

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

Financial Report

For the year ended 31 December 2019

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

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Certificate by Prescribed Designated Officer

For the year ended 31 December 2019

I, Joshua Dekuyer, being the officer responsible of the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch, certify:

- That the documents lodged herewith are copies of the full report for the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch for the period ended 31 December 2019 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 21 April 2020; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 18 June 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer

Joshua Dekuyer

Title of prescribed designated officer

Branch Secretary

Date

18/06/2020

**AUSTRALIAN RAIL, TRAM AND BUS INDUSTRY UNION,
WEST AUSTRALIAN PTA BRANCH**

OPERATING REPORT

The committee of management of the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch (“the Union”) 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 2019.

Review of the Union’s principal activities

The Union is an association of employees. The Union covers employees who are employed in or in connection with the railway, and tramway industries and who are employed in the Public Transport Authority of Western Australia.

The committee of management has reviewed the principal activities of the Union. The principal activities of the Union in the financial year ended 31 December 2019 were:

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

Results of right of entry to hold discussions

The Union exercised right of entry a number of times throughout the financial year ended 31 December 2019. This has resulted in the Union:

- holding general discussions with members;
- signing up new members;
- informing members about the status enterprise agreement negotiations;
- providing members with information on various industrial disputes between the Union and their Employer such as the Public Transport Authority of Western Australia;
- advising members of their rights and entitlements at work.

Results of enterprise agreement negotiation activities

The Union engaged in enterprise bargaining with the Public Transport Authority, MMS Security Pty Ltd and Delron Cleaning Pty Ltd to replace five enterprise agreements. Those enterprise agreements, and the status of the bargaining as at the end of the 2019 financial year are as follows:

- MSS Security Pty Ltd – United Voice Public Transport Authority Enterprise Agreement 2017. Ratified by the FWC on 21 June 2019.
- Delron Cleaning Pty Ltd (Prospector and Avon Link/ Merredin On-Train Customer Service Officers) Enterprise Agreement 2018. Ratified by the FWC on 31 January 2019.
- Public Transport Authority/ARTBIU (Transwa) Industrial Agreement 2019. Ratified by the WAIRC on 11 April 2019.
- Public Transport Authority/ARTBIU (Transperth Train Operations Rail Car Drivers) Industrial Agreement 2019. Ratified by the WAIRC on 11 April 2019.
- Public Transport Authority/ARTBIU (Transit Officers) Industrial Agreement 2019. Awaiting ratification by the membership before lodgement with the WAIRC.

Results of providing employees with industrial advice and representation

- The Union has assisted over 200 members with receiving significant back payments due to several and different identified underpayments.
- The Union has regularly provided advocacy to its members for matters such as disciplinaries, payment of wages, allowances and overtime payments as well as helping members clarify clauses of their agreements. In most cases, members have achieved a more satisfactory outcome by bringing the Union in to assist them with resolving their industrial issues.
- The Union has also provided legal assistance and industrial advice which has led to several members receiving financial settlements throughout 2019. Due to confidentiality restraints, the Union is unable to provide any specifics about these matters.
- Through arrangements that the Union negotiated with several law firms, injured members of the Union were provided with legal advice and representation in relation to workers' compensation matters.
- The Union has assisted several members with the termination of their collective agreement, which paid less than the award, in the Fair Work Commission.

Results of participation at the National Council and National Executive

The Union has actively participated in meetings of the National Council and the National Executive. The main achievement from this process was establishing national initiatives and the progression of amalgamating the PTA Branch with the WA 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 Union's affiliation with WA Labor has enabled the Union to provide important information to government, based upon experience and knowledge of its members, about the development and implementation of the new Metronet rail system.
- The Union's affiliation with WA Labor has enabled it to participate in the shaping of the party's policies. The Union's aim in participating is to advocate for better employment opportunities and conditions for railway industry workers
- The Union's affiliation and participation in UnionsWA affairs has enabled it to shape the direction of the broader union movement in Western Australia

Results of managing the Union's property portfolio

During the 2019 year, the Union, due the change in property management company in 2018 and investment in upkeep, has better managed its property portfolio. There is only one area of the first-floor level of its Stirling Street property untenanted. Continued joint efforts are being made to see this area become tenanted.

No significant changes in the activities of the Union

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

Significant changes in the Union's financial affairs

There have been some significant changes in the Union's financial affairs in the financial year ended 31 December 2019. The Union put in place initiatives to increase the short and long profitability and viability of the Union. Those initiatives included:

- implementing a more focused organising and recruitment method to increase membership numbers;
- implementing a more focused communication method via bimonthly newsletters and regular 'email blasts' to increase and retain membership numbers;
- pursuing defaulted membership fees each and every fortnight;
- a change in the composition of the shared services that the Union contracts for from the WA Branch of the Australian Rail, Tram and Bus Industry Union;
- expenditure cuts via negotiating on fees and costs with services such as lawyers, website designers and telecommunication providers; and

Some of the above initiatives produced instant financial benefits to the Union (for example: the increase of members). Others are anticipated to provide the Union with financial benefits in future financial years (negotiating on fees and costs with services).

Members' rights to resign

Members may resign from the Union 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 Union was a trustee, or the director of a trustee, of a superannuation scheme because of their membership or position within the Union.

Information prescribed by regulation 159

As at 31 December 2019:

- (a) There were 796 people recorded in the register of members. All but one (1) of those recorded were financial members of the Union.

- (b) The Union directly employed one person (the Secretary of the Union).
- (c) The following people were members of the committee of management during the financial year ended 31 December 2019:

NAME	PERIOD
Joshua Dekuyer	Full year
John Olding	Full year
Peter Olynyk	Full year
Dean Harris	1 January 2019 – 27 June 2019
Glen Clingin	1 January 2019 – 27 June 2019
Helen Martin	1 January 2019 – 27 June 2019
Piers McCarney	1 January 2019 – 27 June 2019
Barry Irvine	1 January 2019 – 27 June 2019
Anna Mutzenich	28 June 2019 – 31 December 2019
Kelley Jenkins	28 June 2019 – 31 December 2019
Joshua Ayanami	28 June 2019 – 31 December 2019
James Reed	28 June 2019 – 31 December 2019
Ben Nichols	28 June 2019 – 31 December 2019

Other information

The Union, through a shared services agreement with the WA Branch of the Australian Rail Tram and Bus Industry Union (“the WA Branch”), utilises the labour of the WA Branch’s employees. Those persons are not directly employed by the Union. Instead, the Union pays a fee to the WA Branch for use of that labour.

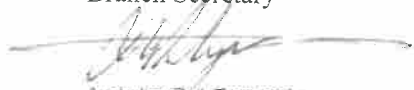
The members and officers of the Union are largely the same as the members and officers of the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch (“the State Union”). Although the State Union’s eligibility rule is slightly broader than the Union’s eligibility rule. The State Union is an association registered under the *Industrial Relations Act 1979* (WA). The Union collects the membership fees and levies from dual members of the Union and State Union on behalf of both of those organisations. So that members are not paying double fees due to their joint membership, the State Union does not collect any fees or levies from those dual members. The operating expenses of the State Union are covered by the Union.

For and on behalf of the Committee of Management:

Dated at Perth, Western Australia this 14th day of January 2020

JOSHUA DEKUYER

Branch Secretary



Australian Rail, Tram and Bus Industry Union, WA PTA Branch
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JOHN OLDING

President



INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS
INDUSTRY UNION, WEST AUSTRALIAN PTA 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 PTA Branch (the Reporting unit), which comprises the statement of financial position as at 31 December 2019, 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 2019 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(t) in the financial report which highlights that the Reporting unit had net liabilities of \$221,508 as at 31 December 2019 (31 December 2018 Net liabilities of \$235,885). This condition, 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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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN RAIL TRAM AND BUS INDUSTRY
UNION, WEST AUSTRALIAN PTA 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, 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 PTA BRANCH (CONTINUED)

Responsibilities of the Branch Committee for the Financial Report

The branch committee of management of the Reporting unit is 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 branch committee of management is 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.

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 PTA BRANCH (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 the 8th day of April 2020

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

Committee of Management Statement

For the year ended 31 December 2019

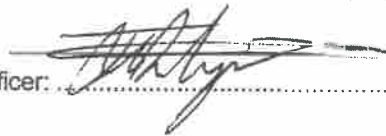
On the 7 April 2020 the Branch Committee of Management of the Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2019:

The Reporting unit declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisation) Act 2009 (The RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the General Purpose Financial Report relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer:

JOSHUA DEKUNER BRANCH SECRETARY

Dated:

7/04/2020

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

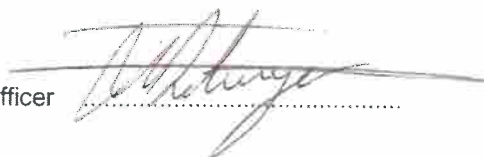
Subsection 255 (2A) Report

For the year ended 31 December 2019

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 2019.

Categories of Expenditure	2019 \$	2018 \$
Remuneration of employees and other employment – related costs and expenses	155,609	105,063
Advertising	99	-
Operating costs	267,914	225,960
Donations to political parties	-	-
Legal costs	12,697	25,538

Signature of prescribed designated officer



Name of prescribed designated officer Joshua Dekuyer

Title of prescribed designated officer Branch Secretary

Date

7/04/2020

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

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
Revenue			
Membership subscription	2	411,121	362,359
Capitation fees		-	-
Levies	2	16,938	15,135
Interest		-	-
Rental revenue		-	-
Other revenue	2	17,002	28,212
Total revenue		445,061	405,706
Other Income			
Grants and donations		-	-
Share of net profit from associate		-	-
Net gains from sale of assets		5,635	-
Net result from investment properties		-	-
Total other income		5,635	-
Total revenue and other income		450,696	405,706
Expenses			
Employee expenses	3	(155,609)	(105,063)
Capitation fees	3	(59,952)	(48,000)
Affiliation fees	3	(15,790)	(10,816)
Administration expenses	3	(35,595)	(36,762)
Grants or donations	3	-	(165)
Depreciation and amortisation	3	(3,351)	(3,633)
Finance costs		(2,595)	(593)
Legal costs	3	(12,697)	(25,538)
Audit and accounting fees	18	(9,910)	(8,245)
Share of net loss from associate		-	-
Write-down and impairment of assets		-	-
Net losses from sale of assets		-	-
Other expenses	3	(140,820)	(117,746)
Total expenses		(436,319)	(356,561)
Surplus/(Deficit) for the year		14,377	49,145
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income /(loss) for the year		14,377	49,145

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

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

Statement of Financial Position

As at 31 December 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	200,841	73,968
Trade and other receivables	5	136,405	159,915
Other current assets	6	7,409	3,669
Other financial assets		-	-
Total current assets		344,655	237,552
Non-Current Assets			
Plant and equipment	7	3,426	12,656
Total non-current assets		3,426	12,656
Total assets		348,081	250,208
LIABILITIES			
Current Liabilities			
Trade payables and accruals	8	480,668	406,894
Other payables	9	66,061	64,603
Borrowings	10	2,857	-
Employee entitlements	11	10,003	2,546
Provisions	12	10,000	12,050
Total current liabilities		569,589	486,093
Non-Current Liabilities			
Employee entitlements		-	-
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Total liabilities		569,589	486,093
Net liability		(221,508)	(235,885)
EQUITY			
General funds	13	-	-
Retained earnings		(221,508)	(235,885)
Total equity		(221,508)	(235,885)

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

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

Statement of Changes in Equity
For the year ended 31 December 2019

	General funds \$	Retained earnings \$	Total Equity \$
Balance as at 1 January 2018	-	(285,030)	(285,030)
Profit for the year	-	49,145	49,145
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2018	-	(235,885)	(235,885)
Balance as at 1 January 2019	-	(235,885)	(235,885)
Profit for the year	-	14,377	14,377
Other comprehensive income for the year	-	-	-
Closing balance as at 31 December 2019	-	(221,508)	(221,508)

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

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

Statement of Cash Flows

For the year ended 31 December 2019

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Members		451,056	393,758
Interest		-	-
Other		1,458	14,286
Receipts from other controlled entities/reporting units		25,900	48,330
Cash used			
Interest		-	(593)
Employees		(148,152)	(150,863)
Suppliers		(77,869)	(104,066)
Payments to other controlled entities/ reporting units		(139,891)	(153,798)
Net cash used by operating activities	14	112,502	47,054
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of motor vehicle		12,727	-
Proceeds from sale of land and buildings		-	-
Proceeds from investments properties		-	-
Cash used			
Purchase of plant and equipment		(1,213)	(1,815)
Purchase of land and buildings		-	-
Repayment of rental bond		-	-
Net cash used by investing activities		11,514	(1,815)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Borrowings		27,020	-
Cash used			
Repayment of borrowings		(24,163)	-
Other		-	-
Net cash from financing activities		2,857	-
Net increase (decrease) in cash held		126,873	45,239
Cash & cash equivalents at the beginning of the financial year		73,968	28,729
Cash & cash equivalents at the end of the financial year	4	200,841	73,968

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

Notes to the Financial Statements

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

Notes to the Financial Statements

For the year ended 31 December 2019

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, Western Australian PTA 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 cashflow 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 2019

Note 1 Summary of significant accounting policies (continued)

b) Significant accounting judgements and estimates (continued)

Estimation of useful lives of assets

The Reporting unit determines the estimated useful lives and related depreciation 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 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit Entities

Impact of adoption of AASB 9

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The reporting unit has not restated comparative information which continues to be reported under AASB 139. The classification and measurement requirements of AASB 9 did not have a significant impact to the reporting unit. There are no changes in classification and measurement for the reporting unit's non-current financial assets or financial liabilities.

The adoption of AASB 9 has fundamentally changes the reporting unit's accounting for impairment losses for financial assets by replacing AASB 139s incurred loss approach with a forward-looking Expected Credit Losses (ECL) approach. AASB 9 requires the reporting unit to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. Upon adoption of AASB 9 the reporting into did not result in an increase or decrease in impairment or retained earnings.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards

Impact of adoption of AASB 15 and AASB 1058

The reporting unit has adopted AASB15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 January 2019. The key changes to the reporting units accounting policies and the impact on the financial report from applying AASB 15 and AASB 1058 are described below. The adoption of AASB15 and AASB 1058 has resulted in no change to the timing or recognition of prior year revenue items. Additional disclosures have been made where relevant.

Impact of adoption of AASB 16

The reporting unit has elected to adopt AASB 16 using the modified retrospective (cumulative catch-up) method from 1 January from 2019 and therefore the comparative information has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

Nature of change in accounting policy from adoption of AASB 16

Under AASB 17, the reporting unit assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the lessee or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except where an exemption election is used).

As at 1 January 2019 and during the year ended 31 December 2019, the reporting unit has no lease contracts. As a result, no right-of-use assets or lease liabilities have been brought to account.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards (continued)

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.

The following amended standards and interpretations are not expected to have a significant impact on the reporting unit's financial statements:

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an investor and its associate or joint venture
- AASB 2018-6 amend AASB 3 Definition of a Business
- AASB 2018-7 Definition of Material
- AASB 17 Insurance Contracts
- AASB 2019-1 Amendments to conceptual framework in IFRS Standards
- AASB 2019-2 amends AASB 16 Leases and AASB 1059 Service Concession arrangements for Grantors
- AASB 2019-3 amends AASB 7, 9 and 139 to modify some specific accounting requirements
- AASB 2019-4 amends AASB 1054 Australian Additional Disclosures
- AASB 2019-5 amends AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS standards.

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

d) Revenue

Revenue recognition policy for 2019, under AASB 15 and AASB 1058

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the member.

Revenue is recognised by applying a five-step model as follows:

- 1 Identify the contract with the customer
- 2 Identify the performance obligations
- 3 Determine the transaction price
- 4 Allocate the transaction price
- 5 Recognise revenue

Generally the timing of the payment of rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability. None of the revenue streams have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Membership subscription revenue

Membership subscription revenue is recognised over time which best reflects the transfer of control and the period in which the performance obligations is met.

Revenue from Sale of goods

Revenue from sales of goods comprises revenue earned from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred. None of the items sold have any warranty attached to them.

Donations

Donations collected are recognised as revenue when the reporting unit gains control of the asset. No amounts are included in the financial report for services donated by volunteers.

Interest

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest is included as other income.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

d) Revenue (continued)

Revenue recognition policy for 2018, under AASB 118 Revenue and AASB 1004 Contributions

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

Policy for 2019

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash. Once the asset has been recognised, the reporting unit recognises any related liability amounts (eg provisions, financial liabilities). Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Capital grants received under an enforceable agreement to enable the reporting unit to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the reporting unit (once complete) are recognised as revenue and when the obligation to construct or purchase is complete.

Policy for 2018

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.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

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.

g) Capitation fees

Capitation fees are to be recognised on an accrual basis and recorded as an 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 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.

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

i) Leases

Policy for 2019

At inception of a contract, the company assesses whether a lease exists – ie does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether:

The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset. The reporting unit has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use. The reporting unit has the right to direct the use of the asset. The reporting unit has elected not to separate non-lease components from lease components and to account for all leases as a single component. At the lease commencement, the reporting unit recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the reporting unit believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where the cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the reporting unit's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (eg CPI) or a change in the assessment of the lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The reporting unit has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the reporting unit recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

i) Leases (continued)

Policy for 2018

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.

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.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

I) Financial assets - Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the reporting unit commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- Financial assets at amortised cost
- Investments in equity instruments designated at fair value through other comprehensive income
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through profit or loss

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

I) Financial assets - Initial recognition and measurement (continued)

Financial assets at amortised cost

The entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The entity's financial assets at amortised cost includes trade receivables and loans to related parties.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the reporting unit can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The entity elected to classify irrevocably its listed and non-listed equity investments under this category.

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

I) Financial assets - Initial recognition and measurement (continued)

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The reporting unit has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the reporting unit has transferred substantially all the risks and rewards of the asset, or
 - b) the reporting unit has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the reporting unit continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

I) Financial assets - Initial recognition and measurement (continued)

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the entity applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The reporting unit has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the entity recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the entity expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the entity may also consider a financial asset to be in default when internal or external information indicates that the entity is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

l) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

m) 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.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

n) 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 less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets does not differ materially from those that would be determined using fair values at the reporting date.

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:

	2019	2018
Motor Vehicles	22.5%	22.5%
Plant and equipment	10-33%	10-33%

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.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

o) 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 and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

p) 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.

q) 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.

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

r) 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 20.

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

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

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

r) Fair value measurement (continued)

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.

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.

s) Allocation of revenue and expenses between the Australian Rail, Tram and Bus Industry Union 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 2019 financial year based on the number of members declared on 31 December 2018 is 50% (WA Branch) /50% (PTA Branch) (2018: 53.58% /46.42%).

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).

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

t) Going concern

The Reporting unit has net liabilities of \$221,508 as at 31 December 2019 (2018 \$235,885) and incurred a trading surplus of \$14,377 for the year ended on that date (2018 surplus of \$49,145).

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. Continuing a positive trading position and cash flow by increasing revenues through increased membership numbers and subscriptions and reducing overhead expenditure.
2. The sale of investment properties with a carrying value of \$3,084,620 owned by the Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch on behalf of 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(s) which outlines the assets (including the investment properties outlined in point 2 above) must be safeguarded 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 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.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 1 Summary of significant accounting policies (continued)

u) 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.

v) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it 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 amounts required to settle the obligation at the end of the reporting period.

w) Financial Support

The Union does not provide financial support to another Union.

x) Business Combinations

There have been no assets and liabilities acquired during the financial year as part of a business combination (2018: Nil)

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 2 Revenue

	2019	2018
	\$	\$
Revenue from contracts with customers – AASB 15		
Membership subscription	411,121	362,359
Journey cover	15,543	13,926
Rebates and refunds		13,084
Revenue from other reporting units	-	-
Sundry revenue	1,459	1,202
	<u>17,002</u>	<u>28,212</u>
Other revenue from another reporting unit	-	-
Revenue from recovery of wages activity	-	-
Capitation fees		
Capitation fees received	-	-
Levies		
Organiser's levy	16,938	15,135
	<u>16,938</u>	<u>15,135</u>
Interest		
Interest on deposits	-	-
	<u>-</u>	<u>-</u>
Revenue recognised under AASB 1058		
Grants or donations		
Grants received	-	-
Donations received	-	-
	<u>-</u>	<u>-</u>
Timing of revenue recognition		
At a point in time	1,459	14,286
Over a period in time	443,602	391,420
	<u>445,061</u>	<u>405,706</u>

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 3 Expenses

Employee expenses

	2019	2018
	\$	\$
Holders of office:		
Wages and salaries	135,426	138,597
Superannuation	12,725	11,065
Leave and other entitlements	7,458	(44,599)
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	155,609	105,063
Employees other than office holders:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	-	-
Total employee expenses	155,609	105,063

Capitation fees

ARTBIU National Office	59,952	48,000
Total capitation fees	59,952	48,000

Affiliation fees

Australian Labour Party	7,533	4,766
Australian Council of Trade Unions	3,690	1,803
Unions WA	4,567	4,247
Total affiliation fees	15,790	10,816

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 3 Expenses (continued)

	2019	2018
	\$	\$
Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Contractors/consultants	-	-
Property operating expenses	1,342	3,091
Office expenses	16,428	15,801
Information communications technology	120	7,149
Accounting fees	17,705	10,721
Total administration expense	35,595	36,762
Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	165
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	165
Depreciation		
Depreciation		
Plant and equipment	3,351	3,633
Total depreciation	3,351	3,633
Legal costs		
Litigation	-	-
Other legal matters	12,697	25,538
Total legal costs	12,697	25,538
Other expenses		
Bank fees	543	967
Penalties - via RO Act or RO Regulations	-	-
Insurance	16,027	12,623
Vehicle expenses	3,643	2,633
Fringe benefits tax	2,623	3,934
Shared resources (refer Note 1(s)(b))	109,788	86,588
Other expenses	6,749	7,609
Travel	1,447	3,392
Total other expenses	140,820	117,746

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 4 Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank	200,841	73,968
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	200,841	73,968

Note 5 Trade and other receivables

Receivables from other reporting units

The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch	134,026	159,915
ARTBIU National Office	-	-
Total receivables from other reporting units	134,026	159,915

Less allowance for expected credit losses

The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch	-	-
ARTBIU National Office	-	-
Total allowance for expected credit losses	-	-
Net receivable from other reporting units	134,026	159,915

Other receivables

Other receivables	2,379	-
Total other receivables	2,379	-
Total net trade and other receivables	136,405	159,915

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

As 1 January	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 31 December	-	-

Repayment from other reporting unit is made upon mutual agreement.

Note 6 Other current assets

Prepaid expenses	7,409	3,669
Total other current assets	7,409	3,669

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

Notes to the Financial Statements

For the year ended 31 December 2019

	2019 \$	2018 \$
Note 7 Plant and equipment		
Motor vehicles:		
At cost	-	36,318
Accumulated depreciation	-	(27,683)
	-	8,635
Plant and equipment:		
At cost	7,313	6,100
Accumulated depreciation	(3,887)	(2,079)
	3,426	4,021
Total plant and equipment	3,426	12,656

Reconciliation of the opening and closing balances of plant and equipment

2019	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2019			
Gross book value	36,318	6,100	42,418
Accumulated depreciation and impairment	(27,683)	(2,079)	(29,762)
Net book value 1 January 2019	8,635	4,021	12,656
Additions:			
By purchase	-	1,213	1,213
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(1,543)	(1,808)	(3,351)
Other movement	-	-	-
Disposals	(7,092)	-	(7,092)
Other	-	-	-
Net book value 31 December 2019	-	3,426	3,426
Net book value as of 31 December 2019 represented by:			
Gross book value	-	7,313	7,313
Accumulated depreciation and impairment	-	(3,887)	(3,887)
Net book value 31 December 2019	-	3,426	3,426

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

Notes to the Financial Statements

For the year ended 31 December 2019

2018	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2018			
Gross book value	36,318	4,285	40,603
Accumulated depreciation and impairment	(25,176)	(953)	(26,129)
Net book value 1 January 2018	11,142	3,332	14,474
Additions:			
By purchase	-	1,815	1,815
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(2,507)	(1,126)	(3,633)
Other movement	-	-	-
Disposals	-	-	-
Other			
Net book value 31 December 2018	8,635	4,021	12,656
Net book value as of 31 December 2018 represented by:			
Gross book value	36,318	6,100	42,418
Accumulated depreciation and impairment	(27,683)	(2,079)	(29,762)
Net book value 31 December 2018	8,635	4,021	12,656

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

Notes to the Financial Statements

For the year ended 31 December 2019

	2019 \$	2018 \$
Note 8 Trade payables and accruals		
Trade creditors and accruals	7,630	8,744
Subtotal trade creditors	<u>7,630</u>	<u>8,744</u>
Payables to other reporting units		
The Australian Rail, Tram and Bus Industry Union, West Australian Branch	278,095	279,983
ARTBIU National Office	194,943	118,167
Subtotal payables to other reporting units	<u>473,038</u>	<u>398,150</u>
Total trade payables	<u>480,668</u>	<u>406,894</u>

Settlement of payables to unrelated entities is usually made within 30 days.
Payment to other reporting units are made upon mutual agreement.

Note 9 Other payables

Wages and salaries	593	-
Superannuation	4,033	879
Legal costs	-	-
Unearned revenue	12,171	2,338
GST payable / (receivable)	(9,463)	(3,093)
Payables to employers for payroll deductions of membership subscriptions	-	-
PAYG	3,735	2,751
Transit officers' legal fund (refer Note 13b)	54,992	61,728
Total other payables	<u>66,061</u>	<u>64,603</u>

Settlement generally is within 30 days.

Total other payables are expected to be settled in:

No more than 12 months	66,061	64,603
More than 12 months	-	-
Total other payables	<u>66,061</u>	<u>64,603</u>

Note 10 Borrowings

Current	<u>2,857</u>	-
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Borrowings are current, unsecured and from a non-related entity.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 11 Employee entitlements

	2019 \$	2018 \$
Office holders:		
Annual leave	10,003	2,546
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee entitlements—office holders	<u>10,003</u>	<u>2,546</u>
Employees other than office holders:		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee entitlements—employees other than office holders	<u>-</u>	<u>-</u>
Total employee entitlements	<u>10,003</u>	<u>2,546</u>
 Current	 10,003	 2,546
Non-current	-	-
Total employee entitlements	<u>10,003</u>	<u>2,546</u>

Note 12 Provisions

Provision for Onerous Lease (i)	-	2,050
Provision for Death Benefits (ii)	10,000	10,000
	<u>10,000</u>	<u>12,050</u>

(i) Onerous Lease

During previous years, the entity discontinued using a photocopier which was still under contract. The provision was calculated as the net present value of the remaining outstanding lease payments under the contract. This lease has now been fully paid.

(ii) 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 past payouts. The discount rate is 10%.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 13 Equity Reserves

Note 13A General funds

	2019	2018
	\$	\$
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

The general reserve is established to meet future unknown obligations.

Note 13B Other Specific disclosures – Funds

	2019	2018
	\$	\$
Other funds	-	-
Compulsory levy/voluntary contribution fund – if invested in assets		
Other funds	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Transit Officer's Legal Fund (Liability – Refer to Note 9)

Opening balance	61,728	61,728
Levies collected	-	-
Amounts paid from fund	(6,736)	-
Closing balance	<u>54,992</u>	<u>61,728</u>

In prior years a special levy was raised to support transit officers. The \$54,992 (2018: \$61,728) balance of these unspent funds appear in other payables as the reporting unit considers it has a constructive obligation to provide this service in future years.

The service will be provided until all funds collected from this levy been outlaid for this purpose.

The Reporting unit is no longer collecting this special levy.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 14 Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:

(i) Cash and cash equivalents as per:	2019	2018
Cash flow statement	200,841	73,968
Statement of Financial Position	200,841	73,968
Difference	-	-

(ii) Reconciliation of profit/(loss) to net cash from operating activities:

Profit/(loss) for the year	14,377	49,145
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Adjustments for non-cash items

Depreciation/amortisation	3,351	3,633
Net write-down of non-financial assets	-	-
Fair value movement in investments	-	-
Gain/loss on disposal of assets	(5,635)	-

Changes in assets/liabilities

(Increase)/decrease in amounts receivable from other reporting units	(2,694)	44,812
Increase/(decrease) in amounts payable to other reporting units	102,665	(24,106)
(Increase)/decrease in net receivables	(2,379)	(154)
(Increase)/decrease in prepayments	(3,740)	6,814
Increase/(decrease) in payables	1,150	15,460
Increase/(decrease) in other provisions	(2,050)	(3,802)
Increase/(decrease) in employee entitlements	7,457	(44,748)
Net cash from (used by) operating activities	112,502	47,054

(iii) Cash flow information

Cash inflows from other reporting unit

The Australian Rail, Tram and Bus Industry Union of Employees, West Australian Branch	25,900	48,330
Total cash inflows	25,900	48,330

Cash outflows to other reporting unit

Australian Rail, Tram and Bus Industry Union, West Australian Branch	(139,891)	(119,319)
The Australian Rail, Tram and Bus Industry Union of Employees, Western Australian Branch	-	(3,672)
ARTBIU – National Office	-	(30,807)
Total cash outflows	(139,891)	(153,798)

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 15 Contingent liabilities, assets and commitments

Lease commitments

The Reporting unit has no lease commitments at year end.

Contingent assets

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 2019 is \$3,646,817 (2018: \$3,626,616).

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 of which this reporting unit is a West Australian Branch.

The Australian Rail, Tram and Bus Industry Union, West Australian Branch (WA 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 joint held by WA branch and the Reporting unit.

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 16 Related party transactions for the reporting period (continued)

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

	2019 \$	2018 \$
<u>National Office</u>		
Expenses to National Office		
Capitation fees	59,952	48,000
Amounts owed to National Office		
Capitation fees owed to National Office	194,943	118,167
<u>State Branch</u>		
Revenue from State Branch		
Net results from Investment properties	-	-
Loan receivable from State Branch		
Trade receivable from State Branch	134,026	159,915
<u>WA Branch</u>		
Expenses to WA Branch		
Shared resources	109,788	86,588
Amounts payables to WA Branch		
Trade payable to WA Branch – Shared resources	203,706	203,706
Trade payable to WA Branch - Other	74,389	76,277
	<u>278,095</u>	<u>279,983</u>

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 payables to/from other reporting units are made upon mutual agreement. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31 December 2019, the reporting unit has not recorded any impairment of receivables relating to amounts owned by related parties (2018: \$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 1(s).

Other than the payments outlined in note 17(c), no payments were made to former related parties (2018: \$Nil).

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 17 Key management personnel

(a) Remuneration for the reporting period

Key management personnel is the Officer of the Reporting unit, Mr Joshua Dekuyer (appointed 27 September 2018), Paul Robinson (removed 27 September 2018).

	2019 \$	2018 \$
Short-term employee benefits		
Salary (including annual leave taken)	135,426	138,597
Annual leave accrued / (reversed upon resignation)	7,458	(19,062)
Performance bonus	-	-
Other	-	-
Total short-term employee benefits	<u>142,884</u>	<u>119,535</u>
Post-employment benefits:		
Superannuation	12,725	11,065
Total post-employment benefits	<u>12,725</u>	<u>11,065</u>
Other long-term benefits:		
Long-service leave accrued/ (reversed upon resignation)	-	(25,537)
Total other long-term benefits	<u>-</u>	<u>(25,537)</u>
Termination benefits		-
Total	<u>155,609</u>	<u>105,063</u>

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

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

(c) Transactions with former key management personnel and their close family members

Payments to former key management personnel	<u>6,000</u>	-
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Note 18 Remuneration of auditors

Value of the services provided

HTG Partners

Financial statement audit services	7,800	6,445
Other services	2,110	1,800
Total remuneration of auditors	<u>9,910</u>	<u>8,245</u>

Other services refer to preparation of financial statements.

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

Notes to the Financial Statements

For the year ended 31 December 2019

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

	2019 \$	2018 \$
Financial Assets		
Cash and cash equivalents	200,841	73,968
Loans and receivables:		
Trade and other receivables	136,405	159,915
Total	<u>337,246</u>	<u>233,883</u>
Carrying amount of financial assets	<u>337,246</u>	<u>233,883</u>
Financial Liabilities		
Other financial liabilities:		
Trade payables and accruals	480,668	406,894
Other payables	66,061	64,603
Borrowings	2,857	-
Total	<u>549,586</u>	<u>471,497</u>
Carrying amount of financial liabilities	<u>549,586</u>	<u>471,497</u>

Credit risk

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

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements

Financial Assets		
Cash and cash equivalents	200,841	73,968
Trade and other receivables	136,405	159,915
Total	<u>337,246</u>	<u>233,883</u>
Financial Liabilities		
Trade payables and accruals	480,668	406,894
Borrowings	2,857	-
Other payables	66,061	64,603
Total	<u>549,586</u>	<u>471,497</u>

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 19 Financial instruments

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2019	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	-	-	-	-	136,405	136,405
Expected credit loss	-	-	-	-	-	-

31 December 2018	Trade and other receivables					
	Days past due					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	-	-	-	-	159,915	159,915
Expected credit loss	-	-	-	-	-	-

The reporting unit's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in Note 19.

Liquidity risk

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

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

Notes to the Financial Statements

For the year ended 31 December 2019

Note 19 Financial instruments

Contractual maturities for financial liabilities 2019

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	480,668	-	-	-	-	480,668
Borrowings	-	2,857	-	-	-	2,857
Other payables	66,061	-	-	-	-	66,061
Total	546,729	2,857	-	-	-	549,586

Contractual maturities for financial liabilities 2018

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	406,894	-	-	-	-	406,894
Other payables	64,603	-	-	-	-	64,603
Total	471,497	-	-	-	-	471,497

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 disclosed.

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

For the year ended 31 December 2019

Note 18 Financial instruments

Changes in liabilities arising from financing activities

	1 January 2019	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Loans	Other	31 December 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	(24,163)	-	-	-	27,020	-	2,857
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	-	(24,163)	-	-	-	27,020	-	2,857

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Notes to the Financial Statements

For the year ended 31 December 2019

Note 19 Financial instruments

Changes in liabilities arising from financing activities (continued)

	1 January 2018	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Loans	Other	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	-	-	-	-	-	-	-	-
Dividends Payable	-	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-	-	-

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For the year ended 31 December 2019

Note 20 Fair value measurement

Management of the Reporting unit assessed the fair value of 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 2019 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 2019 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:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial assets				
Cash and cash equivalents	200,841	200,841	73,968	73,968
Trade and other receivables	136,405	136,405	159,915	159,915
Total	337,246	337,246	233,883	233,883
Financial liabilities				
Trade and other payables	480,668	480,668	406,894	406,894
Other payables	66,061	66,061	64,603	64,603
Borrowings	2,857	2,857	-	-
Total	549,586	549,586	471,497	471,497

At 31 December 2019, the Reporting Unit does not hold any assets or liabilities which are subsequently remeasured at Fair Value on a recurring basis after initial recognition (31 December 2018: Nil).

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Notes to the Financial Statements

For the year ended 31 December 2019

Note 21 Events after the reporting period

The COVID-19 Pandemic announced by the World Health Organisation subsequent to 31 December 2019 is having a negative impact on world-wide business activities. The Reporting Unit has initiated procedures to address the health and wellbeing of its employees, members, contractors and the Committee of Management. The extent of the impact and recovery from COVID-19 is not yet known. The extent of the impact on future revenues, operating costs, carrying values of assets and liabilities is also currently unknown. No financial effects from the economic impact of the virus have been included in the financial results for the year ended 31 December 2019. The outbreak of COVID-19 is considered a non-adjusting post balance sheet event.

There were no other events that occurred after 31 December 2019, 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 Principal Place of Business

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

Note 23 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).