

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

Financial Report

For the year ended 31 December 2021

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

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

Certificate by Prescribed Designated Officer

For the year ended 31 December 2021

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

- That the documents lodged herewith are copies of the full report for the Australian Rail, Tram and Bus Industry Union, West Australian Branch for the period ended 31 December 2021 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 and 1 April 22
- That the full report was presented to a meeting of the committee of management of the reporting unit on 19 May 22 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer



Name of prescribed designated officer Craig McKinley

Title of prescribed designated officer Branch Secretary

Date 3 June 2022.....

OPERATING REPORT

The Committee of Management of the Australian Rail, Tram and Bus Industry Union, West Australian Branch (**the WA Branch**) has 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 2021.

Review of the WA Branch's principal activities

The WA Branch is a branch of the Australian Rail, Tram and Bus Industry Union. Generally, the WA Branch covers employees who are employed in or in connection with the railway and tramway industries throughout Western Australia, but not those who are employed in the Public Transport Authority of Western Australia.

The committee of management has reviewed the principal activities of the WA Branch. The principal activities of the WA Branch in the financial year ended 31 December 2021 were:

- providing industrial relations representation to and on behalf of its members.
- recruiting new members to join the organisation.
- negotiating enterprise agreements.
- ensuring rail operators are complying with their obligations under enterprise agreements, the *Fair Work Act 2009* (Cth), and OSH laws.
- exercising right of entry to hold discussions with members and potential members.
- engaging in a significant industrial campaign to re-open Tier-3 rail lines in Western Australia.
- expanding the organisation's footprint in the Northwest of Western Australia; and
- advocating for more rail jobs and better working conditions, especially through participation in WA Labor and Unions WA and State Government consultation.

Results of industrial relations representation activities

The WA Branch assisted numerous members who had industrial relations issues. This included assistance with responding to disciplinary allegations, making unfair dismissal applications to the Fair Work Commission, negotiating outcomes to industrial disputes within the workplace, assisting members with making general protections claims against their employers, and referring members off to lawyers for legal advice where necessary (especially for workers' compensation, industrial law, and family law advice).

The WA Branch has largely achieved positive outcomes for its members throughout 2021. Most matters have been resolved through negotiations.

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

Results of recruiting new members to join the organisation

In 2021, the WA Branch increased its membership from 662 members to 710 members. This is a positive result given that some members retired from the industry and the union throughout the year. It should be noted that covid mandatory vaccinations took a toll on labour numbers in the rail industry with a flow on to union membership numbers. North-West recruitment also placed pressure on our membership numbers.

Late 2021, my industrial organiser departed the union which left most recruitment to myself. She will be replaced mid-2022. John Theodorson legal agent is commonly used by the branch as a replacement.

Results of negotiating enterprise agreements

Commencement began on the Watco Agreement 2017 in November

Results of ensuring that rail operators are complying with enterprise agreements, the Fair Work Act 2009 (Cth), and OSH laws

The WA Branch worked closely with its members, external legal providers, Worksafe, and the Office of Rail Safety to ensure that rail operators in Western Australia complied with the legal obligations that they owe to their workforce.

Most rail operators in Western Australia tended to pay their employees in accordance with the law. However, the WA Branch found that, throughout 2021, rail operators struggled to comply with rostering and OSH obligations. For example:

Locomotive electronic surveillance.

Abolition of long end running

Depot transfer issues

Breach of maximum working hours

Work and life balance

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

Results of right of entry to hold discussions

The WA Branch exercised right of entry a number of times throughout the financial year ended 31 December 2021. This has resulted in the WA Branch:

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

Results of the Tier-3 industrial campaign

For many years, Western Australia's Tier-3 rail lines have been left by Arc Infrastructure (and its predecessors) to rot. Due to ill-thought-out historic deals, grain was being transported from the bush to the port via road trucks. The road trucks have:

- caused significant damage to Western Australia's public road networks;
- increased transportation and logistic costs for local farmers and CBH;
- created unprecedented hazards to members of the public who are sharing country roads with countless grain trucks; and
- failures of trucking companies to meet the transportation needs of the grain industry.

All this has happened while there were State-owned Tier-3 rail lines (which were on long-term leases to Arc Infrastructure) that could have and should have been used to meet the transportation needs of the grain industry in Western Australia.

The WA Government and local shires are ultimately left with the burden of repairing and maintaining public roads. The trucking companies are getting a free ride at the expense of the taxpayer. Whereas, when grain is transported by rail, the cost of maintaining the rail lines is met by private enterprise – specifically above-rail operators and Arc Infrastructure.

The WA Branch has campaigned heavily to get the WA Government, the Commonwealth Government, and Arc Infrastructure to perform maintenance on the Tier-3 rail lines so that they can again be used to cart grain from silo to port. As a result of that campaigning, the WA Government commissioned an engineering report into what needed to be done to get some of the Tier-3 lines reopened. This was a huge step in the right direction. The WA Government is now working with the Commonwealth Government to obtain funding through Infrastructure Australia. This branch was able to secure \$200 million into agriculture supply chain improvements

The WA Branch will continue to campaign heavily in this area to ensure that grain transportation in Western Australia returns to rail.

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West Australian Branch**

Results of increasing the WA Branch's footprint in the North-West

In 2021, the WA Branch continued to expand its membership in the North-West of Western Australia. During November we visited Port Hedland and engaged in constructive talks across the industry including employers and employees. Of particular interest to the WA Branch is increasing the number of infrastructure members it has in the North-West and campaign to achieve better working conditions for those members. Consequently, we have been approached by an emerging employer to draft a EBA for NW and across the state.

Results of advocacy for more rail jobs and better working conditions

- The WA Branch is affiliated with WA Labor and UnionsWA. As it has for many years, the WA Branch plays an active role in both organisations.
- The WA Branch has been working with Government and industry to advocate for more rail jobs in Western Australia. As mentioned above, a lot of the focus in those negotiations has been around reopening the Tier-3 rail lines.

No significant changes in the activities of the WA Branch

There were no significant changes in the nature of the WA Branch's principal activities during the financial year, of strength is our continual lobbying of State Government for rail improvement and expansion across WA

Significant changes in the WA Branch's financial affairs

There were no significant changes in the WA Branch's financial affairs during 2021. It has continued to work towards strengthening its finances.

Members' rights to resign

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

- (1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
- (2) A notice of resignation from membership of an organisation takes effect:
 - (a) where the member ceases to be eligible to become a member of the organisation:
 - (i) on the day on which the notice is received by the organisation; or

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

Officers as trustees of superannuation schemes

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

**Australian Rail, Tram and Bus Industry Union,
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Information prescribed by regulation 159

As of 31 December 2021:

- (a) There were 710 people recorded in the register of members. Each of those persons was a financial member of the WA Branch.
- (b) The WA Branch had 3.78 FTEs. That was made up of three full-time employees and one part-time employee on 30 hours per week.
- (c) The following people were members of the committee of management during the financial year ended 31 December 2021:

NAME	POSITION HELD	PERIOD
Craig McKinley	Secretary	Full-year
Graeme Filcock	President	1 January to September 2021
George Kelly	President	September 2021 to 31 December
Laura Mickiewicz	Affirmative Action	Full Year
Allycia Old	Vice President	Full Year

For and on behalf of the Committee of Management:

Dated at Perth, Western Australia on this 14 ____ day of 4 _____ 2022



Craig McKinley
Branch Secretary



Allycia Old
Vice President

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Rail, Tram and Bus Industry Union, West Australian Branch (the Reporting unit), which comprises the statement of financial position as at 31 December 2021, 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 2021 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
 - (ii) 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

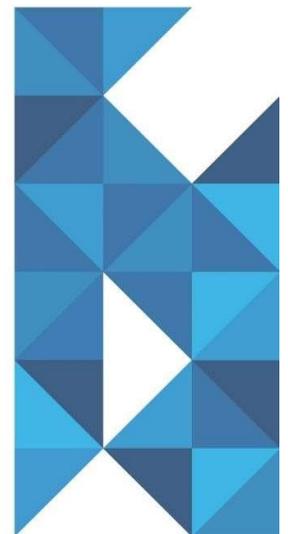
We draw attention to note 1(r) in the financial report which highlights that the Reporting unit incurred a trading loss of \$57,684 (2020: surplus of \$4,545) during the year and had a increase in net liabilities to \$77,897 (from \$20,163 net liabilities) as at 31 December 2021. These conditions, along with mitigating factors indicate the existence of significant uncertainty in relation to the ability of the entity to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business.

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HTG Partners is a CPA Practice



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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting unit in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Auditor's Declaration

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

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

Responsibilities of the Branch Committee for the Financial Report

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

In preparing the financial report, the committee are responsible for assessing the Reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intend to liquidate the Reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

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

- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

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

HTG PARTNERS



TANIA CONLIN
AUDITOR REGISTRATION NUMBER AA2017/122

Signed at Perth on this 14th day of April 2022

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

**Committee of Management Statement
For the year ended 31 December 2021**

On the 14th April 2022 at a Committee of Management meeting of the Australian Rail, Tram and Bus Industry Union, West Australian Branch (the WA Branch) the following resolution was passed in relation to the general-purpose financial report for the year ended 31 December 2021:

The Committee of Management declares that in its opinion:

- (a) The financial statements and notes comply with the Australian Accounting Standards.
- (b) The financial statements and notes comply with the reporting guidelines of the Commissioner.
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the WA Branch for the financial year ending 31 December 2021.
- (d) There are reasonable grounds to believe that the WA Branch will be able to pay its debts as and when they become due and payable.
- (e) During the financial year ending 31 December 2021 and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the WA Branch;
 - (ii) the financial affairs of the WA Branch have been managed in accordance with the rules of the organisation including the rules of the WA Branch;
 - (iii) the financial records of the WA Branch have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
 - (iv) the WA Branch does not know whether its financial records have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation;
 - (v) where the information has been sought in any request by a member of the WA Branch or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member of Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Committee of Management Statement (continued)

For the year ended 31 December 2021

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

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'Craig McKinley', written in a cursive style.

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

Dated: 14 April 2022

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

Subsection 255 (2A) Report

For the year ended 31 December 2021

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 2021.

Categories of Expenditure	2021 \$	2020 \$
Remuneration of employees and other employment – related costs and expenses	374,490	350,396
Advertising	-	-
Operating costs	188,506	200,454
Donations to political parties	1,000	-
Legal costs	47,866	27,505



Signature of prescribed designated officer

Name of prescribed designated officer Craig McKinley

Title of prescribed designated officer Branch Secretary

Date 14th day of April 2022

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

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	2		
Membership subscription		397,677	375,128
Capitation fees		-	-
Levies	2B	63,649	29,507
Rental revenue		-	-
Other revenue		19,759	21,054
Total revenue from contracts with customers		<u>481,085</u>	<u>425,689</u>
Income for furthering objectives	2		
Grants and donations	2E	-	57,567
Other		72,748	96,637
Total income for furthering objectives		<u>72,748</u>	<u>154,204</u>
Other income			
Share of net profit from associate		-	-
Settlement funds	2D	-	2,500
Dividend income	2D	345	329
Finance income	2C	-	178
Revenue from recovery of wages activity		-	-
Total other income		<u>345</u>	<u>3,007</u>
Total revenue and other income		<u>554,178</u>	<u>582,900</u>
Expenses			
Employee expenses	3	(374,490)	(350,396)
Capitation fees	3	(57,663)	(54,394)
Affiliation fees	3	(14,025)	(13,300)
Administration expenses	3	(21,093)	(27,248)
Grants or donations	3	(1,000)	(250)
Depreciation and amortisation	3	(7,546)	(7,644)
Finance costs	3	(129)	(510)
Legal costs	3	(47,866)	(27,505)
Audit fees	19	(10,425)	(10,575)
Share of net loss from associate		-	-
Write-down and impairment of assets		(518)	-
Net losses from sale of assets		-	-
Other expenses	3	(77,107)	(86,533)
Total expenses		<u>(611,862)</u>	<u>(578,355)</u>
(Loss)/Surplus for the year		<u>(57,684)</u>	<u>4,545</u>
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 (loss)/surplus for the year		<u>(57,684)</u>	<u>4,545</u>

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

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

Statement of Financial Position

As at 31 December 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	81,264	115,300
Trade and other receivables	5	191,845	253,426
Other current assets	6	7,474	9,030
Contract assets		-	-
Other financial assets	7	5,180	5,180
Total current assets		285,763	382,936
Non-Current Assets			
Plant and equipment	8A	5,671	7,326
Right-of-use assets	8B	3,707	10,061
Total non-Current assets		9,378	17,387
Total assets		295,141	400,323
LIABILITIES			
Current Liabilities			
Trade payables and accruals	9	275,906	339,291
Other payables	10A	1,342	(1,914)
Lease liabilities	8B	4,023	6,702
Borrowings	11	-	-
Employee entitlements	12	42,688	25,444
Provisions	13	21,997	23,497
Contract liabilities	10B	27,032	23,443
Total current liabilities		372,988	416,463
Non-Current Liabilities			
Employee entitlements	12	-	-
Lease liabilities	8B	-	4,023
Other non-current liabilities		-	-
Total non-current liabilities		-	4,023
Total liabilities		372,988	420,486
Net (liabilities) / assets		(77,847)	(20,163)
EQUITY			
General funds	14	-	-
Retained earnings		(77,847)	(20,163)
Total equity		(77,847)	(20,163)

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

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Statement of Changes in Equity

For the year ended 31 December 2021

	Retained earnings	Total Equity
	\$	\$
Balance as at 1 January 2020	(24,708)	(24,708)
Surplus for the year	4,545	4,545
Other comprehensive income for the year	-	-
Closing balance as at 31 December 2020	<u>(20,163)</u>	<u>(20,163)</u>
Balance as at 1 January 2021	(20,163)	(20,163)
(Loss) for the year	(57,684)	(57,684)
Other comprehensive income for the year	-	-
Closing balance as at 31 December 2021	<u>(77,847)</u>	<u>(77,847)</u>

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

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

Statement of Cash Flows

For the year ended 31 December 2021

	Notes	2021 \$	2020 \$
OPERATING ACTIVITIES			
Cash received			
Members (customers)		466,429	436,678
Interest		-	178
Other		345	77,327
Donations and grants		-	-
Receipts from other controlled entities/reporting units	15	170,904	124,438
Cash used			
Employees		(357,246)	(313,121)
Suppliers		(151,197)	(196,821)
Payments to other controlled entities/ reporting units	15	(153,855)	(58,436)
Net cash (used by)/from operating activities	15	<u>(24,620)</u>	<u>70,243</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Proceeds from investments properties		-	-
Cash used			
Purchase of plant and equipment		(2,714)	(2,104)
Purchase of land and buildings		-	-
Repayment of rental bond		-	-
Net cash (used by) investing activities		<u>(2,714)</u>	<u>(2,104)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Advance of borrowings		-	-
Cash used			
Repayment of borrowings		-	(2,857)
Repayment of leasing liabilities		(6,702)	(6,463)
Net cash from financing activities		<u>(6,702)</u>	<u>(9,320)</u>
Net increase (decrease) in cash held		(34,036)	58,819
Cash & cash equivalents at the beginning of the financial year		115,300	56,481
Cash & cash equivalents at the end of the financial year	4	<u>81,264</u>	<u>115,300</u>

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

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

Notes to the Financial Statements

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Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies

Basis of preparation of the financial statements

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

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

The financial statements except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a 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 14th April 2022.

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 Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

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 2021

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 and amendments

The accounting policies adopted are consistent with those of the previous financial year except for the following accounting standards and amendments, which have been adopted for the first time this financial year:

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – Reference to the Conceptual Framework
- AASB 2020-4 Amendments to Australian Accounting Standards – Covid 19 Related Rent Concessions

The adoption of these standards has not had a material impact on the reporting unit's financial statements.

No accounting standard has been adopted earlier than the application date stated in the standard.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

c) New Australian Accounting Standards (continued)

Future Australian Accounting Standards

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to future reporting periods include:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

The Reporting unit does not expect the adoption of this amendment to have a material on its financial statements.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

d) Revenue

The reporting unit enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the reporting unit has a contract with a customer, the reporting unit recognises revenue when or as it transfers control of goods or services to the customer. The reporting unit accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the reporting unit.

If there is only one distinct membership service promised in the arrangement, the reporting unit recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the reporting unit's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the reporting unit allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price of that the reporting unit charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the reporting unit recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

d) Revenue (continued)

Membership subscriptions (continued)

For member subscriptions paid annually in advance, the reporting unit has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the reporting unit at their standalone selling price, the reporting unit accounts for those sales as a separate contract with a customer.

Capitation fees

The reporting unit recognises capitation fees as income upon receipt.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when the service has been provided by the reporting unit.

Income of the reporting unit as a Not-for-Profit Entity

Consideration is received by the reporting unit to enable the entity to further its objectives. The reporting unit recognises each of these amounts of consideration as income when the consideration is received (which is when the reporting unit obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the reporting unit's recognition of the cash contribution does not give to any related liabilities.

During the prior year, the reporting unit received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

d) Revenue (continued)

Income of the reporting unit as a Not-for-Profit Entity (continued)

Volunteer services

During the year, the reporting unit did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Interest income

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

e) 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 2021

Note 1 Summary of significant accounting policies (continued)

f) Leases

The reporting unit assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Reporting unit as a lessee

The reporting unit applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The reporting unit recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The reporting unit recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Plant & Equipment:	5 years	5 years

If ownership of the leased asset transfers to the reporting unit at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the reporting unit recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the reporting unit and payments of penalties for terminating the lease, if the lease term reflects the reporting unit exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

f) Leases (continued)

In calculating the present value of lease payments, the reporting unit uses the implicit interest rate or incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The reporting unit's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to low value leases. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

g) Borrowing costs

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

h) 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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement

Contract assets and receivables

A contract asset is recognised when the reporting unit's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the reporting unit's future performance or some other conditions.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (ie only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies in impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, 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 other comprehensive income, 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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

i) Financial assets - Initial recognition and measurement

Financial assets – Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income
- 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

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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

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

Financial assets at fair value through other comprehensive income

The reporting unit measures debt instruments at fair value through other comprehensive income if both of the following conditions are met.

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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 for debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

The reporting unit does not hold debt instruments at fair value through other comprehensive income.

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 other comprehensive income 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 other comprehensive income. Equity instruments designated at fair value through other comprehensive income 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 2021

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 other comprehensive income, 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 2021

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

Expected credit losses

Receivables for goods and services, which have 30 days terms, are recognised at the nominal amounts due less any allowance due to expected credit losses at each reporting date. A provision matrix that is based on historic credit losses experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

j) 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 fair value through profit and loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB9 Financial Investments are satisfied.

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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

j) Financial liabilities (continued)

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.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the reporting unit transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the reporting unit performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The reporting unit's refund liabilities arise from customers' right of return. The liability is measured at the amount the reporting unit's ultimately expects it will have to return to the customer. The reporting unit updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

k) Contingent liabilities and contingent assets

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

l) 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:

	2021	2020
Motor Vehicles	22.5%	22.5%
Plant and equipment	2.5%-100%	5-40%

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

l) Land, buildings, plant and equipment (continued)

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.

m) 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.

n) 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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

o) 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.

p) 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 21.

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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

p) Fair value measurement (continued)

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

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

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

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.

q) 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 parties subsequently agreed the apportionment to be used is 50% WA Branch and 50% PTA Branch.

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

q) 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) (continued)

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).

r) Going concern

The financial report has been prepared on a going concern basis which assumes the branch will be able to continue its operations, realise its assets and extinguish its liabilities in the ordinary course of business. As outlined in Note 22 to the Financial Report, this branch shall cease existence effective 1 January 2023 as it shall merge with the other Western Australian Branch of the Australian Rail Tram and Bus Industry Union. All assets, liabilities and members of this Branch shall become the assets, liabilities and members of the newly formed branch.

The effect of the merger shall have no impact on the carrying value of the assets. No additional liabilities, including restructure costs shall arise as a result of the merger and the debts shall be extinguished in the normal course of business.

The executive are of the view the reporting unit, up to date of the merger, is a going concern and therefore will be able to continue its operations, realise its assets and extinguish its liabilities in the ordinary course of its business.

The Reporting unit has net liabilities of \$77,847 as at 31 December 2021 (2020 \$20,163) and incurred a trading loss of \$57,684 for the year ended on that date (2020 surplus of \$4,545).

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

r) Going concern (continued)

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 \$3,331,933 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(q) which outlines the assets (including the 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.

s) 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.

Notes to the Financial Statements

For the year ended 31 December 2021

Note 1 Summary of significant accounting policies (continued)

t) 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.

u) Financial Support

The Union does not provide financial support to another Union.

v) Business Combinations

There have been no assets and liabilities acquired during the financial year as part of a business combination (2020: Nil)

w) Current versus Non-Current Classification

The Reporting Unit presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

The Reporting Unit classifies all other liabilities as non-current.

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 2 Income – Revenue from contracts with customers – AASB 15

Disaggregation of revenue from contracts with customers

A disaggregation of the reporting unit's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2021	2020
	\$	\$
Type of customer		
Members	481,085	425,689
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	481,085	425,689

Disaggregation of income for furthering activities

A disaggregation of the reporting unit's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources		
Members	-	-
Other reporting units	69,220	94,770
Government	-	57,567
Other parties	3,528	1,867
Total income for furthering activities	72,748	154,204

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 2 Income – Revenue from contracts with customers – AASB 15	2021	2020
	\$	\$
Note 2A Capitation fee revenue and other revenue from another reporting unit		
Capitation fees	-	-
Other revenue from another reporting unit	69,220	94,770
Total revenue from other reporting units	<u>69,220</u>	<u>94,770</u>
Note 2B: Levies		
Organiser's levy	16,492	15,716
Operational levy	47,157	13,791
Total levies	<u>63,649</u>	<u>29,507</u>
Note 2C: Finance income		
Interest on Deposits	-	178
Total interest earned	<u>-</u>	<u>178</u>
Note 2D: Other income		
Settlement income	-	2,500
Dividend income	345	329
Other	-	-
Total other income	<u>345</u>	<u>2,829</u>
Note 2E: Grants and donations		
Grants – COVID-19 Cashflow Boost	-	57,567
Donations	-	-
Sponsorship	-	-
Total grants and donations	<u>-</u>	<u>57,567</u>
Note 2F: Revenue from recovery of wages activity	<u>-</u>	<u>-</u>
Note 2G: Income recognised from volunteer services		
Amounts recognised from volunteer services	-	-
Total Revenue	<u>-</u>	<u>-</u>
Note 2H: Timing of revenue recognition		
At a point in time	6,493	64,981
Overtime	547,685	517,919
Total Revenue	<u>554,178</u>	<u>582,900</u>

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Notes to the Financial Statements

For the year ended 31 December 2021

Note 3 Expenses

Employee expenses

	2021	2020
	\$	\$
Holders of office:		
Wages and salaries	124,740	123,711
Superannuation	12,160	11,752
Leave and other entitlements	9,637	10,114
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>146,537</u>	<u>145,577</u>
Employees other than office holders:		
Wages and salaries	182,565	151,337
Superannuation	37,781	31,834
Leave and other entitlements	7,607	21,648
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>227,953</u>	<u>204,819</u>
Total employee expenses	<u>374,490</u>	<u>350,396</u>
Capitation fees		
Australian, Rail, Tram and Bus Industry Union, National Office	57,663	54,394
Total capitation fees	<u>57,663</u>	<u>54,394</u>
Affiliation fees		
Australian Labour Party	3,230	5,370
Australian Council of Trade Unions	5,543	2,679
Unions WA	5,252	5,251
Total affiliation fees	<u>14,025</u>	<u>13,300</u>

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 3 Expenses (continued)		
Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	2,868	1,048
Contractors/consultants	-	-
Property operating expenses	1,779	2,593
Office expenses	14,417	17,062
Information communications technology	2,029	6,545
Other	-	-
Short term low value and variable lease payments on operating lease rentals	-	-
Total administration expense	21,093	27,248
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	1,000	250
Total paid that exceeded \$1,000	-	-
Total grants or donations	1,000	250
Depreciation		
Depreciation		
Plant and equipment	3,614	3,493
Motor Vehicle	755	974
Right-of-use office equipment	3,177	3,177
Total depreciation	7,546	7,644
Finance costs		
Interest on leases & borrowings	129	510
Debt collector fees	-	-
Unwinding of discount	-	-
Total finance costs	129	510

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 3 Expenses (continued)		
Legal costs		
Litigation	-	-
Other legal matters	47,866	27,505
Total legal costs	<u>47,866</u>	<u>27,505</u>
Other expenses		
Accounting fees	22,998	23,054
Bank fees	10,981	10,877
Penalties - via RO Act of the Fair Work Act 2009	-	-
Insurance	18,713	20,438
Vehicle expenses	4,530	4,116
Fringe benefits tax	2,693	2,700
Death Benefit	-	1,500
Other expenses	17,192	23,848
Total other expenses	<u>77,107</u>	<u>86,533</u>

	2021	2020
	\$	\$
Note 4 Cash and cash equivalents		
Cash at bank – Operating Account	77,005	114,921
Cash at bank – Merchandise Account	4,259	334
Cash on hand	-	45
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>81,264</u>	<u>115,300</u>

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 5 Trade and other receivables		
Receivables from other reporting units		
Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	185,806	249,543
Total receivables from other reporting units	<u>185,806</u>	<u>249,543</u>
Less allowance for expected credit losses		
Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	-	-
Total allowance for expected credit losses	<u>-</u>	<u>-</u>
Net receivable from other reporting units	<u>185,806</u>	<u>249,543</u>
Other receivables		
Other receivables	6,039	3,883
Total other receivables	<u>6,039</u>	<u>3,883</u>
Total net trade and other receivables	<u>191,845</u>	<u>253,426</u>

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	<u>-</u>	<u>-</u>

The reporting unit has no contract assets relating to contracts with customers (2020: \$Nil)

Note 6 Other current assets

Prepaid expenses	7,474	9,030
Total other current assets	<u>7,474</u>	<u>9,030</u>

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 7 Other financial assets		
Financial assets at fair value through profit or loss		
Shares in listed corporations – held	5,180	5,180
Deposits	-	-
Other	-	-
Total other investments	<u>5,180</u>	<u>5,180</u>

Note 8(a) Plant and equipment

Motor vehicles:

At cost	37,727	37,727
Accumulated depreciation	(35,127)	(34,372)
	<u>2,600</u>	<u>3,355</u>

Plant and equipment:

At cost	60,432	58,173
Accumulated depreciation	(57,361)	(54,202)
	<u>3,071</u>	<u>3,971</u>
Total plant and equipment	<u>5,671</u>	<u>7,326</u>

Reconciliation of the opening and closing balances of plant and equipment

2021	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2020			
Gross carrying amount	37,727	58,173	95,900
Accumulated depreciation and impairment	(34,372)	(54,202)	(88,574)
Net book value 1 January 2020	<u>3,355</u>	<u>3,971</u>	<u>7,326</u>
Additions:			
By purchase	-	2,714	2,714
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(755)	(3,614)	(4,369)
Disposals	-	-	-
Other	-	-	-
Net book value 31 December 2021	<u>2,600</u>	<u>3,071</u>	<u>5,671</u>
Net book value as of 31 December 2021 represented by:			
Gross book value	37,727	60,432	98,159
Accumulated depreciation and impairment	(35,127)	(57,361)	(92,488)
Net book value 31 December 2021	<u>2,600</u>	<u>3,071</u>	<u>5,671</u>

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Notes to the Financial Statements

For the year ended 31 December 2021

2020	Motor vehicles \$	Plant and equipment \$	Total \$
As at 1 January 2020			
Gross carrying amount	37,727	56,069	93,796
Accumulated depreciation and impairment	(33,399)	(50,708)	(84,107)
Net book value 1 January 2020	<u>4,328</u>	<u>5,361</u>	<u>9,689</u>
Additions:			
By purchase	-	2,104	2,104
From acquisition of entities (including restructuring)	-	-	-
Impairment	-	-	-
Depreciation expense	(973)	(3,494)	(4,467)
Disposals	-	-	-
Other	-	-	-
Net book value 31 December 2020	<u>3,355</u>	<u>3,971</u>	<u>7,326</u>
Net book value as of 31 December 2020 represented by:			
Gross book value	37,727	58,173	95,900
Accumulated depreciation and impairment	(34,372)	(54,202)	(88,574)
Net book value 31 December 2020	<u>3,355</u>	<u>3,971</u>	<u>7,326</u>

Note 8(b) Leases

This note provides information for leases where the reporting unit is a lessee.

(i) Amounts recognised in the balance sheet.

	2021 \$	2020 \$
Right-of-Use Assets		
Equipment		
- at cost	31,773	31,773
- less accumulated depreciation	(28,066)	(21,712)
	<u>3,707</u>	<u>10,061</u>
Lease liabilities		
Current	4,023	6,702
Non-current	-	4,023
	<u>4,023</u>	<u>10,725</u>

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 8(b) Leases (continued)

(ii) Amounts recognised in the statement of profit or loss.

The statement of profit or loss shows the following amounts relating to leases:

	2021	2020
	\$	\$
Depreciation charge of right-of-use assets	3,177	3,177
Equipment		
Interest expense (included in finance cost)	129	249
Expense relating to short-term Leases	-	-
Expense relating to Leases of low value assets that are not shown above as short-term leases	-	-
Expenses relating to variable lease payments not included in Lease liabilities	-	-

Total cash out flow for Leases in 2021 was \$6,960 (2020: \$6,463) 50% of these costs are recovered from related reporting unit – RTBU PTA under the shared services arrangement.

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021 \$	2020 \$
Note 9 Trade payables and accruals		
Trade creditors and accruals	7,056	12,509
Subtotal trade creditors	<u>7,056</u>	<u>12,509</u>
Payables to other reporting units		
Australian Rail, Tram and Bus Industry Union, West Australian PTA Branch	-	-
The Australian Rail, Tram and Bus Industry Union of Employees, West Australia Branch	-	59,597
Australian Rail, Tram and Bus Industry Union, National Office	268,850	267,185
Subtotal payables to other reporting units	<u>268,850</u>	<u>326,782</u>
Total trade payables	<u>275,906</u>	<u>339,291</u>

Settlement of payables to unrelated third parties is usually made within 30 days.

Settlement of payables to related reporting units is made upon mutual agreement.

Note 10A Other payables

Wages and salaries	1,766	1,767
Superannuation	13,466	10,308
Legal costs - litigation	-	-
Legal costs - other	-	-
GST payable/ (receivables)	(19,536)	(19,896)
Payables to employers for payroll deductions of membership subscriptions	-	-
PAYG	5,646	5,907
Other payables	-	-
Total other payables	<u>1,342</u>	<u>(1,914)</u>

Settlement generally is within 30 days.

Total other payables are expected to be settled in:

No more than 12 months	1,342	(1,914)
More than 12 months	-	-
Total other payables	<u>1,342</u>	<u>(1,914)</u>

Australian Rail, Tram and Bus Industry Union,

West Australian Branch

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 10B Contract liabilities		
Membership fees paid in advance	27,032	23,443
Total Contract Liabilities	<u>27,032</u>	<u>23,443</u>

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$23,443.

Revenue recognised in the reporting period from performance obligations satisfied for partially satisfied in previous periods (e.g. changes in transaction price) was \$Nil.

Unsatisfied Performance Obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 is \$27,032 (2020: \$23,443). The reporting unit expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. The performance obligations relate to provision of membership subscription services.

Note 11 Borrowings

	2021	2020
	\$	\$
Current	-	-
Non-Current	-	-
	<u>-</u>	<u>-</u>

Borrowings are unsecured and from a non-related entity.

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 12 Employee entitlements		
Office holders:		
Annual leave	30,576	20,340
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee entitlements—office holders	30,576	20,340
Employees other than office holders:		
Annual leave	12,112	5,104
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee entitlements—employees other than office holders	12,112	5,104
Total employee entitlements	42,688	25,444
Current	42,688	25,444
Non-current	-	-
Total employee entitlements	42,688	25,444

Note 13 Provisions

Death benefit provision	(i)	21,997	23,497
		21,997	23,497

(i) Death benefit provision

The entity agrees to pay \$1,500 to the spouse of a deceased member on the production of a death certificate. The provision is calculated as the net present value of the estimated payouts based upon past payouts. The discount rate is 4%.

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 14 Equity

Note 14A General funds

	2021	2020
	\$	\$
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Note 14B Other Specific disclosures – Funds

Other funds

	-	-
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Compulsory levy/voluntary contribution fund – if invested in assets

Other funds

	-	-
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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>

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

Notes to the Financial Statements

For the year ended 31 December 2021

	2021	2020
	\$	\$
Note 15 Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
(i) Cash and cash equivalents as per:		
Cash flow statement	81,264	115,300
Statement of Financial Position	81,264	115,300
Difference	<u>-</u>	<u>-</u>
(ii) Reconciliation of profit/(loss) to net cash from operating activities:		
Profit/(loss) for the year	(57,684)	4,545
Adjustments for non-cash items		
Depreciation/amortisation	7,546	7,644
Write-down of non-financial assets	-	-
Fair value movement in investments	-	-
Gain/loss on disposal of assets	-	-
Changes in assets/liabilities		
(Increase)/decrease in receivables	(2,156)	(1,504)
(Increase)/decrease in net receivables from other reporting unit	63,737	28,552
(Increase)/decrease in prepayments	1,556	(1,176)
Increase/(decrease) in payables	980	(11,235)
Increase/(decrease) in employee entitlements	17,244	1,338
Increase/(decrease) in provisions	(1,500)	-
(Increase)/decrease in payables to other reporting units	(57,932)	33,953
Increase/(decrease) in fees in advance	3,589	8,126
Net cash from (used by) operating activities	<u>(24,620)</u>	<u>70,243</u>
(iii) Cash flow information		
Cash inflows from reporting unit:		
- The Australian Rail, Tram & Bus Industry Union of Employees, Western Australian Branch	18,331	-
- Australian Rail, Tram & Bus Industry Union, Western Australian PTA Branch	152,573	124,438
Total cash inflows	<u>170,904</u>	<u>124,438</u>
Cash outflows to reporting unit:		
- The Australian Rail, Tram and Bus Industry Union of Employees, Western Australian Branch	(77,927)	-
- Australian Rail, Tram and Bus Industry Union, Western Australian PTA Branch	-	(30,424)
- Australian Rail, Tram and Bus Industry Union– National Office	(75,928)	(28,012)
Total cash outflows	<u>(153,855)</u>	<u>(58,436)</u>

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 16 Contingent liabilities, assets and commitments

Lease commitments – as lessee

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

Future minimum rentals payable under non-cancellable leases as at 31 December which have not been brought to account as a liability are as follows:

	2021	2020
	\$	\$
Within one year	-	-
After one year but no more than five years	-	-
More than five years	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

From 1st January 2020 the reporting unit has recognised right-of-use assets for Leases, except for short-term and low value leases. Refer to Note 8(b).

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 2021 is \$3,331,933 (2020: \$3,345,641).

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

Notes to the Financial Statements

For the year ended 31 December 2021

Note 17 Related party transactions for the reporting period

Related parties and nature of their relationship

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

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

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

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

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

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

No payments were made to former related parties (2020: \$Nil).

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

	2021	2020
	\$	\$
<u>National Office</u>		
Expenses to National Office		
Capitation fees	(57,633)	(54,394)
Amounts owed to National Office		
Capitation fees owed to National Office	(268,850)	(267,185)
<u>State Branch</u>		
Net payable to State Branch	-	(59,597)
<u>PTA Branch</u>		
Revenue from PTA Branch		
Shared services	69,220	94,770
Allocation of a portion of COVID-19 Cash Flow Boost Government Grant which related to shared services	-	(19,431)
Payment to PTA Branch for assumption of leave liabilities upon transfer of employee to PTA Branch	-	(30,424)
Amounts receivable from PTA Branch	185,806	249,543

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

For the year ended 31 December 2021

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to these that prevail in arms' length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables for the year ended 31 December 2021, the reporting unit has not recorded any impairment of receivables relating to amounts owed by related parties (2020: \$Nil) This assessment is undertaken each financial year through examining the financial position of the 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(q).

Note 18 Key management personnel

(a) Remuneration for the reporting period

Key management personnel is the Officer of the Reporting unit, Mr Craig McKinley

	2021	2020
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	124,740	123,711
Annual leave accrued / (reversed upon resignation)	9,637	10,114
Performance bonus	-	-
Other	-	-
Total short-term employee benefits	<u>134,377</u>	<u>133,825</u>
Post-employment benefits:		
Superannuation	12,160	11,752
Total post-employment benefits	<u>12,160</u>	<u>11,752</u>
Other long-term benefits:		
Long-service leave accrued / (reversed upon resignation)	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>146,537</u>	<u>145,577</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

Payment to former key management personnel for outstanding wages	-	-
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**Australian Rail, Tram and Bus Industry Union,
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Notes to the Financial Statements

For the year ended 31 December 2021

Note 19 Remuneration of auditors

	2021	2020
	\$	\$
Value of the services provided		
Financial statement audit services	7,500	7,650
Other services	2,925	2,925
Total remuneration of auditors	<u>10,425</u>	<u>10,575</u>

Other services refer to preparation of financial statements.

Note 20 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

	2021	2020
	\$	\$
<i>Financial Assets</i>		
Cash and cash equivalents	81,264	115,300
Fair Value through profit and loss:		
Shares in listed companies – held for trading	5,180	5,180
Loans and receivables at amortised cost:		
Trade and other receivables	191,845	253,426
Carrying amount of financial assets	<u>278,289</u>	<u>373,906</u>
<i>Financial Liabilities at amortised cost</i>		
Other financial liabilities:		
Trade payables and accruals	275,906	339,291
Lease liabilities	4,023	10,725
Borrowings	-	-
Other payables	1,342	(1,914)
Carrying amount of financial liabilities	<u>281,271</u>	<u>348,102</u>

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

For the year ended 31 December 2021

Note 20 Financial instruments

Financial risk management objectives (continued)

	2021 \$	2020 \$
Net income and expenses from financial assets		
Cash & cash equivalents		
Interest revenue	-	178
Net gain / (loss) from cash & cash equivalents	-	178
Fair Value through Profit or Loss Change in fair value		
Change in fair value	-	-
Net gain / (loss) from Fair Value Through Profit or Loss	-	-
Net gain / (loss) from financial asset	-	178

Credit risk

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

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

	31 December 2021					
	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60	61-90	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	12,746	58	-	-	179,041	191,845
Expected credit loss	-	-	-	-	-	-
	31 December 2020					
	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60	61-90	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	869	2,526	26	29	249,976	253,426
Expected credit loss	-	-	-	-	-	-

The reporting unit's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2021 and 2020 is the carrying amounts as illustrated in Note 20.

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

For the year ended 31 December 2021

Note 20 Financial instruments (continued)

Liquidity risk

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

Contractual maturities for financial liabilities 2021

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	275,906	-	-	-	-	275,906
Lease liabilities	-	4,023	-	-	-	4,023
Borrowings	-	-	-	-	-	-
Other payables	1,342	-	-	-	-	1,342
Total	277,248	4,023	-	-	-	281,271

Contractual maturities for financial liabilities 2020

	On demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade creditors and accruals	339,291	-	-	-	-	339,291
Lease liabilities	-	6,702	4,023	-	-	10,725
Borrowings	-	-	-	-	-	-
Other payables	(1,914)	-	-	-	-	(1,914)
Total	337,377	6,702	4,023	-	-	348,102

Market risk

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

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

For the year ended 31 December 2021

Note 20 Financial instruments (continued)

Changes in liabilities arising from financing activities

	1 January 2021	Cash flows	Reclassified	Foreign exchange movement	Changes in fair values	New Borrowings / Leases	Other	31 December 2021
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under leases and hire purchase contracts	6,702	(6,702)	4,023	-	-	-	-	4,023
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under leases and hire purchase contracts	4,023	-	(4,023)	-	-	-	-	-
Total liabilities from financing activities	10,725	(6,702)	-	-	-	-	-	4,023

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

For the year ended 31 December 2021

Note 20 Financial instruments (continued)

Changes in liabilities arising from financing activities

	1 January 2020	Cash flows	Adoption of new standards	Foreign exchange movement	Changes in fair values	New Leases	Other	31 December 2020
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing loans and borrowings (excluding items listed below)	2,857	(2,857)	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	6,463	(6,463)	6,702	-	-	-	-	6,702
Non-current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Non-current obligations under finance leases and hire purchase contracts	10,725	-	(6,702)	-	-	-	-	4,023
Total liabilities from financing activities	20,045	(9,320)	-	-	-	-	-	10,725

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Notes to the Financial Statements

For the year ended 31 December 2021

Note 21 Fair value measurement

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

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

- Fair values of the Reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2021 was assessed to be insignificant.
- Fair value of equity securities are 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 2021 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 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Financial assets				
Cash and cash equivalents	81,264	81,264	115,300	115,300
Other investments	5,180	5,180	5,180	5,180
Trade and other receivables	<u>191,845</u>	<u>191,845</u>	<u>253,426</u>	<u>253,426</u>
Total	<u>278,289</u>	<u>278,289</u>	<u>373,906</u>	<u>373,906</u>
Financial liabilities				
Trade and other payables	275,906	275,906	339,291	339,291
Lease liabilities	4,023	4,023	10,725	10,725
Borrowings	-	-	-	-
Other payables	<u>1,342</u>	<u>1,342</u>	<u>(1,914)</u>	<u>(1,914)</u>
Total	<u>281,271</u>	<u>281,271</u>	<u>348,102</u>	<u>348,102</u>

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

For the year ended 31 December 2021

Note 21 Fair value measurement (continued)

Fair value hierarchy

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

	Date of valuation	Level 1	Level 2	Level 3
	\$	\$	\$	\$
31 December 2021				
Assets measured at fair value				
Shares in listed companies	31/12/21	5,180	-	-
Total		<u>5,180</u>	<u>-</u>	<u>-</u>
31 December 2020				
Assets measured at fair value				
Shares in listed companies	31/12/20	5,180	-	-
Total		<u>5,180</u>	<u>-</u>	<u>-</u>

Note 22 Events after the reporting period

The Australian Rail, Tram and Bus Industry Union has changed its Rules to make provision for the West Australian Branch and the West Australian PTA Branch to merge. The merger will occur on 1st January 2023. On the merger date, the assets, funds and property of, and the debts and liabilities incurred by the WA Branch and the WA PTA Branch shall be the assets, funds and property of, and the debts of the merged Branch. As a result, this branch shall not exist from 1st January 2023.

This Rule change was approved by Fair Work Commission of 3rd March 2022.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the reporting unit, the results of those operations, or the state of affairs of the reporting unit in subsequent financial periods.

Notes to the Financial Statements

For the year ended 31 December 2021

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).

Note 24 Principal Place of Business

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