FAIR WORK
AUSTRALIA

28 July 2010

Mr Trevor Dobbyn
Secretary, Victorian Branch
ARTBIU
Level 2, 365 Queen Street
MELBOURNE VIC 3000

FILE COPY

Dear Mr Dobbyn

Re: Lodgment of Financial Accounts and Statements – Australian Rail, Tram and Bus Industry Union, Victorian Branch – for year ending 31 December 2009 (FR2009/10321)

I refer to the above financial statements and accounts, which were received by Fair Work Australia on 21 July 2010. The documents have been filed.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Terrace Towers
80 William Street
East Sydney NSW 2011

Telephone: (02) 8374 6666
International: (612) 8374 6666
Facsimile: (02) 9380 6990
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THE RAIL TRAM & BUS UNION

Victorian Branch

Level 2/365 Queen Street Melbourne 3000
Telephone (03) 9600 3030
Fax (03) 9600 3363
Email rtbu@rtbuvic.com.au

19/7/2010

Australian Industrial Registry
Level 8 Terrace Towers
80 William Street
East Sydney NSW2011

Financial Reports for the year ended 31 December 2009.

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

That the documents lodges herewith are copies of the full report referred to in S286 of the RAO schedule and
The Committee of management statement report was passed on 16/6/2010.

That the full report was provided to members on the 16/7/2010 and

That the full report was presented to the State Branch Executive on 14/7/2010 and

The reports will be retabled for endorsement at the next meeting of the State Branch Executive on 11/8/2010.

Signed

Trevor Dobbyn
Satate Branch Secretary

RECEIVED
21 JUL 2010
FAIR WORK AUSTRALIA
NEW SOUTH WALES

RECEIVED 21 JUL 2010 FAIR WORK AUSTRALIA NEW SOUTH WALES

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 2009 to 31 December 2009, 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	2009 Results
Making agreements with employers.	✤ 6 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 355
Attended meetings called by peak union bodies in Victoria	✤ 10 Attended meetings called by the Victorian Trades Hall Council.
Training delegates and representatives	✤ 14 Workplace delegates were trained
Produced and distributed circulars, bulletins, newsletters and materials as authorised by the union.	✤ Produced and Distributed ✤ 22 copies of Union Express (Rail Division) ✤ 2Loco Lines Locomotive Division Newsletters ✤ 1 Tram and Bus Division Newsletter

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 $746,561.25 for the operating year to 31 December 2009.

- An increase of membership contributions of $227,588 for the operating year to 31 December 2009.

- An increase in union fees of 5% for Tram, Rail and Locomotive Divisions. .

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 2009 there were 7491 members of the RTBU Victorian Branch.

Number of Employees

As of the 31 December 2009 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 2009:

NAME	DIVISION/POSITION	PERIOD OF APPOINTMENT
Brian Head	Branch President	01.01.09 - 31.12.09
Grant Wainwright	Senior Branch Vice President	01.01.09- 31.12.09
Doug Brady	Jnr Vice President	01.01.09 - 31.12.09
Trevor Dobbyn	Branch Secretary	01.01.09 - 31.12.09
Lou DiGregorio	Assistant Branch Secretary	01.01.09 - 31.12.09
Phil Altieri	Assistant Secretary Tram & Bus Division	01.01.09 - 31.12.09
Brian Hill	Secretary Locomotive Division	01.01.09 - 31.12.09
Martin Strebs	Tram & Bus, Vice President	01.01.09 - 31.12.09
Terry Sheedy	President Locomotive	01.01.09 - 31.12.09
Bob Bassett	President Operations	01.01.09 - 31.12.09
Victor Moore	Secretary Operations	01.01.09 - 31.12.09
Chris Tsirkas	President Administration	01.01.09 - 31.12.09
Stephen Kozmevski	Secretary Administration	01.01.09 - 31.12.09
Bob Wilson	President Infrastructure	01.01.09 - 31.12.09
Vacant	Secretary Infrastructure	01.01.09 - 31.12.09
Phil Barnett	President Fleet	01.07.09 – 31.12.09

	manufacture, Overhaul, Maintenance & Service	
Calvin Harvey	Secretary Fleet manufacture, Overhaul, Maintenance & Service	01.01.07 - 31.12.09
Kevin Killender	Organiser Fleet manufacture, Overhaul, Maintenance & Service & infrastructure	01.01.07 - 12.10.09

The members of Branch Council during the year ending 31 December 2009:

DIVISION/POSITION	NAME	PERIOD OF APPOINTMENT
Branch President	Brian Head	01.01.09 - 31.12.09
Senior Vice President	Grant Wainwright	01.01.09 - 31.12.09
Junior Vice President	Douglas Brady	01.01.09 - 31.12.09
State Secretary	Trevor Dobbyn	01.01.09 - 31.12.09
Assistant Secretary Tram & Bus Division	Lou DiGregorio	01.01.09 - 31.12.09
Vice President Tram & Bus	Martin Strebs	01.01.09 - 31.12.09
Assistant Secretary Tram and Bus Division	Phil Altieri	01.01.09 - 31.12.09
Vice President Locomotive Division	Darren Lamont	01.01.09 - 31.12.09
Assistant Secretary Loco Division	Paul Carr	01.01.09 - 31.12.09
President Operations/ Secretary Western region	Bob Bassett	01.01.09 - 31.12.09
Vice President Operations	John Nicopoulos	01.01.09 - 31.12.09
Secretary Operations	Victor Moore	01.01.09 - 31.12.09
President Administration	Chris Tsirkas	01.01.09 - 31.12.09
Vice President Administration	Andrew Irving	01.01.09 - 31.12.09
Secretary Administration	Stephen Kozmevski	01.01.09 - 31.12.09
President Infrastructure	Bob Wilson	01.01.09 - 31.12.09
Vice President Infrastructure	Kevin Riddell	01.01.09 - 31.12.09
Secretary Infrastructure (Acting)	Norm Milledge	01.01.09 - 31.12.09
Organiser Fleet manufacture, Overhaul, Maintenance & Service & Infrastructure Divisions	Kevin Killender	01.01.09 - 12.10.09
President Workshops		01.01.09 - 31.12.09
Vice President Fleet manufacture, Overhaul, Maintenance & Service Division	Phil Barnett	01.01.09 - 31.12.09
Secretary Fleet manufacture, Overhaul, Maintenance & Service Division	Calvin Harvey	01.01.09 - 31.12.09
President Western Region	Anthony Russell	01.01.09 - 31.12.09

Snr Vice President Western Region	Colin Hill	01.01.09 - 31.12.09
Jnr Vice President Western Region	Paul Young	01.01.09 - 31.12.09
President Northern Region	Peter Bulmer	01.01.09 - 31.12.09
Snr Vice President Northern Region	Vacant	
Secretary Northern Region	Vacant	
President Southern Region	Paul Camp	01.01.09 - 31.12.09
Snr Vice President Southern Region	Michael Waight	01.01.09 - 31.12.09
Jnr Vice President Southern Region	Michelle Davis	01.01.09 - 31.12.09
Secretary Southern Region	Grantley Teakle	01.01.09 - 31.12.09
Tram & Bus Division	Steve Bell	01.01.09 - 31.12.09

Trevor Dobbyn
State Secretary
24 June 2010

THE AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION - VICTORIAN BRANCH

ABN 19 122 611 478

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

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

16TH JUNE 2010

On *(~~insert date~~)* 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 2009:

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 *Fair Work (Registered Organisations) Act 2009 (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

16TH JUNE

Dated *(~~insert) day of May~~* 2010

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

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 $	2008 $
Revenue	2	3,206,707	3,033,033
Other income	2	17,419	15,856
Employee benefits expense		(1,084,065)	(1,156,558)
Finance costs	3	(79,912)	(91,994)
Depreciation and amortisation expenses	3	(106,574)	(100,995)
Quarterage – Capitation fees		(401,926)	(369,955)
Affiliation fees		(45,298)	(36,716)
Administration and office expenses		(146,115)	(148,869)
Legal and professional fees		(76,610)	(31,384)
Motor vehicle costs		(60,183)	(53,122)
Commissions paid		(30,294)	(28,352)
Building repairs and maintenance expense		(120,672)	(135,908)
Other expenses		(325,915)	(281,303)
Profit before income tax		**746,562**	**613,733**
Income tax expense	1(a)	-	-
Profit from operations		**746,562**	**613,733**

The accompanying notes form part of these financial statements.

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

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,435,467	2,128,129
Trade and other receivables	7	12,180	16,165
TOTAL CURRENT ASSETS		**2,447,647**	**2,144,294**
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,738,166	2,782,488
Investment property	9	1,100,000	1,100,000
TOTAL NON-CURRENT ASSETS		**3,838,166**	**3,882,488**
TOTAL ASSETS		**6,285,813**	**6,026,782**
CURRENT LIABILITIES			
Trade and other payables	10	433,120	368,870
Borrowings	11	52,000	64,000
TOTAL CURRENT LIABILITIES		**485,120**	**432,870**
NON-CURRENT LIABILITIES			
Borrowings	11	475,500	1,023,000
Long term provisions	12	21,719	14,000
TOTAL NON-CURRENT LIABILITIES		**497,219**	**1,037,000**
TOTAL LIABILITIES		**982,339**	**1,469,870**
NET ASSETS		**5,303,474**	**4,556,912**
EQUITY			
Retained earnings		5,303,474	4,556,912
TOTAL EQUITY		**5,303,474**	**4,556,912**

The accompanying notes form part of these financial statements.

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 2009

	Retained Earnings	Total
	$	$
Balance at 1.1.2008	3,943,179	3,943,179
Profit attributable to members of the Union	613,733	613,733
Balance at 31.12.2008	**4,556,912**	**4,556,912**
Balance at 1.1.2009	4,556,912	4,556,912
Profit attributable to members of the Union	746,562	746,562
Balance at 31.12.2009	**5,303,474**	**5,303,474**

The accompanying notes form part of these financial statements.

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, investment property and other income		3,368,222	3,033,033
Payments to suppliers and employees		(2,428,308)	(2,161,874)
Interest received		69,087	15,856
Finance costs		(79,912)	(91,994)
Net cash provided by operating activities	14	929,090	795,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of plant and equipment			20,051
Purchase of plant and equipment		(62,252)	(74,824)
Net cash used in investing activities		(62,252)	(54,773)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(559,500)	(64,000)
Net cash used in financing activities		(559,500)	(64,000)
Net increase in cash held		307,338	676,248
Cash at beginning of financial year		2,128,129	1,451,881
Cash at end of financial year	6	**2,435,467**	**2,128,129**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Australian Rail, Tram & Bus Industry Union - Victorian Branch ('the Union') is incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009 (as amended).*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with the International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(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.

<u>Property</u>
Buildings are measured on the cost basis less accumulated depreciation and impairment losses.

<u>Plant and equipment</u>
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.

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:

Class of fixed asset	Depreciation rates	Depreciation basis
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. When revalued assets are sold, amounts recorded in the revaluation relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the Committee of Management reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(d) Investment Property

Investment property comprises investment interests in land and building (including integral plant and equipment) held for the purpose of letting to produce rental income and which are not occupied by the Union. Property interests held under operating lease are deemed investment property.

Land and building comprising the investment property is considered composite assets and are disclosed as such in the accompanying notes to the financial statements.

Investment property acquired is initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Investment Property (continued)

Valuations:

After initial recognition, investment property is measured at fair value and revalued with sufficient regularity to ensure the carrying amount of each property does not differ materially from its fair value at the reporting date. When assessing fair value, the will also consider the discounted cash flow of the property, the highest and best use of the property and sales of similar properties.

Fair value is based on the price at which a property might reasonably be expected to be sold at the date of valuation, assuming:

(i) a willing, but not anxious, buyer and seller on an arm's length basis;

(ii) a reasonable period in which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind;

(iii) that the property will be reasonably exposed to that market;

(iv) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and

(v) it only takes into account instructions given by the and is based on all the information that the valuer needs for the purposes of the valuation being made available by or on behalf of the Union.

The investment property is considered one class of asset. Under AASB 140: Investment Property, adjustments to fair value are to be recognised directly against profit.

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bond with terms to maturity that match the expected timing of cashflows.

(f) 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to a contractual provision to the instrument. For financial assets, this is equivalent to the date that Union commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:
(i) the amount at which the financial asset or financial liability is measured at initial recognition;
(ii) less principal repayments;
(iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
(iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) 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 subsequently measured at amortised cost.

(ii) Financial liabilities

Non-derivative financial liabilities, (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) Revenue and Other Income

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 income 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).

(l) 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.

(m) 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 the 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.

(l) Trade and Other Receivables

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

(m) Trade and Other 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.

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Judgements

The Committee of Management evaluates estimates and judgments 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key estimates

Impairment

The Union assesses impairment at each reporting date by evaluation of conditions and events specific to the Union that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Uncertainty relating to property valuations

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

The current lack of comparable market evidence relating to pricing assumptions and market drivers mean that there is less certainty in regard to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period. While this represents the best estimates of fair value as at the balance sheet date, the current market uncertainty means that if investment property is sold in future the price achieved may be higher or lower than the most recent valuation, or higher or lower than the fair value recorded in the financial statements.

(o) New Accounting Standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Union has not yet determined any potential impact on the financial statements.

  The changes made to accounting requirements include:
  - simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value
  - simplifying the requirements for embedded derivatives
  - removing the tainting rules associated with held-to-maturity assets
  - removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost
  - allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument
  - financial assets will need to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011)

  This standard removes the requirement for government related entities to disclose details of all transaction with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Union.

- AASB 2009-4 "Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16]" (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5 "Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010)

  These standard details numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Union.

- AASB 2009-9 "Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1]" (applicable for annual reporting periods commencing on or after 1 January 2010)

  These amendments specify requirements for entities using the full cost method in place of retrospective application of Australian Accounting Standards for oil and gas assets and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Union.

- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011)

  This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Union.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010)

  This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This Interpretation is not expected to impact the Union.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011)

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB Interpretation 19 "Extinguishing Financial Liabilities with Equity Instruments" (applicable for annual reporting periods commencing from 1 July 2010).

  This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Union.

The Union does not anticipate early adoption of any of the above Australian Accounting Standards.

	Note	2009 $	2008 $
NOTE 2: REVENUE AND OTHER INCOME			
From continuing operations			
- membership contributions received		3,042,582	2,814,994
- interest received	2(a)	69,087	107,650
- rental revenue from investment property	2(b)	95,038	110,389
Total Revenue		3,206,707	3,033,033
Other Income			
- gain on revaluation of investment property		-	-
- other revenue		17,419	15,856
		17,419	15,856
Total Revenue		3,224,126	3,048,889
(a) Interest revenue from:			
- other persons		69,087	107,650
(b) rental revenue from investment property received from:			
- other persons		95,038	110,389

NOTE 3: PROFIT BEFORE INCOME TAX

	Note	2009 $	2008 $
(a) Expenses			
Interest expense on financial liabilities at amortised cost:			
- external		79,912	91,994
Depreciation of non-current assets		106,574	100,995
(b) Revenue and Net Gains/(Losses)			
Net losses on disposal of non-current assets:			
- plant and equipment		12,972	16,593

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration of executives

	Short-term benefits		
	Salaries	Superannuation	Total
	$	$	$
2009			
Total compensation	632,781	56,128	688,909
2008			
Total compensation	629,623	117,034	746,657

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor for:		
- auditing or reviewing the financial report	18,575	16,850
- other services	715	-
	19,290	16,850

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	620	620
Cash at bank	2,434,847	2,127,509
	2,435,467	2,128,129

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT		
Other receivables	12,180	16,165
	12,180	16,165

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Buildings:		
At cost	2,726,005	2,726,005
Accumulated depreciation	(228,203)	(164,159)
	2,497,802	2,561,846
Motor vehicles:		
At cost	195,800	194,765
Accumulated depreciation	(44,866)	(41,938)
	150,934	152,827

	Note	2009 $	2008 $

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2009 $	2008 $
Office equipment:		
At cost	76,779	52,855
Accumulated depreciation	(52,170)	(42,065)
	24,609	10,790
Furniture, fixtures and fittings:		
At cost	219,427	205,139
Accumulated depreciation	(154,606)	(148,114)
	64,821	57,025
Total property, plant and equipment	2,738,166	2,782,488

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 current financial year:

2009	Buildings $	Motor vehicles $	Office equipment $	Furniture, fixtures and fittings $	Total $
Balance at 1 January 2009	2,561,846	152,827	10,790	57,025	2,782,488
Additions	-	60,194	23,924	14,288	98,406
Disposals	-	(36,154)	-	-	(36,154)
Depreciation expense	(64,044)	(25,933)	(10,105)	(6,492)	(106,574)
Carrying amounts at 31 December 2009	2,497,802	150,934	24,609	64,821	2,738,166

2008	Buildings $	Motor vehicles $	Office equipment $	Furniture, fixtures and fittings $	Total $
Balance at 1 January 2008	2,627,535	140,761	14,031	62,976	2,845,303
Additions	-	72,334	2,489	-	74,823
Disposals	-	(36,535)	(108)	-	(36,643)
Depreciation expense	(65,689)	(23,733)	(5,622)	(5,951)	(100,995)
Carrying amounts at 31 December 2008	2,561,846	152,827	10,790	57,025	2,782,488

	Note	2009 $	2008 $
NOTE 9: INVESTMENT PROPERTY			
Balance at beginning of the year		1,100,000	1,100,000
Net revaluation increment		-	-
Carrying amount at the end of the year		1,100,000	1,100,000

(a) Valuation

Investment property is measured at fair value, being the amounts for which the property 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.

An independent valuation on the investment property was carried out by Charter Keck Cramer, with the market value at 1 April 2010 of $1,100,000. Refer to note 1 (o) for key estimates relating to uncertainty regarding property valuations.

(b) Lease arrangement

The investment property relates to suite 1 and suite 2 at Level 1, 222 Kings Way, South Melbourne. The property leases are a non-cancellable lease with a three-year term, which will expire in April 2012 and August 2010, respectively.

NOTE 10: TRADE AND OTHER PAYABLES

	Note	2009 $	2008 $
CURRENT			
Trade payables	10 (i)	46,776	45,455
Amounts payable to:			
- other related body corporate		27,359	33,474
Sundry payables and accrued expenses		358,985	289,941
		433,120	368,870

(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.

	Note	2009 $	2008 $
NOTE 11: BORROWINGS			
CURRENT			
Bank loan secured	11 (i)	52,000	64,000
Total current borrowings		52,000	64,000
NON-CURRENT			
Bank loan secured	11 (i)	475,500	1,023,000
Total non-current borrowings		475,500	1,023,000
Total borrowings		527,500	1,087,000

The loan commenced in July 2005 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 property	1,100,000	1,100,000
Buildings (forms part of property, plant and equipment)	2,497,802	2,561,846
	3,597,802	3,661,846

NOTE 12: EMPLOYEE ENTITLEMENTS

NON-CURRENT		
Long service leave	21,719	14,000

A provision has been recognised for employee entitlements relating to long service leave for employees. 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 criteria for employee benefits have been included in Note 1 (e).

	Note	2009 $	2008 $

NOTE 13: CAPITAL AND LEASING COMMITMENTS

Lease revenue commitments

Lease terms are non-cancellable with a three-year term, with rent payable monthly. Rent is reviewed annually in accordance with CPI movements.

Details of non-cancellable operating leases contracted but not capitalised in the financial statements are shown below:

	2009 $	2008 $
Receivables:		
- not later than 1 year	89,750	73,555
- later than 1 year but no later than 5 years	48,305	45,427
	138,055	118,982

NOTE 14: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax

	2009 $	2008 $
Profit after income tax	746,562	613,733
Non-cash flows in profit:		
Depreciation	106,574	100,995
Net loss on disposal of property, plant and equipment		16,593
Changes in assets and liabilities:		
(Increase)/ decrease in receivables	(2,693)	
Increase / (decrease) in payables	6,678	11,136
Increase / (decrease) in employee entitlements	71,969	52,564
Net cash flows from operations	929,090	795,021

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 *(insert date)* by the Committee of Management.

	Note	2009 $	2008 $

NOTE 17: FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and bank borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2009 $	2008 $
Financial assets			
Cash and cash equivalents	6	2,435,467	2,128,129
Trade and other receivables	7	12,180	16,165
		2,447,647	2,144,294
Financial liabilities at amortised cost:			
Trade and other payables	10	100,823	105,617
Borrowings	11	527,500	1,087,000
		628,323	1,192,617

Financial Risk Management Policies

The Committee of Management's overall risk management strategy seeks to assist the Union in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Committee of Management on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Union is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The source of interest rate risk to the Union is primarily long-term debt obligations, which has variable interest rate.

The Union has the following classes of financial assets and financial liabilities that are exposed to interest rate risk:

	2009 $	2008 $
Financial assets		
Cash and cash equivalents	2,435,647	2,128,129
	2,435,647	2,128,129
Financial liabilities		
Interest-bearing liabilities	(527,500)	(1,087,000)
	(527,500)	(1,087,000)
Net exposure	1,920,147	1,041,129

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Interest rate risk (continued)

The weighted average interest rates relating to the above financial assets and financial liabilities were as follows:

	2009	2008
	%	%
Financial assets		
Cash and cash equivalents	3.03%	4.08%
Financial liabilities		
Interest-bearing liabilities	6.30%	6.85%

b. Liquidity risk

Liquidity risk arises from the possibility that the Union might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Union manages this 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 financial liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect the Committee of Management's expectations that banking facilities will roll forward.

	Within 1 Year		2 to 5 Years		Over 5 Years		Total	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Bank loans	52,000	64,000	151,963	308,000	323,537	715,000	527,500	1,087,000
Trade and other payables (excluding est. annual leave)	100,823	105,617	-	-	-	-	100,823	105,617
Total expected outflows	152,823	169,617	151,963	308,000	323,537	715,000	628,323	1,192,617
Financial Assets - cash flows realisable								
Cash and cash equivalents	2,435,467	2,128,129	-	-	-	-	2,435,467	2,128,129
Trade and other receivables	12,180	16,165	-	-	-	-	12,180	16,165
Total anticipated inflows	2,447,647	2,144,294	-	-	-	-	2,447,647	2,144,294
Net (outflow)/inflow on financial instruments	2,294,824	1,974,677	(144,000)	(308,000)	(331,500)	(715,000)	1,819,324	951,677

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

c. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Union.

Credit risk is managed and reviewed regularly by the Committee of Management. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Committee of Management has otherwise cleared as being financially sound. Where the Union is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the balance sheet.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

The Union does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Union. The trade receivables balance at 31 December 2008 and 31 December 2007 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Union policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

Net Fair Value

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

NOTE 17: FINANCIAL RISK MANAGEMENT (CONTINUED)

Fair value estimation (continued)

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Union. Most of these instruments which are carried at amortised cost (i.e. term receivables, loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Union.

	2009		2008	
	Net Carrying Value $	Net Fair Value $	Net Carrying Value $	Net Fair Value $
Financial assets				
Cash and cash equivalents	2,435,467	2,435,467	2,128,129	2,128,129
Trade and other receivables	12,180	12,180	16,165	16,165
	2,447,647	2,447,647	2,144,294	2,144,294
Financial liabilities at amortised cost:				
Trade and other payables	100,823	100,823	105,617	105,617
Borrowings	527,500	527,500	1,087,000	1,087,000
	628,323	628,323	1,192,617	1,192,617

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payable exclude amounts provided for relating to annual leave which is not considered a financial instrument.

(ii) Borrowings balance is discounted, therefore its carrying value is considered equivalent to fair value.

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that the Committee of Management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 31 December 2009		
+/- 0.5% in interest rates	2,638	2,638
Year ended 31 December 2008		
+/- 0.5% in interest rates	5,435	5,435

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

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 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (as amended)

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009 (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.

NOTE 20: 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 AUDIT REPORT

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

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Melbourne VIC 3000

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

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 2009, 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 Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Fair Work (Registered Organisations) Act 2009.* 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 Union'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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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.

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Auditor's Opinion

In our opinion:

(a) the financial report of Australian Rail, Tram & Bus Industry Union - Victorian Branch is in accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009 (as amended)*, including:

  (i) giving a true and fair view of the Union's financial position as at 31 December 2009 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements of the *Fair Work (Registered Organisations) Act 2009*.

Moore Stephens

MOORE STEPHENS
Chartered Accountants

Scott Phillips
Partner

Melbourne, dated this 14 July 2010

13 January 2010

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

FILE COPY

Fair Work Australia

Dear Mr Dobbyn

Lodgment of Financial Statements and Accounts – Australian Rail, Tram and Bus Industry Union, Victorian Branch – for year ended 31 December 2009 (FR2009/10321)

The financial year of the Australian Rail, Tram and Bus Industry Union, Victorian Branch has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting unit's financial documents and to lodge audited financial accounts and statements with Fair Work Australia within the prescribed time frame unless a 1 month extension or an application for a certificate of exemption under the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') is applied for and granted.

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)]; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* [see section 268(c)].

I draw your particular attention to

(a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds $1,000;

(b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and

(c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee, whichever applies). Note that this meeting (or series of meetings) is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at **http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines** and **http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact**. If you are in any doubt as to the requirements or wish to clarify any aspect of the relevant legislation, or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

Fair Work Australia
Level 8, 80 William Street
EAST SYDNEY NSW 2011

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