3	(370,629)	(423,363)
Capitation fees	3	(73,779)	(58,198)
Affiliation fees	3	(20,623)	(24,257)
Administration expenses	3	(33,383)	(52,483)
Grants or donations	3	(244)	(1,320)
Depreciation and amortisation	3	(2,905)	(6,924)
Finance costs		(1,490)	-
Legal costs	3	(2,898)	(15,772)
Audit fees	18	(9,750)	-
Share of net loss from associate		-	-
Write-down and impairment of assets	8	-	(17,813)
Net losses from sale of assets		-	-
Other expenses	3	(54,058)	(73,582)
<b>Total expenses</b>		<u>(569,759)</u>	<u>(673,712)</u>
<b>Loss for the year</b>		<u>(64,052)</u>	<u>(40,559)</u>
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive loss for the year</b>		<u>(64,052)</u>	<u>(40,559)</u>

The above statement should be read in conjunction with the notes.

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Statement of Financial Position**

As at 31 December 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	53,660	76,039
Trade and other receivables	5	279,983	296,125
Other current assets	6	4,077	10,464
Other investments	7	5,180	5,180
<b>Total current assets</b>		<b>342,900</b>	<b>387,808</b>
<b>Non-Current Assets</b>			
Plant and equipment	8	13,606	13,331
<b>Total non-Current assets</b>		<b>13,606</b>	<b>13,331</b>
<b>Total assets</b>		<b>356,506</b>	<b>401,139</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables and accruals	9	233,281	130,205
Other payables	10	54,094	22,349
Employee entitlements	11	51,534	162,040
Provisions	12	26,004	30,900
<b>Total current liabilities</b>		<b>364,913</b>	<b>345,494</b>
<b>Non-Current Liabilities</b>			
Employee entitlements		-	-
Other non-current liabilities		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>364,913</b>	<b>345,494</b>
<b>Net (liabilities) / assets</b>		<b>(8,407)</b>	<b>55,645</b>
<b>EQUITY</b>			
General funds	13	-	-
Retained earnings		(8,407)	55,645
<b>Total equity</b>		<b>(8,407)</b>	<b>55,645</b>

The above statement should be read in conjunction with the notes.



**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Statement of Changes in Equity**

For the year ended 31 December 2018

	<b>Retained earnings \$</b>	<b>Total Equity \$</b>
<b>Balance as at 1 January 2017</b>	96,204	96,204
Loss for the year	(40,559)	(40,559)
Other comprehensive income for the year	-	-
<b>Closing balance as at 31 December 2017</b>	<u>55,645</u>	<u>55,645</u>
Balance as at 1 January 2018	55,645	55,645
Loss for the year	(64,052)	(64,052)
Other comprehensive income for the year	-	-
<b>Closing balance as at 31 December 2018</b>	<u>(8,407)</u>	<u>(8,407)</u>

The above statement should be read in conjunction with the notes.

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Statement of Cash Flows**

For the year ended 31 December 2018

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Members		374,096	401,366
Interest		57	215
Other		50,895	97,580
Receipts from other controlled entities/reporting units		175,095	82,607
<b>Cash used</b>			
Employees		(481,135)	(439,349)
Suppliers		(124,419)	(160,353)
Payments to other controlled entities/ reporting units		(13,788)	(7,600)
<b>Net cash used by operating activities</b>	14	<u>(19,199)</u>	<u>(25,534)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Proceeds from investments properties		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(3,180)	-
Purchase of land and buildings		-	-
Repayment of rental bond		-	-
<b>Net cash used by investing activities</b>		<u>(3,180)</u>	<u>-</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash held</b>		(22,379)	(25,534)
Cash & cash equivalents at the beginning of the financial year		76,039	101,573
<b>Cash &amp; cash equivalents at the end of the financial year</b>	4	<u>53,660</u>	<u>76,039</u>

The above statement should be read in conjunction with the notes.

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

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**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1      Summary of significant accounting policies**

**Basis of preparation of the financial statements**

The financial statements cover the Australian Rail, Tram and Bus Industry Union, West Australian Branch as an individual entity (the Reporting Unit).

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Reporting unit is a not-for-profit entity.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied, unless stated otherwise.

The financial statements were authorised for issue by members of the Committee of Management on the date of signing the Committee of Management Statement.

**a)      Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**b)      Significant accounting judgements and estimates**

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

**Employee entitlements**

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies**

**Basis of preparation of the financial statements (continued)**

**Estimation of useful lives of assets**

The Reporting unit determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

**Death benefit provision**

The death benefit provision is calculated using a three year average of known claims present valued over a number of years and discounted at 10%.

**c) 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 adopted are consistent with those of the previous financial year except for the following standards and amendments which have been adopted for the first time this year:

- AASB 9 Financial Instruments
- AASB 2017-1 Amendments to Australian Accounting Standards – Transfer to Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments
- Interpretation 22 Foreign Currency Transactions and Advance Consideration.

The adoption of these amendments has not had a material impact on the Union as they are largely not applicable to the union.

**Future Australian Accounting Standards Requirements**

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt.

A discussion of these future requirements and their impact on the Union follows:

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**c) New Australian Accounting Standards**

**Future Australian Accounting Standards Requirements (continued)**

Reference	Title	Summary
AASB 15	Revenue from Contracts with Customers	<p>AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 (or AASB 16 Leases, once applied).</p> <p>The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.</p>
		<p>An entity recognises revenue in accordance with the core principle by applying the following steps:</p> <ul style="list-style-type: none"><li>• Step 1: Identify the contract(s) with a customer.</li><li>• Step 2: Identify the performance obligations in the contract.</li><li>• Step 3: Determine the transaction price.</li><li>• Step 4: Allocate the transaction price to the performance obligations in the contract.</li><li>• Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</li></ul> <p>Effective for periods commencing 1 January 2019.</p> <p>This amendment is not anticipated to significantly impact The Union.</p>

## Notes to the Financial Statements

For the year ended 31 December 2018

### Note 1 Summary of significant accounting policies (continued)

#### c) New Australian Accounting Standards

##### Future Australian Accounting Standards Requirements (continued)

AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	<p>AASB 2014-10 amends AASB 10 Consolidated Financial Statements and AASB 128 to address an inconsistency between the requirements in AASB 10 and those in AASB 128 (August 2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require:</p> <p>(a) A full gain or loss to be recognised when a transaction involves a business (whether it is housed in a subsidiary or not)</p> <p>(b) A partial gain or loss to be recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.</p> <p>Effective for periods commencing 1 January 2022.</p> <p>This amendment is not anticipated to significantly impact the Union.</p>
AASB 1058	Income of Not-for-Profit Entities	<p>AASB 1058 and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities will defer income recognition in some circumstances for NFP entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which NFP entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases.</p> <p>AASB 1004 Contributions is also amended, with many of its requirements being revised and relocated AASB 1058. The scope of AASB 1004 is effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context.</p> <p>AASB 1058 will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided AASB 15 Revenue from Contracts with Customers is applied on or before the date of initial application.</p> <p>The Union is currently assessing the impact of AASB 1058.</p>

## Notes to the Financial Statements

For the year ended 31 December 2018

### Note 1 Summary of significant accounting policies (continued)

#### c) New Australian Accounting Standards

##### Future Australian Accounting Standards Requirements (continued)

AASB 16	Leases	<p>The key features of AASB 16 are as follows:</p> <p><b>Lessee accounting</b></p> <ul style="list-style-type: none"> <li>• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</li> <li>• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> </ul> <p><b>Lessor accounting</b></p> <ul style="list-style-type: none"> <li>• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <li>• AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</li> </ul> <p>Effective for periods commencing 1 January 2019.</p> <p>Based on the current number of operating leases held by the Union, the impact is not expected to be significant.</p>
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The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Union in the current or future reporting periods and on foreseeable future transactions.



**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**d) Revenue**

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

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease

**e) Government grants**

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount can be measured reliably. If conditions are attached to the grant which must be satisfied the recognition of the grant is deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor.

**f) Gains and losses**

**Sale of assets**

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

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**g) Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

**h) Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when actual settlement is expected to occur.

**i) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other lease are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and liability is recognised at the same time and for the same amount.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**i) Leases (continued)**

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

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

**j) Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**k) Cash and cash equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

**l) Trade and other receivables**

Other receivables are recognised at amortisation cost, less any provision for impairment. The amounts are usually due for settlement no more than 30 days after recognition. Collectability of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off.

**m) Financial instruments**

Financial assets and financial liabilities are recognised when the Reporting unit becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**n) Financial assets**

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

**Fair value through profit or loss**

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

A financial asset is classified as held for trading if:

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

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

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

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

**Held-to-maturity investments**

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

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1      Summary of significant accounting policies (continued)**

**Available-for-sale**

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

**Loan and receivables**

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

**Effective interest method**

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

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

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1      Summary of significant accounting policies (continued)**

**Impairment of financial assets**

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

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

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

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

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

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

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

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1      Summary of significant accounting policies (continued)**

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

**Derecognition of financial assets**

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

**Financial liabilities**

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

*Fair value through profit or loss*

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

A financial liability is classified as held for trading if:

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

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**n) Financial assets (continued)**

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

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

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

*Other financial liabilities*

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

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

*Derecognition of financial liabilities*

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

**o) Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position, but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable, but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.



**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**p) Land, buildings, plant and equipment**

**Asset recognition threshold**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Measurement after recognition**

Following initial recognition at cost, land and buildings are carried at fair value.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the profit/loss. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following rates:

Motor Vehicles	22.5%
Plant and equipment	5-40%

**Derecognition**

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**Gains on Sale of Assets**

The gains and losses from disposal of all fixed assets, is determined on the difference between the carrying amount of the asset when control of the asset has passed to the buyer, and the proceeds of disposal and is included in operating profit of the Reporting Unit in the year of disposal.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**q) Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its costs, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value of investment properties are included in profit or loss in the period in which they arise.

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

**r) Impairment for non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Reporting unit were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**s) Taxation**

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**t) Fair value measurement**

The Reporting unit measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 18.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Reporting unit. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Reporting unit uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Reporting unit determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**t) Fair value measurement (continued)**

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Reporting unit has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**u) Trade and other payables**

These amounts represent liabilities for goods or services provided to the Reporting unit by a third party during the financial year that remain unpaid at year end. 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.

**v) Allocation of revenue and expenses between the Australian Rail, Tram and Bus Industry Union of West Australian PTA Branch (PTA Branch) and the Australian Rail, Tram and Bus Industry Union West Australian Branch (WA Branch)**

On 21 May 2015, a deed of agreement was signed between the WA Branch and the PTA Branch of the Australian Rail, Tram and Bus Industry Union (Federal Body) (RTBU) and the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (State Organisation) (ARTBIU) whereby, amongst other matters, it was agreed between the parties that:

- (a) RTBU will provide services to the ARTBIU; and
- (b) The RTBU PTA and WA Branch undertake that they are jointly responsible for the payment of general resources, employee costs and other associated administration expenses. All general and joint costs expended by the RTBU shall be distributed between the WA Branch and the PTA Branch in proportion to the number of members declared in the annual returns submitted in accordance with the obligations under the Fair Work (Registered Organisations) Act 2009.

The apportionment to be used for the 2018 financial year based on the number of members declared on 31 December 2017 is 53.58% (WA Branch) /46.42% (PTA Branch) (2017: 55% /45%).

The RTBU and ARTBIU agree that preservation of assets must be safeguarded in the interests of the entire RTBU membership and that no assets (including real property) shall be disposed of or otherwise dealt with without the consent of the RTBU National Executive and ARTBIU Executive.

This agreement was approved by the Full Bench of the Western Australian Industrial Relations Commission on 27 March 2017 under s71(7) of the Industrial Relations Act 1979 (Western Australia).

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**w) Going concern**

The Reporting unit has net liabilities of \$8,407 as at 31 December 2018 (31 December 2017 net assets of \$55,645) and incurred a trading loss of \$64,052 (2017 \$40,559) for the year ended on that date.

The Reporting unit's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on:

1. Returning to a positive trading position by increasing revenues through increased membership numbers and subscriptions and reducing overhead expenditure.
2. Generating a positive cash flow through increased revenues and reducing overhead expenditure.
3. The sale of investment properties with a carrying value of \$3,056,241 owned by the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch on behalf its members and the members of the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch and the Australian Rail, Tram and Bus Industry Union, West Australian Branch, subject to necessary consents.

The financial report has been prepared on a going concern basis as the committee of management believe the matters set out above are achievable. Refer further to Note 1(v) which outlines the assets (including the investment properties outlined in point 3 above) must be safe guarded in the interests of the entire RTBU membership.

Should the Reporting unit be unable to achieve the matters set out above, there is significant uncertainty as to whether it will be able to continue as a going concern and pay its debts as and when they fall due and extinguish its liabilities in the normal course of business.

The financial statements do not include any adjustments to the recoverability or classification of recorded assets or to the amounts or classification of liabilities that might be necessary if the Reporting unit does not continue as a going concern.

The reporting unit has received an agreed financial support from the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch to continue on a going concern basis.

The reporting unit has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 1 Summary of significant accounting policies (continued)**

**x) Restructuring**

The Reporting unit did not acquire assets or liabilities from another reporting unit as a result of an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation of alternative reporting structure under subsections 245(i) or 249(i) of the RO Act.

**y) Provisions**

Provisions are recognised when the entity has a legal or constructive obligations, as a result of past events, for which is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amount required to settle the obligation at the end of the reporting period.

**z) Financial Support**

The Union does not provide financial support to another Union.

**aa) Business Combinations**

There have been no assets and liabilities acquired during the financial year as part of a business combination (2017: Nil)

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 2 Revenue**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Other revenue</b>		
Shared services revenue from related reporting unit	86,588	117,670
Journey cover	21,954	15,255
Photocopier lease incentive revenue ( refer to Note 12(iii) )	-	10,087
Settlement of legal costs	9,000	29,827
Sundry revenue	4,262	404
Revenue from recovery of wages activity	-	-
	<u>121,804</u>	<u>173,243</u>
 <b>Capitation fees</b>		
Capitation fees received	-	-
	<u>-</u>	<u>-</u>
 <b>Levies</b>		
Organiser's levy	15,679	16,649
	<u>15,679</u>	<u>16,649</u>
 <b>Grants or donations</b>		
Grants or donations received	-	-
Interest	-	-
Interest earned	-	-
	<u>-</u>	<u>-</u>

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 3 Expenses**

**Employee expenses**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Holders of office:</b>		
Wages and salaries	148,793	127,398
Superannuation	18,138	21,864
Leave and other entitlements	(33,554)	12,611
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>133,377</b>	<b>161,873</b>
<b>Employees other than office holders:</b>		
Wages and salaries	277,929	260,028
Superannuation	36,275	30,059
Leave and other entitlements	(76,902)	(28,597)
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>237,302</b>	<b>261,490</b>
<b>Total employee expenses</b>	<b>370,629</b>	<b>423,363</b>
<b>Capitation fees</b>		
ARTBIU National Office	73,779	58,198
<b>Total capitation fees</b>	<b>73,779</b>	<b>58,198</b>
<b>Affiliation fees</b>		
Australian Labour Party	7,874	5,788
Australian Council of Trade Unions	4,400	4,101
Unions WA	8,349	14,368
<b>Total affiliation fees</b>	<b>20,623</b>	<b>24,257</b>



**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

	2018 \$	2017 \$
<b>Note 3 Expenses (continued)</b>		
<b>Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	11,229	18,311
Contractors/consultants	-	-
Property operating expenses	3,677	4,755
Office expenses	16,623	24,260
Information communications technology	1,854	1,300
Other	-	3,857
<b>Total administration expense</b>	<b>33,383</b>	<b>52,483</b>
<b>Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	244	1,320
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>244</b>	<b>1,320</b>
<b>Depreciation</b>		
Depreciation		
Plant and equipment	2,905	6,924
<b>Total depreciation</b>	<b>2,905</b>	<b>6,924</b>
<b>Legal costs</b>		
Litigation	-	-
Other legal matters	2,898	15,772
<b>Total legal costs</b>	<b>2,898</b>	<b>15,772</b>
<b>Other expenses</b>		
Accounting fees	11,317	31,485
Bank fees	9,966	4,948
Penalties - via RO Act or RO Regulations	-	-
Insurance	13,293	18,614
Vehicle expenses	5,589	6,362
Fringe benefits tax	559	2,878
Death Benefit	-	3,000
Other expenses	13,334	6,295
<b>Total other expenses</b>	<b>54,058</b>	<b>73,582</b>

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4 Cash and cash equivalents</b>		
Cash at bank – Operating Account	51,260	71,730
Cash at bank – Drivers' Insurance Fund Account	2,400	4,309
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
<b>Total cash and cash equivalents</b>	<b>53,660</b>	<b>76,039</b>

**Note 5 Trade and other receivables**

**Receivables from other reporting units**

Loan to the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	-	-
The Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	279,983	296,125
ARTBIU National Office	-	-
<b>Total receivables from other reporting units</b>	<b>279,983</b>	<b>296,125</b>

**Less provision for doubtful debts**

The Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	-	-
ARTBIU National Office	-	-
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>-</b>
<b>Net receivable from other reporting units</b>	<b>279,983</b>	<b>296,125</b>

**Other receivables**

Other receivables	-	-
<b>Total other receivables</b>	<b>-</b>	<b>-</b>
<b>Total net trade and other receivables</b>	<b>279,983</b>	<b>296,125</b>

**Note 6 Other current assets**

Prepaid expenses	4,077	10,464
<b>Total other current assets</b>	<b>4,077</b>	<b>10,464</b>

**Note 7 Other investments**

Shares in listed corporations – held	5,180	5,180
Deposits	-	-
Other	-	-
<b>Total other investments</b>	<b>5,180</b>	<b>5,180</b>

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

	2018 \$	2017 \$
<b>Note 8 Plant and equipment</b>		
<b>Motor vehicles:</b>		
At cost	37,727	37,727
Accumulated depreciation	(32,141)	(30,519)
	5,586	7,208
<b>Plant and equipment:</b>		
At cost	55,911	52,731
Accumulated depreciation	(47,891)	(46,608)
	8,020	6,123
<b>Total plant and equipment</b>	13,606	13,331

**Reconciliation of the opening and closing balances of plant and equipment**

2018	Motor vehicles \$	Plant and equipment \$	Total \$
<b>As at 1 January 2018</b>			
Gross book value	37,727	52,731	90,458
Accumulated depreciation and impairment	(30,519)	(46,608)	(77,127)
<b>Net book value 1 January 2018</b>	7,208	6,123	13,331
Additions:			
By purchase	-	3,180	3,180
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(1,622)	(1,283)	(2,905)
Disposals	-	-	-
Other	-	-	-
<b>Net book value 31 December 2018</b>	5,586	8,020	13,606
<b>Net book value as of 31 December 2018 represented by:</b>			
Gross book value	37,727	55,911	93,638
Accumulated depreciation and impairment	(32,141)	(47,891)	(80,032)
<b>Net book value 31 December 2018</b>	5,586	8,020	13,606

# Australian Rail, Tram and Bus Industry Union,

## West Australian Branch

### Notes to the Financial Statements

For the year ended 31 December 2018

2017	Motor vehicles \$	Plant and equipment \$	Total \$
<b>As at 1 January 2017</b>			
Gross book value	37,727	121,928	159,655
Accumulated depreciation and impairment	(28,427)	(93,160)	(121,587)
<b>Net book value 1 January 2017</b>	<b>9,300</b>	<b>28,768</b>	<b>38,068</b>
Additions:			
By purchase	-	-	-
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(2,092)	(4,832)	(6,924)
Disposals	-	-	-
Other	(i) -	(17,813)	(17,813)
<b>Net book value 31 December 2017</b>	<b>7,208</b>	<b>6,123</b>	<b>13,331</b>
<b>Net book value as of 31 December 2017 represented by:</b>			
Gross book value	37,727	52,731	90,458
Accumulated depreciation and impairment	(30,519)	(46,608)	(77,127)
<b>Net book value 31 December 2017</b>	<b>7,208</b>	<b>6,123</b>	<b>13,331</b>

- (i) The plant and equipment was written off as it was identified that these assets were incorporated in the carrying value of the land and building held by the Australian Rail, Train and Bus Industry Union of Employees, West Australian Branch.

Refer further to Notes 15 and 16.

## Australian Rail, Tram and Bus Industry Union,

### West Australian Branch

#### Notes to the Financial Statements

For the year ended 31 December 2018

	2018 \$	2017 \$
<b>Note 9 Trade payables and accruals</b>		
Trade creditors and accruals	17,549	30,239
<b>Subtotal trade creditors</b>	<u>17,549</u>	<u>30,239</u>
<b>Payables to other reporting units</b>		
The Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	-	-
The Australian Rail, Tram and Bus Industry Union of Employees, West Australia Branch	55,606	3,286
ARTBIU National Office	160,126	96,680
<b>Subtotal payables to other reporting units</b>	<u>215,732</u>	<u>99,966</u>
<b>Total trade payables</b>	<u>233,281</u>	<u>130,205</u>
Settlement of payables is usually made within 30 days.		

#### Note 10 Other payables

Wages and salaries	1,767	-
Superannuation	3,297	4,943
Legal costs	-	-
Unearned revenue	5,929	-
GST payable	33,972	9,121
Consideration to employers for payroll deductions	-	-
PAYG	9,129	7,868
Other payables	-	417
<b>Total other payables</b>	<u>54,094</u>	<u>22,349</u>
Settlement generally is within 30 days.		

Total other payables are expected to be settled in:

No more than 12 months	54,094	22,349
More than 12 months	-	-
<b>Total other payables</b>	<u>54,094</u>	<u>22,349</u>

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

	2018 \$	2017 \$
<b>Note 11 Employee entitlements</b>		
<b>Office holders:</b>		
Annual leave	1,817	18,139
Long service leave	472	33,018
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee entitlements—office holders</b>	<b>2,289</b>	<b>51,157</b>
<b>Employees other than office holders:</b>		
Annual leave	13,589	30,737
Long service leave	35,656	80,146
Separation and redundancies	-	-
Other	-	-
<b>Subtotal employee entitlements—employees other than office holders</b>	<b>49,245</b>	<b>110,883</b>
<b>Total employee entitlements</b>	<b>51,534</b>	<b>162,040</b>
Current	51,534	162,040
Non-current	-	-
<b>Total employee entitlements</b>	<b>51,534</b>	<b>162,040</b>
<b>Note 12 Provisions</b>		
Death benefit provision (i)	23,497	21,247
Driver insurance provision (ii)	-	2,500
Onerous lease provision (iii)	2,507	7,153
	<b>26,004</b>	<b>30,900</b>

(i) Death benefit provision

The entity agrees to pay \$1,500 to the spouse of a deceased member on the production of a death certificate. The provision is calculated as the net present value of the estimated payouts based upon part payouts. The discount rate is 10%.

(ii) Driver insurance provision

Established to assist driver members with insurance excess in certain limited circumstances.

(iii) Onerous lease provision

During the year the entity discontinued using a photocopier which is still under contract. The provision is calculated as the reporting unit's share of the net present value of the remaining lease payments under contract.

The reporting unit was given an incentive payment to enter into a new photocopier lease contract (refer to Note 2).

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

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**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 13 Equity**

**Note 13A General funds**

	2018 \$	2017 \$
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

**Note 13B Other Specific disclosures – Funds**

Other funds	-	-
<b>Compulsory levy/voluntary contribution fund – if invested in assets</b>		
Other funds	-	-

**Other fund(s) required by rules**

<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-

# Australian Rail, Tram and Bus Industry Union,

## West Australian Branch

### Notes to the Financial Statements

For the year ended 31 December 2018

	2018 \$	2017 \$
<b>Note 14 Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:</b>		
<b>(i) Cash and cash equivalents as per:</b>		
Cash flow statement	53,660	76,039
Statement of Financial Position	53,660	76,039
<b>Difference</b>	-	-
<b>(ii) Reconciliation of profit/(loss) to net cash from operating activities:</b>		
Profit/(loss) for the year	(64,052)	(40,559)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	2,905	6,924
Write-down of non-financial assets	-	17,813
Fair value movement in investments	-	-
Gain/loss on disposal of assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables from other reporting unit	12,687	(92,311)
(Increase)/decrease in prepayments	6,387	2,439
Increase/(decrease) in payables	138,276	88,993
Increase/(decrease) in employee entitlements	(110,506)	(15,986)
Increase/(decrease) in provisions	(4,896)	7,153
<b>Net cash from (used by) operating activities</b>	(19,199)	(25,534)
<b>(iii) Cash flow information</b>		
Cash inflows from reporting unit:		
- The Australian Rail, Tram & Bus Industry Union of Employees, Western Australian Branch	55,776	46,289
- Australian Rail, Tram & Bus Industry Union, Western Australian PTA Branch	119,319	36,318
<b>Total cash inflows</b>	175,095	82,607
Cash outflows to reporting unit:		
The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch	(3,455)	(7,600)
ARTBIU – National Office	(10,333)	-
<b>Total cash outflows</b>	(13,788)	(7,600)



## Australian Rail, Tram and Bus Industry Union,

### West Australian Branch

#### Notes to the Financial Statements

For the year ended 31 December 2018

#### Note 15 Contingent liabilities, assets and commitments

##### Operating lease commitments – as lessee

The operating lease is for photocopiers that are leased by the Reporting Unit. The Reporting Unit pays the lease through fixed monthly instalments.

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

	2018	2017
	\$	\$
Within one year	10,800	14,640
After one year but no more than five years	17,980	28,780
More than five years	-	-
	<b>28,780</b>	<b>43,420</b>
Less: Amounts recorded as provision for onerous lease	(2,507)	(7,153)
Less: Amounts recorded as provision for onerous lease by related reporting unit	(2,050)	(5,852)
	<b>24,223</b>	<b>30,415</b>

##### Finance lease commitments

The Reporting unit had no finance lease commitments during the 2018 and 2017 financial year.

##### Other contingent assets of liabilities

The Reporting unit has a contingent asset in relation to properties held in title by the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (ARTBIU). Two of the three properties are investment properties, 630 Murray Street and 224 Stirling Street, and the other is owner occupied, 10 Nash Street.

The RTBU and ARTBIU agree that preservation of assets must be safeguarded in the interest of the entire RTBU membership and that no assets (including real property) shall be disposed of or otherwise dealt without the consent of the RTBU National Executive.

Based on the above information the members of the Reporting unit may have a claim on the value of the properties.

The combined value of the properties in the records of the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch as at 31 December 2018 is \$3,626,616 (2017: \$3,635,000).

## Australian Rail, Tram and Bus Industry Union,

### West Australian Branch

#### Notes to the Financial Statements

For the year ended 31 December 2018

#### Note 16 Related party transactions for the reporting period

##### Related parties and nature of their relationship

The Australian Rail, Tram and Bus Industry Union – National Office (National Office)

- This is the National Office which this reporting unit is a West Australian Branch.

The Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch (PTA Branch)

- This is another West Australian regulated Reporting unit and is a related party due to the history between the two Reporting units and the continued shared services between them.

The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (State Branch)

- This is a West Australian regulated Reporting unit and is a related party that holds the title of all 3 properties jointly held by WA branch and the Reporting unit.

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

	2018 \$	2017 \$
<b><u>National Office</u></b>		
<b>Expenses to National Office</b>		
Capitation fees	(73,779)	(58,198)
<b>Amounts owed to National Office</b>		
Capitation fees owed to National Office	(160,126)	(96,680)
<b><u>State Branch</u></b>		
<b>Revenue from State Branch</b>		
Net results from Investment properties	-	41,680
<b>Net payable to State Branch</b>	(55,606)	(3,286)
<b><u>PTA Branch</u></b>		
<b>Revenue from PTA Branch</b>		
Shared services	86,588	117,670
<b>Amounts receivable from PTA Branch</b>		
Shared services receivable from PTA Branch	203,706	156,410
Other receivable from PTA	76,277	139,715
	<u>279,983</u>	<u>296,125</u>

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to these that prevail in arms' length transactions. Outstanding balances 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 reporting unit has not recorded any impairment of receivables relating to amounts owned by related parties (2016: \$Nil) This assessment is undertaken each financial year through examining the financial position of related party and the contingent assets which are likely to be available to settle the receivables.

The shared resources expenses are described on policy note 1v.

**Note 17 Key management personnel**

**(a) Remuneration for the reporting period**

Key management personnel are the Officer of the Reporting unit, Mr Craig McKinley (appointed 27 September 2018) and Philip Woodcock (removed 27 September 2018).

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	148,793	127,398
Annual leave accrued / (reversed upon resignation)	(16,213)	7,368
Performance bonus	-	-
Other	-	-
<b>Total short-term employee benefits</b>	<b>132,580</b>	<b>134,766</b>
<b>Post-employment benefits:</b>		
Superannuation	18,138	21,864
<b>Total post-employment benefits</b>	<b>18,138</b>	<b>21,864</b>
<b>Other long-term benefits:</b>		
Long-service leave accrued / (reversed upon resignation)	(17,341)	5,243
<b>Total other long-term benefits</b>	<b>(17,341)</b>	<b>5,243</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>133,377</b>	<b>161,873</b>

**(b) Transactions with key management personnel and their close family members**

<b>Loans to/from key management personnel</b>	-	-
<b>Other transactions with key management personnel</b>	-	-

**Australian Rail, Tram and Bus Industry Union,  
West Australian Branch**

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 18 Remuneration of auditors**

	2018 \$	2017 \$
<b>Value of the services provided</b>		
<b>HTG Partners</b>		
Financial statement audit services – 2017	7,950	–
Other services – 2017	1,800	–
<b>Total HTG Partners</b>	9,750	–
<b>PKF Mack</b>		
Financial statement audit services – 2016	–	9,500
Other services – 2016	–	12,500
<b>Total PKF Mack</b>	–	22,000
<b>Total remuneration of auditors</b>	9,750	22,000

Other services refer to preparation of financial statements.

**Note 19 Financial instruments**

**Financial risk management objectives**

The Reporting unit's activities do not expose it to many financial risks and therefore are not actively managing these risks.

**Categories of financial instruments**

	2018 \$	2017 \$
<b>Financial Assets</b>		
Cash and cash equivalents	53,660	76,039
Fair Value through profit and loss:		
Shares in listed companies – held for trading	5,180	5,180
Loans and receivables:		
Trade and other receivables	279,983	296,125
<b>Carrying amount of financial assets</b>	338,823	377,344
<b>Financial Liabilities</b>		
Other financial liabilities:		
Trade payables and accruals	233,281	130,205
Other payables	54,094	22,349
<b>Carrying amount of financial liabilities</b>	287,375	152,554

**Australian Rail, Tram and Bus Industry Union,  
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**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 19 Financial instruments**

**Financial risk management objectives (continued)**

	2018 \$	2017 \$
<b>Net income and expenses from financial assets</b>		
Cash & cash equivalents		
Interest revenue	57	215
Net gain / (loss) from cash & cash equivalents	57	215
<b>Fair Value through Profit or Loss Change in fair value</b>		
Change in fair value	-	-
Net gain / (loss) from Fair Value Through Profit or Loss	-	-
<b>Net gain / (loss) from financial asset</b>	57	215

**Credit risk**

The Reporting unit is not exposed to any significant credit risk and is therefore not actively managing its credit risk.

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not past due or impaired 2018 \$	Past due or impaired 2018 \$	Not past due or impaired 2017 \$	Past due or impaired 2017 \$
<b>Financial assets</b>				
Trade and other receivables	279,983	-	296,125	-
<b>Total</b>	279,983	-	296,125	-

**Ageing of financial assets that were past due but not impaired for 2018**

	0 – 30 days \$	31 – 60 days \$	61 – 90 days \$	90 days + \$	Total \$
Trade and other receivables	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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

	0 – 30 days \$	31 – 60 days \$	61 – 90 days \$	90 days + \$	Total \$
Trade and other receivables	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Australian Rail, Tram and Bus Industry Union,  
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**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 19 Financial instruments (continued)**

**Liquidity risk**

The Reporting unit is not exposed to any significant liquidity risk and is therefore not actively managing it liquidity risk.

**Contractual maturities for financial liabilities 2018**

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	233,281	-	-	-	-	233,281
Other payables	54,094	-	-	-	-	54,094
<b>Total</b>	<b>287,375</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>287,375</b>

**Contractual maturities for financial liabilities 2017**

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	130,205	-	-	-	-	130,205
Other payables	22,349	-	-	-	-	22,349
<b>Total</b>	<b>152,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,554</b>

**Market risk**

The Reporting unit is not exposed to any significant market risks, including interest rate risk, price risk and currency risk, and is therefore not actively managing these risks. Given the insignificance of the risk no further information is provided as per the Fair Work (Registered Organisations) Act 2009 reporting requirements.

**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 20 Fair value measurement**

Management of the Reporting unit assessed that cash and cash equivalents, trade receivables, trade payables, accruals and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Reporting unit based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amount and related fair values for the Reporting unit's financial assets and liabilities:

	<b>Carrying amount 2018 \$</b>	<b>Fair value 2018 \$</b>	<b>Carrying amount 2017 \$</b>	<b>Fair value 2017 \$</b>
<b>Financial assets</b>				
Cash and cash equivalents	53,660	53,660	76,039	76,039
Other investments	5,180	5,180	5,180	5,180
Trade and other receivables	279,983	279,983	296,125	296,125
<b>Total</b>	<b>338,823</b>	<b>338,823</b>	<b>377,344</b>	<b>377,344</b>
<b>Financial liabilities</b>				
Trade and other payables	233,281	233,281	130,205	130,205
Other payables	54,094	54,094	22,349	22,349
<b>Total</b>	<b>287,375</b>	<b>287,375</b>	<b>152,554</b>	<b>152,554</b>

**Australian Rail, Tram and Bus Industry Union,  
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**Notes to the Financial Statements**

For the year ended 31 December 2018

**Note 20 Fair value measurement (continued)**

**Fair value hierarchy**

The following tables provides an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Date of valuation \$	Level 1 \$	Level 2 \$	Level 3 \$
<b>31 December 2018</b>				
<b>Assets measured at fair value</b>				
Shares in listed companies	31/12/18	5,180	-	-
Total		5,180	-	-
<b>31 December 2017</b>				
<b>Assets measured at fair value</b>				
Shares in listed companies	31/12/17	5,180	-	-
Total		5,180	-	-

**Note 21 Events after the reporting period**

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Reporting unit.

**Note 22 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or the Commissioner:

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

**Note 23 Principal Place of Business**

The principal place of business of the Reporting Unit:  
Unit 2, 10 Nash Street  
PERTH WA 6000