



Australian Government

Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

Mr T. Dobbyn
State Secretary, Victorian Branch
Australian Rail, Tram and Bus Industry Union
Level 2, 365 Queens St
MELBOURNE VIC 3000

Dear Mr Dobbyn

**Re: Lodgement of Financial Return – Australian Rail, Tram and Bus Industry Union,
Victorian Branch – for year ending 31 December 2007 (FR2007/590)**

Thank you for lodging the abovementioned financial statements which were received in the Registry on 4 August 2008 and subsequently the Secretary's Certificate, which was received on 17 November 2008.

The documents have been filed.

Yours sincerely,

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

Statutory Services Branch

18 November 2008



THE RAIL TRAM & BUS UNION

Victorian Branch

LEVEL 2, 365 QUEEN STREET, MELBOURNE VIC 3000

Telephone: (03) 9600 3030

Fax: (03) 9600 3363

Email: rtbuvic@bigpond.net.au

13/11/08

Australian Industry Registry
Level 8, Terrace Towers
80 William Street
East Sydney NSW 2011

I Trevor Dobbyn being the State Branch Secretary of the ARTBIU Victorian Branch certify,

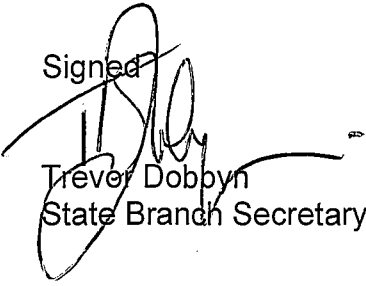
That the documents lodged herewith are copies of the full report referred to in s286 of the RAO schedule and

That the full report was provided to members on 1/08/2008 and

That the full report was presented to the State Branch Executive 8/10/2008 and was endorsed on 12/11/2008 in accordance with section 266 of the RAO schedule.

The Committee of Management statement report passed the General Purpose Financial report (GPFR) on 18/06/2008.

Signed


Trevor Dobbyn
State Branch Secretary





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Australian Industrial Registry

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**Re: Lodgement of Financial Return – Australian Rail, Tram and Bus Industry Union,
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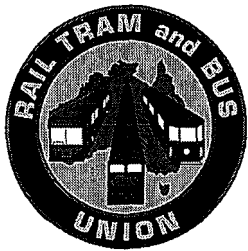
We note your correspondence regarding the omission of the Secretary's Certificate. Please forward a copy of at your earliest convenience, as the Certificate must be lodged before the financial documents can be filed.

Yours sincerely,

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

Statutory Services Branch

4 August 2008



THE RAIL TRAM & BUS UNION

Victorian Branch

Level 2/365 Queen Street Melbourne 3000

Telephone (03) 9600 3030

Fax (03) 9600 3363

Email rtbuvic@bigpond.net.au

30/7/08

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80 William Street
East Sydney NSW 2011

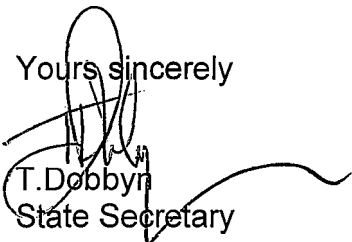
Ref FR2007/590-{139V-VIC} Financial Documents until 31 Dec 2007

Please find enclosed copy of Financial Documents, Committee Management Statement and Operating Report to 31st December 2007.

We received the documents on 18/7/08 and will be presented to Branch Executive 13/8/08 then will be retabled 10/9/08 for endorsement after which time we will issue you with the designated Officers Certificate.

If you require any further information please do not hesitate to contact me.

Yours sincerely


T. Dobbyn
State Secretary



**OPERATING REPORT FOR THE RAIL TRAM AND BUS UNION (RTBU)
VICTORIAN BRANCH**

SCOPE OF OPERATING REPORT

This operating report covers the activities of the Rail, Tram and Bus Union (RTBU) Victorian Branch, for the calendar year 1 January 2007 to 31 December 2007, the results of those activities and any significant changes in the nature of the activities as required under s.254 Workplace Relations Act 1996.

1. The Principle Activities And Results Of The Activities of the National Council

The RTBU (Victorian Branch) is a branch of the federally registered RTBU representing members whose usual place of work is located within the state of Victoria. The Victorian Branch has members employed in Rail and Tram sectors who are employed by the public and private sectors. The reporting unit's activities are directed by the Victorian Branch Executive and Branch council.

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

Activities	2007 Results
Making agreements with employers.	✚ 8 Signed federally registered Union Collective Agreements;
Implementation of Branch Council's membership agenda, including providing assistance and strategic advice to individual members in relation to workplace issues.	✚ Increase in membership of 246
Attended meetings called by peak union bodies in Victoria	✚ 10 Attended meetings called by the Victorian Trades Hall Council.
Training delegates and representatives	✚ 30 Workplace delegates were trained
Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.	✚ Produced and Distributed ✚ 23 copies of Union Express (Rail Division) ✚ 4 Loco Lines Locomotive Division Newsletters ✚ 2 Tram and Bus Division Newsletters

2. Any Significant Changes In

The principle activities of the branch during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

3. Details of Any Significant Changes in Financial

Significant changes in the RTBU's (Victorian Branch) financial affairs included:
✚ An increase of \$571,490 for the operating year to 31 December 2007.

OPERATING REPORT FOR THE RAIL TRAM AND BUS UNION (RTBU) VICTORIAN BRANCH

- ⚡ An increase of membership contributions of \$135,014 for the operating year to 31 December 2007.
- ⚡ An increase in union fees of 5% for Tram, Rail and Locomotive Divisions. Plus \$1.00 per week for Tram Division from October.

4. Details of The Rights of Members To Resign

All members of the RTBU (Victorian Branch) have the right to resign from the union in accordance with **Rule 14, Resignation from Membership**, of the rules of the Rail Tram and Bus Industry Union.

5. Details of Superannuation Trustees

There are no superannuation Trustees in the Victorian Branch.

6. Prescribed Information

Number of Members

As of the 31 December 2007 there were 6761 members of the RTBU Victorian Branch.

Number of Employees

As of the 31 December 2007 there were 14 employees both full time and part time of the Victorian Branch.

Members of The Committee of Management

The members of the Branch Executive during the year end 31 December 2007:

NAME	DIVISION/POSITION	PERIOD OF APPOINTMENT
Brian Head	Branch President	01.01.07 - 31.12.07
Grant Wainwright	Senior Branch Vice President	01.01.07 - 31.12.07
Doug Brady	Jnr Vice President	01.01.07 - 31.12.07
Trevor Dobbyn	Branch Secretary	01.01.07 - 31.12.07
Lou DiGregorio	Assistant Branch Secretary	01.01.07 - 31.12.07
Phil Altieri	Assistant Secretary Tram & Bus Division	01.01.07 - 31.12.07
Brian Hill	Secretary Locomotive	01.01.07 - 31.12.07
Martin Strebs	Tram & Bus	01.01.07 - 31.12.07
Terry Sheedy	President Locomotive	01.01.07 - 31.12.07
Bob Bassett	President Operations	01.01.07 - 31.12.07
Victor Moore	Secretary Operations	01.01.07 - 31.12.07
Chris Tsirkas	President Administration	01.01.07 - 31.12.07
Stephen Kozmevski	Secretary Administration	01.01.07 - 31.12.07
Bob Wilson	President Infrastructure	01.01.07 - 31.12.07
Vacant	Secretary Infrastructure	01.01.07 - 31.12.07
Phil Barnett	President Fleet manufacture, Overhaul,	01.07.07 - 31.12.07

OPERATING REPORT FOR THE RAIL TRAM AND BUS UNION (RTBU) VICTORIAN BRANCH

	Maintenance & Service	
Calvin Harvey	Secretary Fleet manufacture, Overhaul, Maintenance & Service	01.01.07 - 31.12.07
Kevin Killender	Organiser Fleet manufacture, Overhaul, Maintenance & Service & infrastructure	01.01.07 - 12.10.07

The members of Branch Council during the year ending 31 December 2007:

DIVISION/POSITION	NAME	PERIOD OF APPOINTMENT
Branch President	Brian Head	01.01.07 - 31.12.07
Senior Vice President	Grant Wainwright	01.01.07 - 31.12.07
Junior Vice President	Douglas Brady	01.01.07 - 31.12.07
State Secretary	Trevor Dobbyn	01.01.07 - 31.12.07
Assistant Secretary Tram & Bus Division	Lou DiGregorio	01.01.07 - 31.12.07
Vice President Tram & Bus	Martin Strebs	01.01.07 - 31.12.07
Assistant Secretary Tram and Bus Division	Phil Alteri	01.01.07 - 31.12.07
Vice President Locomotive Division	Darren Lamont	01.01.07 - 31.12.07
Assistant Secretary Loco Division	Paul Carr	01.01.07 - 31.12.07
President Operations/ Secretary Western region	Bob Bassett	01.01.07 - 31.12.07
Vice president Operations	Calvin Harvey	01.01.07 - 31.12.07
Secretary Operations	Victor Moore	01.01.07 - 31.12.07
President Administration	Chris Tsirkas	01.01.07 - 31.12.07
Vice President Administration	Andrew Irving	01.01.07 - 31.12.07
Secretary Administration	Stephen Kozmevski	01.01.07 - 31.12.07
President Infrastructure	Bob Wilson	01.01.07 - 31.12.07
Vice President Infrastructure	Kevin Riddell	01.01.07 - 31.12.07
Secretary Infrastructure	Vacant	01.01.07 - 31.12.07
Organiser Fleet manufacture, Overhaul, Maintenance & Service & Infrastructure Divisions	Kevin Killender	01.01.07 - 12.10.07
President Workshops		01.01.07 - 31.12.07
Vice President Fleet manufacture, Overhaul, Maintenance & Service Division	Phil Barnett	01.01.07 - 31.12.07
Secretary Fleet manufacture, Overhaul, Maintenance & Service Division	Peter Waldron	01.01.07 - 31.12.07
President Western Region	Anthony Russell	01.01.07 - 31.12.07
Snr Vice President Western	Colin Hill	01.01.07 - 31.12.07

OPERATING REPORT FOR THE RAIL TRAM AND BUS UNION (RTBU) VICTORIAN BRANCH

Region		
Jnr Vice President Western Region	Paul Young	01.01.07 - 31.12.07
President Northern Region	Peter Bulmer	01.01.07 - 31.12.07
Snr Vice President Northern Region	Vacant	
Secretary Northern Region	Vacant	
President Southern Region	Paul Camp	01.01.07 - 31.12.07
Snr Vice President Southern Region	Michael Waight	01.01.07 - 31.12.07
Jnr Vice President Southern Region	Michelle Davis	01.01.07 - 31.12.07
Secretary Southern Region	Grantley Teakle	01.01.07 - 31.12.07
Tram & Bus Division	Steve Bell	01.01.07 - 31.12.07



Trevor Dobbyn
State Secretary
18 July 2008

**THE AUSTRALIAN RAIL, TRAM & BUS
INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478**

**FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2007**



THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

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THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478


COMMITTEE OF MANAGEMENT STATEMENT

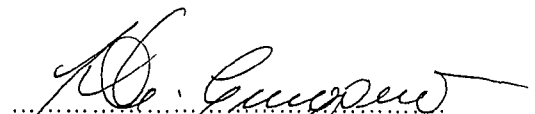
On 16th July 2008 the Committee of Management of The Australian Rail, Tram and Bus Industry Union - Victorian Branch ('the reporting unit') passed the following resolution in relation to the general purpose financial report ('GPFR') of the reporting unit for the financial year ended 31 December 2007:

The Committee of Management declares in relation to the GPFR 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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Registration and Accountability of Organisations Schedule, Schedule 1 of the *Workplace Relations Act 1996 (as amended)* ('RAO Schedule') and the RAO Regulations; and
 - (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule during the period.

Signed on behalf of the Committee of Management:


.....
Trevor Dobbyn
State Secretary


.....
Lou Digregorio
Assistant Branch Secretary

Dated this 16th day of July 2008

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
Revenue	2	2,593,237	2,529,812
Other income	2	188,229	13,082
Employee benefits expense		(994,507)	(928,316)
Occupancy expenses		-	(43,443)
Finance costs	3	(88,612)	(73,830)
Depreciation and amortisation expenses	3	(104,586)	(67,023)
Quarterage – Capitation fees		(323,921)	(287,973)
Affiliation fees		(51,893)	(46,926)
Administration and office expenses		(115,799)	(162,560)
Legal and professional fees		(25,255)	(46,105)
Motor vehicle costs		(58,599)	(62,483)
Commissions paid		(24,091)	(13,283)
Building repairs and maintenance expense		(168,260)	(73,910)
Other expenses		(254,453)	(164,351)
Profit before income tax		571,490	572,691
Income tax expense	1(a)	-	-
Profit after income tax attributable to the members of the Union		571,490	572,691

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,451,881	1,022,132
Trade and other receivables	7	<u>16,165</u>	<u>16,165</u>
TOTAL CURRENT ASSETS		<u>1,468,046</u>	<u>1,038,297</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,845,303	2,912,998
Investment properties	9	<u>1,100,000</u>	<u>970,730</u>
TOTAL NON-CURRENT ASSETS		<u>3,945,303</u>	<u>3,883,728</u>
TOTAL ASSETS		<u>5,413,349</u>	<u>4,922,025</u>
CURRENT LIABILITIES			
Trade and other payables	10	94,481	128,874
Short-term borrowings	11	60,000	59,000
Employee entitlements	12	<u>201,441</u>	<u>188,657</u>
TOTAL CURRENT LIABILITIES		<u>355,922</u>	<u>376,531</u>
NON-CURRENT LIABILITIES			
Long-term borrowings	11	1,091,000	1,148,000
Employee entitlements	12	<u>23,248</u>	<u>25,805</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,114,248</u>	<u>1,173,805</u>
TOTAL LIABILITIES		<u>1,470,170</u>	<u>1,550,336</u>
NET ASSETS		<u>3,943,179</u>	<u>3,371,689</u>
EQUITY			
Retained earnings		<u>3,943,179</u>	<u>3,371,689</u>
TOTAL EQUITY		<u>3,943,179</u>	<u>3,371,689</u>

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2007

	Retained Earnings	Total
	\$	\$
Balance at 1.1.2006	2,798,998	2,798,998
Profit attributable to members of the Union	572,691	572,691
Balance at 31.12.2006	3,371,689	3,371,689
Balance at 1.1.2007	3,371,689	3,371,689
Profit attributable to members of the Union	571,490	571,490
Balance at 31.12.2007	3,943,179	3,943,179

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members, investment properties and other income		2,674,594	2,695,744
Payments to suppliers and employees		(2,111,411)	(2,071,362)
Interest received		57,593	80,738
Finance costs paid		(88,612)	(73,830)
Net cash provided by operating activities	14	<u>532,164</u>	<u>631,290</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sales of property, plant and equipment		22,193	9,635
Payments for property, plant and equipment		(68,608)	(1,595,559)
Net cash used in investing activities		<u>(46,415)</u>	<u>(1,585,924)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of borrowings		(56,000)	(100,036)
Net cash used in financing activities		<u>(56,000)</u>	<u>(100,036)</u>
Net increase/(decrease) in cash held		429,749	(1,054,670)
Cash at beginning of financial year		<u>1,022,132</u>	<u>2,076,802</u>
Cash at end of financial year	6	<u>1,451,881</u>	<u>1,022,132</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the *Workplace Relations Act 1996 (as amended)*.

The Australian Rail, Tram & Bus Industry Union - Victorian Branch is incorporated and domiciled in Australia. The financial report of The Australian Rail, Tram & Bus Industry Union - Victorian Branch ('the Union') complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. In accordance with generally accepted accounting principles for organisations having members, membership contributions are brought to account on a cash receipts basis. All amounts are presented in Australian Dollars unless otherwise stated.

(a) Income Tax

The Union is classified as a 'registered organisation' by the Australian Taxation Office and is therefore exempt from tax on its income by virtue of section 23 (f) of the *Income Tax Assessment Act 1936*.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Property

Buildings are measured on the cost basis less accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, is depreciated on a straight line basis over their useful lives to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and useful lives used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation rates</u>	<u>Depreciation basis</u>
Buildings	2.5%	Straight Line
Motor Vehicles	15 %	Straight Line
Office Equipment	36 %	Straight Line
Furniture, Fixtures and Fittings	7.5 - 10 %	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

(c) Impairment of Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(d) Investment Property

Investment property, comprising freehold land and buildings, is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined annually by independent valuers. Changes in fair value are recorded in the income statement.

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Union, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee Benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within twelve months of reporting date, are recognised in employee entitlements payable concerning employees' services up to the reporting date and are measured at the amounts to be expected to be paid when the liabilities are settled. Non-accumulated sick leave is recognised when leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of estimated future cash flows to be made in respect of services provided by employees up to the reporting date. In determining the future cash flows, consideration is given to future wage and salary levels, experience of employee departures and periods of service. In calculating the present value, expected future cash outflows are discounted using market yields, as at the balance sheet date, on national government bonds, which have terms to maturity and currency that match, as closely as possible, the estimate future cash flows.

(g) Provisions

Provisions are recognised when the Union 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 are measured at the present value of management's best estimate of the expenditure required to set the present obligation at the reporting date. The discount used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

(h) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities, including short-term borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(j) Revenue

Revenue from membership subscriptions is recognised on a cash receipt basis. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established. All revenue is stated net of the amount of goods and services tax (GST).

(k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in expenses in the year in which they incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Trade Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off.

(n) Payables

Payables represent liabilities for goods and services provided to the Union prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within thirty days of recognition.

(o) Comparative Figures

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

(p) Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Union's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the relevant note.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 2: REVENUE			
From continuing operations			
- membership contributions received		2,458,585	2,323,592
- interest received	2(a)	57,593	80,738
- rental revenue from investment property	2(b)	77,059	125,482
Total Revenue		2,593,237	2,529,812
Other Income			
- gain on revaluation of investment property		129,270	-
- other revenue		58,959	13,082
		188,229	13,082
Total Revenue		2,781,466	2,542,894
(a) Interest from:			
- other persons		57,593	80,738
(b) rental revenue from investment property received from:			
- other persons		77,059	125,482
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
(a) Expenses			
Finance costs:			
- external		88,612	73,830
Depreciation of non-current assets		104,586	67,023
Rental expense on operating leases - minimum lease payments		-	13,300
(b) Revenue and Net Gains/(Losses)			
Net gain/(loss) on disposal of non-current assets:			
- property, plant and equipment		(9,524)	(5,005)

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION			
Remuneration of executives			
		Salaries	Short-term benefits
		\$	Superannuation
			Total
		\$	\$
2007			
Total compensation		556,651	110,411
			667,062
2006			
Total compensation		498,782	116,504
			615,286

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor for:

- auditing or reviewing the financial report		15,500	15,000
- other services		-	-
		15,500	15,000

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand		620	620
Cash at bank		1,451,261	1,021,512
		1,451,881	1,022,132

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables		-	-
Other receivables and prepayments		16,165	16,165
		16,165	16,165

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Buildings			
At cost		2,726,005	2,726,005
Accumulated depreciation		(98,470)	(30,140)
		2,627,535	2,695,865
Motor vehicles			
At cost		184,638	182,183
Accumulated depreciation		(43,877)	(51,086)
		140,761	131,097

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
Office equipment			
At cost		57,273	54,189
Accumulated depreciation		(43,242)	(36,118)
		14,031	18,071
Furniture, fixtures and fittings			
At cost		205,144	203,621
Accumulated depreciation		(142,168)	(135,656)
		62,976	67,965
Total property, plant and equipment		2,845,303	2,912,998

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Buildings \$	Motor vehicles \$	Office equipment \$	Furniture, fixtures and fittings \$	Total \$
2007					
Balance at the beginning of the year	2,695,865	131,097	18,071	67,965	2,912,998
Additions	-	63,272	3,813	1,523	68,608
Disposals	-	(31,574)	(143)	-	(31,717)
Depreciation expense	(68,330)	(22,034)	(7,710)	(6,512)	(104,586)
Carrying amounts at the end of the year	2,627,535	140,761	14,031	62,976	2,845,303

	Buildings \$	Motor vehicles \$	Office equipment \$	Furniture, fixtures and fittings \$	Total \$
2006					
Balance at the beginning of the year	-	108,615	17,197	54,591	180,403
Additions	1,507,306	59,160	9,033	20,060	1,595,559
Disposals	-	(14,640)	-	-	(14,640)
Transfer from Investment Properties	1,218,699	-	-	-	1,218,699
Depreciation expense	(30,140)	(22,038)	(8,159)	(6,686)	(67,023)
Carrying amounts at the end of the year	2,695,865	131,097	18,071	67,965	2,912,998

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 9: INVESTMENT PROPERTIES			
		\$	\$
Balance at beginning of the year		970,730	2,189,429
Transfer to property, plant and equipment		-	(1,218,699)
Fair value adjustment		129,270	-
Balance at the end of the year		1,100,000	970,730

(a) Valuation basis

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

(b) Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

- within one year	92,276	54,182
- later than one year and not later than five years	118,982	35,597
	211,258	89,779

Rental income receivable relates to two leases (suite 1 and suite 2) at Level 1, 222 Kings Way, South Melbourne. Both leases are non cancellable leases with a 3 year term.

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	10 (i)	32,354	17,274
Amounts payable to:			
- other related body corporate		28,748	90,100
Sundry payables and accrued expenses		33,379	21,500
		94,481	128,874

- (i) The average credit period on purchases of certain goods for the Union is one month. There is no interest charged on the outstanding trade payable balances. The Union has financial risk management policies in place to ensure that all payables are paid within the credit timeframe, as referred to in Note 17.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 11: BORROWINGS			
CURRENT			
Bank loan secured	11 (i)	60,000	59,000
		60,000	59,000
NON-CURRENT			
Bank loan secured	11 (i)	1,091,000	1,148,000
		1,091,000	1,148,000

(i) The bank loan is a combination of a fixed interest rate on initial loan amount of \$750,000 and a variable interest rate on initial loan amount of \$525,000 respectively. The loan commenced in July 2006 and will be repaid in quarterly payments over a period of 15 years.

The carrying amounts of non-current assets pledged as security are:

Investment properties		1,100,000	970,730
Buildings (forms part of property, plant and equipment)		2,627,535	2,695,865
Total assets pledged as security		3,727,535	3,666,595

NOTE 12: EMPLOYEE ENTITLEMENTS

CURRENT

Annual leave		121,535	111,756
Long service leave		79,906	76,901
		201,441	188,657

NON-CURRENT

Long service leave		23,248	25,805
Total employee entitlements		224,689	214,462

Employee entitlements

A provision has been recognised for employee entitlements relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criterion relating to employee benefits has been included in Note 1 (f).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 \$	2006 \$
NOTE 13: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable:			
- not later than one year		-	6,650
- later than one year and not later than five years		-	-
		-	6,650
		-	6,650

General description of leasing arrangement

The operating lease relates to the leasing of the photocopier. The lease of the photocopier commenced on the 4th of July 2002. The lease period is for 5 years with fixed payments made on a monthly basis.

NOTE 14: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit from ordinary activities after income tax	571,490	572,691
<i>Non-cash flows in profit from ordinary activities:</i>		
Depreciation	104,586	67,023
Net loss on disposal of property, plant and equipment	9,524	5,005
Gain on revaluation of investment property	(129,270)	-
<i>Changes in assets and liabilities:</i>		
(Increase) / decrease in receivables and prepayments	-	(10,010)
Increase / (decrease) in payables	(34,393)	5,527
Increase / (decrease) in employee entitlements	10,227	(8,946)
Net cash flows from operations	532,164	631,290

NOTE 15: CONTINGENT LIABILITIES

The Committee of Management are not aware of any contingent liabilities that are likely to have a material effect on the results of the Union.

NOTE 16: EVENTS AFTER BALANCE SHEET DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

The financial report was authorised for issue on 16th July 2008 by the Committee of Management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

NOTE 17: FINANCIAL RISK MANAGEMENT

a. Capital risk management

The Union's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Union's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Union.

The Union's Committee of Management manages the financial risks relating to the operations of the Union. The Union does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Committee of Management consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values (2006: net fair value).

The capital structure of the Union consists of debt, which includes the borrowings disclosed in Note 11, cash and cash equivalents and equity attributable to members of the Union comprising retained earnings. The Union operates throughout Australia and it is not subject to any externally imposed capital.

Gearing ratio

The Union's Committee of Management reviews the capital structure on an annual basis. As a part of this review the Committee of Management considers the cost of capital and the risks associated with each class of capital. The gearing ratio at year end was as follows:

	2007	2006
	\$'	\$'
Debt (i)	1,151,000	1,207,000
Cash and cash equivalents	(1,451,881)	(1,022,132)
Net debt	(300,881)	184,868
Equity (ii)	3,943,179	3,371,689
Net debt to equity ratio	n/a	5.5%

(i) Debt is defined as long and short-term borrowings, as detailed in Note 11.

(ii) Equity includes retained earnings.

b. Categories of financial instruments

	2007	2006
	\$'000	\$'000
<u>Financial assets</u>		
Trade and other receivables	16,165	16,165
Cash and cash equivalents	1,451,881	1,022,132
	1,468,046	1,038,297
<u>Financial liabilities</u>		
Trade and other payables	94,481	128,874
Employee Entitlements	224,689	214,462
Secured loan	1,151,000	1,207,000
	1,470,170	1,550,336

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

c. Interest rate sensitivity analysis

The sensitivity analysis below has been based on the exposure to interest rates applying to non-derivative instruments at the reporting date with the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to the Committee of Management and represents management's assessment of the possible change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Union's:

- net profit would increase by \$5,755 or decrease by \$5,755 (2006: increase by \$6,035 or decrease by \$6,035). This is mainly attributable to the Union's exposure to interest rates on its variable rate borrowings; and
- retained earnings would increase by \$5,755 or decrease by \$5,755 (2006: increase by \$6,035 or decrease by \$6,035). This is mainly attributable to the Union's exposure to interest rates on its variable rate borrowings.

The Union's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

d. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Union. The Union has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Union only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Union uses publicly available financial information and its own trading record to rate its major customers.

The Union's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counter party limits that are reviewed and approved by the Committee of Management annually.

Trade receivables consist solely of union fees. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Union does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Union's maximum exposure to credit risk without taking into account the value of any collateral obtained.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

e. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Committee of Management, who have built an appropriate risk management framework for the management of the Union's short, medium and long-term funding and liquidity management requirements.

The Union manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturing profiles of financial assets and liabilities.

Financial liabilities

The following table details the Union's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Union can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	2-5 years	More than 5 years
	%	\$	\$	\$	\$	\$
2007						
Non-interest bearing	-	-	-	295,922	23,248	-
Variable interest rate instruments	6.59	-	6,164	18,492	117,936	319,701
Fixed interest rate instruments	6.00	-	8,836	26,508	169,064	484,299
		-	15,000	340,922	310,248	804,000

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	2-5 years	More than 5 years
	%	\$	\$	\$	\$	\$
2006						
Non-interest bearing	-	-	-	317,531	25,805	-
Variable interest rate instruments	6.28	-	5,753	17,259	109,717	352,575
Fixed interest rate instruments	6.00	-	8,247	24,741	157,283	531,425
		-	14,000	359,531	292,805	884,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

Financial assets

The following table details the Union's remaining contractual maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Union anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	2-5 years	More than 5 years
	%	\$	\$	\$	\$	\$
2007						
Non-interest bearing	-	16,165	-	-	-	-
Variable interest rate instruments	6.80	-	-	1,451,881	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		16,165	-	1,451,881	-	-

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	2-5 years	More than 5 years
	%	\$	\$	\$	\$	\$
2006						
Non-interest bearing	-	16,165	-	-	-	-
Variable interest rate instruments	5.90	-	-	1,022,132	-	-
Fixed interest rate instruments	-	-	-	-	-	-
		16,165	-	1,022,132	-	-

f. Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 17: FINANCIAL RISK MANAGEMENT (continued)

f. Fair value of financial instruments (continued)

As detailed in the following table, the Committee of Management consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values:

	2007 Carrying amount	2007 Fair value	2006 Carrying amount	2006 Fair value
	\$	\$	\$	\$
<u>Financial assets</u>				
Loans and receivables	16,165	16,165	16,165	16,165
<u>Financial liabilities</u>				
Borrowings:				
Bills of exchange	1,151,000	1,151,000	1,207,000	1,207,000

g. Market risk

The Union has limited market risk as it does not hold any securities or notes that are traded in a financial market.

NOTE 18: SEGMENT REPORTING

The Union operates predominately in one business and geographical segment being the representation of members in industrial relations matters in Victoria.

NOTE 19: NOTICE REQUIRED UNDER THE WORKPLACE RELATIONS ACT 1996 (as amended)

In accordance with the requirements of the *Workplace Relations Act 1996 (as amended)*, the attention of the members is drawn to the provision of subsections (1), (2), (3) and (4) of Section 272, which reads as follows:

(1) A member of a reporting unit, or a Registrar, 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).

(4) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH
ABN 19 122 611 478

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

NOTE 20: ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

In the current year, the Union has adopted all of the new and revised Accounting Standard and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the impact of the adoption of these new accounting standards are set out in the individual accounting policy notes set out in Note 1 above. The Union has also adopted the following Standards as listed below which only impacted upon the Union's financial statements with respect to disclosure:

- AASB 101 'Presentation of Financial Statements' (revised October 2006)
- AASB 7 'Financial Instruments: Disclosure'

The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Union's accounting policies reported for the current and prior years.

Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations had been issued but were not yet effective.

Initial application of the following Standards and Interpretations will not have a material effect on any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Union's financial report:

Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
1. AASB 8 'Operating Segments'	1 January 2009	31 December 2009
2. AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	31 December 2009
3. AASB 123 'Borrowing Costs' – revised standard	1 January 2009	31 December 2009
4. AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	31 December 2009
5. AASB 101 'Presentation of Financial Statements'	1 January 2009	31 December 2009
6. AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	31 December 2009
7. Interpretation 4 'Determining whether an Arrangement Contains a Lease'	1 January 2008	31 December 2008

NOTE 21: UNION DETAILS

The registered office and principal place of business of the Union is:

The Australian Rail, Tram & Bus Industry Union - Victorian Branch
Level 2
365 Queen Street
Melbourne Victoria 3000

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH**

Report on the Financial Report

We have audited the accompanying financial report of the Australian Rail, Tram & Bus Industry Union – Victorian Branch. ("the Union") which comprises the balance sheet as at 31 December 2007 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement.

Committee of Managements Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with The Workplace Relations Act 1996 (as amended). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

PARTNERS:

Stephen L. Adrian
Steven A. Allan
Marco S. Carlei
Jean-Claude Cesario
Ian K. Kearney
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Tim J. Stillwell
Jonathan C. Thomas
Daren Yeoh

PS 001

Auditor's Opinion

In our opinion the financial report of the Australian Rail, Tram & Bus Industry Union – Victorian Branch:

- (i) Gives a true and fair view of the Union's financial position as at 31 December 2007 and of their performance for the year ended on that date;
- (ii) Complies with Australian Accounting Standards (Including Australian Accounting Interpretations) and the requirements of the Workplace Relations Act 1996 (as amended); and
- (iii) Other mandatory professional reporting requirements.

Moore Stephens

MOORE STEPHENS
Chartered Accountants



Ivan Shapiro
Melbourne,

18

July 2008



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2007/590-[139V-VIC]

Mr Trevor Dobbyn
State Secretary
Australian Rail, Tram and Bus Industry Union
- Victorian Branch
Level 2, 365 Queen Street
MELBOURNE VIC 3000

Dear Mr Dobbyn

**Re: Australian Rail, Tram and Bus Industry Union-Victorian Branch
Outstanding Financial Documents - *Workplace Relations Act 1996***

The Accounts and Audit Part of Schedule 1 of the *Workplace Relations Act 1996* requires, as a general rule, that the audited financial statements of a reporting unit of a registered organisation, be lodged in the Industrial Registry within 6 months and 14 days from the end of its financial year.

To date, the Registry has no record of lodgement of the financial reports of the above named reporting unit for the year ended 31 December, 2007.

In particular there is no record of lodgement of copies of:

- the general purpose financial report (which includes the Committee of Management Statement);
- the auditor's report; and
- the operating report.

These three reports are referred to as the "full report".

Section 268 of the RAO Schedule¹ requires that a copy of the full report be lodged in the Registry within 14 days (or such longer period a Registrar allows) after the full report is presented to a general meeting of members (or to a committee of management meeting if the rules make provision consistent with s266(3)).

Section 266 (1) requires that the full report be presented to the meeting within 6 months of the end of the financial year. Therefore, lodgement of the documents in the Registry was required by **16 July, 2008.**

Section 305(2)(ze) of the RAO Schedule is a civil penalty provision. It provides that a failure to meet the requirements of s268 is a contravention of that civil penalty provision. The Federal Court may on application of the Industrial Registrar impose a pecuniary penalty on the person or organisation whose conduct contravened the civil penalty provision.

I also draw your attention to the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out the general duties of officers and employees of organisations and their branches in relation to financial management.

In the absence of lodgement of a copy of the full report, I request you state in writing by **12 August, 2008:**

-
- whether a Committee of Management Statement and an Operating Report have been prepared;
 - whether the auditor has audited the general purpose financial report and if so, the date on which the auditor signed the audit report;
 - whether the full report has been provided to members, and if so, when;

¹ Schedule 1 of the Workplace Relations Act 1996

- whether the full report provided to the members has been presented to a general or committee of management meeting, and if so, when;
- when a copy of the full report will be lodged in the Industrial Registry.

The full report when lodged must be accompanied by a Designated Officer's Certificate certifying that the documents lodged are copies of the documents provided to members and presented to the general or committee of management meeting in accordance with s266.

You can access the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Schedule and RAO Regulations

These documents can be accessed at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (03) 9655 0410

If you wish to discuss this letter, please contact me on (02) 8374 6507. In reply please quote: **FR2007/590**.

Yours sincerely



Steve Teece

E-mail: steve.teece@air.gov.au

24 July 2008



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2007/590-[139V-VIC]

Mr Trevor Dobbyn
State Secretary
Australian Rail, Tram and Bus Industry Union-
Victorian Branch
Level 2, 365 Queen Street
MELBOURNE VIC. 3000

Dear Mr Dobbyn

Financial Return - year ending 31 December, 2007

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

Information on AIRC Website

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at www.airc.gov.au:

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (*Attachment A*) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (*Attachment B*) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

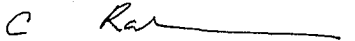
Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6618 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar,
21 January 2008

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
	Does the statement contain declarations relating to any recovery of wages activity?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On ____/____/____ [date of meeting] the Committee of Management of _____ [name of reporting unit] passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended ____/____/____ [date]:

The Committee of Management declares in relation to the GPFR 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 Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

[Add the following if any recovery of wages activity has been undertaken during the financial year]

- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
 - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
 - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

For Committee of Management: _____ [*name of designated officer per section 243 of the RAO Schedule*]

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*