FAIR WORK
AUSTRALIA

23 July 2012

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

FILE COPY

Dear Mr Dobbyn

Re: Lodgement of Financial Accounts and Statements – Australian Rail, Tram and Bus Industry Union, Victorian Branch – for year ending 31 December 2011 (FR2011/2924)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 22 June 2012.

The documents have been filed. I also enclose a copy of my letter to the Auditor in relation to the Auditor's Report, for your information.

Please do not hesitate to contact me on (02) 6723 7097 if you have any queries in relation to the above or any aspect of the financial reporting requirements.

Yours sincerely

Stephen Kellett

Stephen Kellett
Organisations, Research and Advice Branch

Terrace Towers
80 William Street
East Sydney NSW 2011

Telephone: (02) 8374 6666
International: (612) 8374 6666
Facsimile: (02) 9380 6990
Email: sydney@fwa.gov.au

FAIR WORK
AUSTRALIA

23 July 2012

Mr Scott Phillips
Moore Stephens, Accountants and Advisors
Level 10, 530 Collins Street
MELBOURNE VIC 3000

FILE COPY

Dear Mr Phillips

Re: Lodgement of Financial Accounts and Statements – Australian Rail, Tram and Bus Industry Union, Victorian Branch – for year ending 31 December 2011 (FR2011/2924)

I refer to the above financial statements and accounts which were lodged with Fair Work Australia on 22 June 2012 and to your Auditor's Report, dated 30 April 2012.

I am writing in relation to the question of the wording to be used in the Audit Opinion. Your Audit Opinion reads, in part, as follows:-

> *"In our opinion, the financial statements........are prepared, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009."*

This wording reflects the prescribed wording described in paragraph 36 of ASA 700 but does not reflect the wording used in subsection 257(5) of the *Fair Work (Registered Organisations) Act 2009* which provides as follows:-

> *"An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:*
>
> *(a) the Australian Accounting Standards;*
>
> *(b) any other requirements imposed by this Part"* (underline my emphasis)

Fair Work Australia's view is that this means that an auditor's opinion must state whether the report "presents fairly". I note similar wording was also used in the previous year's report but was amended and I enclose a copy of the amended wording advised by Mr Tom Mullarkey by email dated 11 August 2011.

I would respectfully ask that in future Audit reports for the Branch you express your Audit Opinion with wording that reflects the wording of subsection 257(5).

Please do not hesitate to contact me on (02) 6723 7097 if you have any queries in relation to the above.

Yours sincerely

Stephen Kellett
Organisations, Research and Advice Branch

Terrace Towers
80 William Street
East Sydney NSW 2011
Telephone: (02) 8374 6666
International: (612) 8374 6666
Facsimile: (02) 9380 6990
Email: sydney@fwa.gov.au

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

FR 2011/ 2924

RECEIVED 22 JUN 2012 FAIR WORK AUSTRALIA NEW SOUTH WALES

19/6/12

Fair Work Australia
Terrace Towers
80 William Street
East Sydney NSW 2011

Financial Reports for the year ended 31st December 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

The Committee of Management statement report was passed on 30/4/2012.

That the full report was provided to members on the 8/5/2012

That the full report was presented to the State Branch Executive on 9/5/2012 and

That the report was endorsed by the State Branch Executive on the 13/6/2012.

Signed

Trevor Dobbyn
State Branch 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 2011 to 31 December 2011, 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	2011 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.	- Decrease in membership of 30
Attended meetings called by peak union bodies in Victoria	- 9 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 - 24 copies of Union Express (Rail Division) - 2 Loco Lines Locomotive Division Newsletters - 4 Tram and Bus Division Newsletter

2. Any Significant Changes In

The principle activities of the branch during the year were 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 $936,712.58 for the operating year to 31 December 2011.

- An increase of membership contributions of $233,993 for the operating year to 31 December 2011.
- An increase in union fees of 6% 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 2011 there were 7,834 members of the RTBU Victorian Branch.

Number of Employees

As of the 31 December 2011 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 2011:

NAME	DIVISION/POSITION	PERIOD OF APPOINTMENT
Terry Sheedy	Branch President	01.01.11 - 31.12.11
James Styles	Senior Branch Vice President	01.01.11 – 31.12.11
John Marotta	Jnr Vice President	01.01.11 – 31.12.11
Trevor Dobbyn	Branch Secretary	01.01.11 – 31.12.11
Phil Altieri	Assistant Branch Secretary	01.01.11 – 31.12.11
Doug Brady	Assistant Secretary Tram & Bus Division	01.01.11 – 31.12.11
Marc Marotta	Secretary Locomotive Division	01.01.11 – 31.12.11
Mark Teasdale	Tram & Bus, Vice President	01.01.11 – 31.12.11
Terry Sheedy	President Locomotive	01.01.11 – 31.12.11
Bob Bassett	President Operations	01.01.11 – 31.12.11
Victor Moore	Secretary Operations	01.01.11 – 31.12.11
John Thelemaque	President Administration	01.01.11 – 31.12.11
Stephen Kozmevski	Secretary Administration	01.01.11 – 31.12.11
Norm Milledge	President Infrastructure	01.01.11 – 31.12.11
Kevin Killender	Secretary Infrastructure	01.01.11 – 31.12.11
Calvin Harvey	Organiser Fleet	01.01.11 – 31.12.11

	manufacture, Overhaul, Maintenance & Service & Infrastructure Division	
Grant Wainwright	Organiser Rail Operations Division & Administration, Supervisory, Technical & Professional Division	01.01.11 – 31.12.11
Phil Barnett	President Fleet manufacture, Overhaul, Maintenance & Service	01.01.11 – 31.12.11
Wayne Leahy	Secretary Fleet manufacture, Overhaul, Maintenance & Service	01.01.11 – 31.12.11

The members of Branch Council during the year ending 31 December 2011:

Division/Position	**Name**	**Period of Appointment**
Branch President	Terry Sheedy	01.01.11 – 31.12.11
Branch Senior Vice President	James Styles	01.01.11 – 31.12.11
Branch Junior Vice President	John Marotta	01.01.11 – 31.12.11
Branch Secretary	Trevor Dobbyn	01.01.11 – 31.12.11
Assistant Branch Secretary	Phil Altieri	01.01.11 – 31.12.11
Secretary - Admin	Steven Kozmevski	01.01.11 – 31.12.11
Secretary – Infrastructure	Kevin Killender	01.01.11 – 31.12.11
Secretary – Locomotive	Marc Marotta	01.01.11 – 31.12.11
Secretary – Rail Ops	Victor Moore	01.01.11 – 31.12.11
Secretary – Tram and Bus	Phil Altieri	01.01.11 – 31.12.11
Organiser Rail Operations Division & Administration, Supervisory, Technical & Professional Division	Grant Wainwright	01.01.11 – 31.12.11
Branch Divisional Ass Secretary Tram and Bus	Doug Brady	01.01.11 – 31.12.11
Organiser Fleet manufacture, Overhaul, Maintenance & Service & Infrastructure Division	Calvin Harvey	01.01.11 – 31.12.11
Delegates from Branch Divisions		
Rail Ops		
Elected Delegate from Metro	Spiro Pastras	01.01.11 – 31.12.11
Elected Delegate from V/Line	Lindsay Bounds	01.01.11 – 31.12.11
Elected Delegate from Metro	Amarjit Singh	01.01.11 – 31.12.11
Elected Delegate from Metro	Andrew Stokie	01.01.11 – 31.12.11

Elected Delegate from Metro	Darren Galea	01.01.11 – 31.12.11
Infrastructure		01.01.11 – 31.12.11
Elected Delegate	Stuart Beckwith	01.01.11 – 31.12.11
Elected Delegate	Norm Milledge	01.01.11 – 31.12.11
Elected Delegate	John Saw	01.01.11 – 31.12.11
Elected Delegate	Peter Harvey	01.01.11 – 31.12.11
Elected Delegate	Gary Dorrington	01.01.11 – 31.12.11
Administration		01.01.11 – 31.12.11
Elected Delegate	Marty McGrath	01.01.11 – 31.12.11
Elected Delegate	Hristos Tsirkas	01.01.11 – 31.12.11
Elected Delegate	Jean Thelemaque	01.01.11 – 31.12.11
Elected Delegate	John Nicolopoulos	01.01.11 – 31.12.11
Fleet manufacture, Overhaul, Maintenance & Service		
Elected Delegate	Paul Jumpertz	01.01.11 – 31.12.11
Tram and Bus		01.01.11 – 31.12.11
Branch Divisional President	Mark Teasdale	01.01.11 – 31.12.11
Branch Divisional Vice President	Trevor Goodman	01.01.11 – 31.12.11
Sub-Divisional Representatives	Eryan Sidhom Geoff Caruana John Anderson Mario Mizzi Mark Teasdale	01.01.11 – 31.12.11
Locomotive		
Branch Divisional President	Terrence Sheedy	01.01.11 – 31.12.11
Branch Divisional Vice President	John Marotta	01.01.11 – 31.12.11
Sub-Divisional Representatives	Wayne Hicks Geoff Ralph Paris Jolly	01.01.11 – 31.12.11
Delegates from Regional Sub Branches		
Northern Region – President	Vacant	
Northern Region – Sub Branch Sec	Vacant	
Southern Region – President	Vacant	
Southern Region – Sub Branch Sec	Michael Fairbrother	01.01.11 – 31.12.11
Western Region – President	James Rice	01.01.11 – 31.12.11
Western Region – Sub Branch Sec	Robert Bassett	01.01.11 – 31.12.11

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

Trevor Dobbyn
State Secretary
8 May 2012

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

ABN 19 122 611 478

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

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

TABLE OF CONTENTS

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

COMMITTEE OF MANAGEMENT STATEMENT

On 30 April 2012 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 2011:

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	Phillip Altieri
State Secretary	Assistant Branch Secretary

Dated 30 April 2012

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 $	2010 $
Revenue	2	3,696,627	3,426,033
Other income	2	40,203	29,436
Employee benefits expense		(1,194,558)	(1,187,061)
Finance costs	3	(53,390)	(53,633)
Depreciation and amortisation expenses	3	(106,144)	(101,080)
Quarterage – capitation fees		(479,380)	(439,097)
Affiliation fees		(56,310)	(58,877)
Administration and office expenses		(166,979)	(117,157)
Legal and professional fees		(124,861)	(55,706)
Motor vehicle costs		(74,964)	(68,012)
Commissions paid		(22,188)	(20,926)
Building repairs and maintenance expense		(138,575)	(134,038)
Other expenses		(382,768)	(365,966)
Profit before income tax		**936,713**	**853,916**
Income tax expense	1(a)	-	-
Profit attributable to members of the entity		**936,713**	**853,916**
Other Comprehensive Income:			
Net gain on revaluation of financial assets		-	-
Other Comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year		**936,713**	**853,916**
Total comprehensive income/(loss) attributable to members of the entity		**936,713**	**853,916**

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 FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	2011 $	2010 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,805,621	3,297,182
Trade and other receivables	7	275	11,812
TOTAL CURRENT ASSETS		**3,805,896**	**3,308,994**
NON-CURRENT ASSETS			
Property, plant and equipment	8	3,467,411	2,658,506
Investment property	9	1,100,000	1,100,000
TOTAL NON-CURRENT ASSETS		**4,567,411**	**3,758,506**
TOTAL ASSETS		**8,373,307**	**7,067,500**
CURRENT LIABILITIES			
Trade and other payables	10	409,809	421,488
Borrowings	11	78,957	34,864
TOTAL CURRENT LIABILITIES		**488,766**	**456,352**
NON-CURRENT LIABILITIES			
Borrowings	11	779,043	440,636
Long term provisions	12	11,395	13,122
TOTAL NON-CURRENT LIABILITIES		**790,438**	**453,758**
TOTAL LIABILITIES		**1,279,204**	**910,110**
NET ASSETS		**7,094,103**	**6,157,390**
EQUITY			
Retained earnings		7,094,103	6,157,390
TOTAL EQUITY		**7,094,103**	**6,157,390**

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Retained Earnings	Total
	$	$
Balance at 1 January 2010	5,303,474	5,303,474
Profit attributable to members of the Union	853,916	853,916
Balance at 31 December 2010	**6,157,390**	**6,157,390**
Balance at 1 January 2011	6,157,390	6,157,390
Profit attributable to members of the Union	936,713	936,713
Balance at 31 December 2011	**7,094,103**	**7,094,103**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 $	2010 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, investment property and other income		3,609,370	3,591,054
Payments to suppliers and employees		(2,627,803)	(2,694,885)
Interest received		138,997	92,599
Finance costs		(53,390)	(53,633)
Net cash provided by operating activities	14	1,067,174	935,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		36,919	18,750
Purchase of property, plant and equipment		(978,654)	(40,170)
Net cash used in investing activities		(941,735)	(21,420)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		858,000	-
Repayment of borrowings		(475,000)	(52,000)
Net cash provided by / (used in) financing activities		383,000	(52,000)
Net increase in cash held		508,439	861,715
Cash at beginning of financial year		3,297,182	2,435,467
Cash at end of financial year	6	**3,805,621**	**3,297,182**

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 statement of comprehensive income 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%	Diminishing Value
Motor vehicles	15 %	Diminishing Value
Office equipment	33.5% - 36 %	Diminishing Value
Furniture, fixtures and fittings	7.5 - 10 %	Diminishing Value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 statement of comprehensive income. When revalued assets are sold, amounts recorded in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At the end of each reporting period, 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 statement of comprehensive income.

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 discounted cash flows of the property will be considered, 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 Union 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 in the statement of comprehensive income.

(e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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 cash flows are discounted using market yields on national government bond with terms to maturity that match the expected timing of cash flows.

(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 statement of comprehensive income.

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 statement of financial position.

(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 statement of financial position 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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.

(p) New Accounting Standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union's assessment of the new and amended pronouncements that are relevant to the Union but applicable in future reporting periods is set out below:

The AASB has issued new, revised and amended 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 (December 2010) and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

— AASB 1053: Application of Tiers of Australian Accounting Standards; AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements; AASB 2011-2: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements; AASB 2011-6: Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements; and AASB 2011-11: Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013).

— AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (applicable for annual reporting periods beginning on or after 1 July 2011).

— AASB 1054: Australian Additional Disclosures and AASB 2011-1: Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project (applicable for annual reporting periods commencing on or after 1 July 2011).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New Accounting Standards for application in future periods (continued)

- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (applicable for annual reporting periods commencing on or after 1 July 2013)
- AASB 13: Fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 13 (applicable for annual reporting periods commencing on or after 1 January 2013).
- AASB 2011-9: Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income (applicable for annual reporting periods commencing on or after 1 July 2012).
- AASB 119: Employee Benefits [September 2011] and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (applicable for annual reporting periods commencing on or after 1 January 2013)

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

	Note	2011 $	2010 $
NOTE 2: REVENUE AND OTHER INCOME			
From continuing operations			
- membership contributions received		3,457,863	3,223,861
- interest received	2(a)	138,997	92,599
- rental revenue from investment property	2(b)	99,767	109,573
Total Revenue		3,696,627	3,426,003
Other Income			
- gain on revaluation of investment property		-	-
- other revenue		40,203	29,436
		40,203	29,436
Total Revenue		3,736,830	3,455,469
(a) Interest revenue from:			
- other persons		138,997	92,599
(b) rental revenue from investment property received from:			
- other persons		99,767	109,573
NOTE 3: PROFIT BEFORE INCOME TAX			
(a) Expenses			
Interest expense on financial liabilities at amortised cost:			
- external		53,390	53,633
Depreciation of non-current assets		106,144	101,080
(b) Revenue and Net Gains/(Losses)			
Net losses on disposal of non-current assets:			
- plant and equipment		26,686	6,068

NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration of executives

	Short-term benefits		
	Salaries	Superannuation	Total
	$	$	$
2011			
Total compensation	773,976	68,574	842,550
2010			
Total compensation	732,487	65,923	798,410

NOTE 5: AUDITORS' REMUNERATION

	2011 $	2010 $
Remuneration of the auditor for:		
- auditing or reviewing the financial report	20,000	19,300
- other services	1,200	1,000
	21,200	20,300

NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	620	620
Cash at bank	3,805,001	3,296,562
	3,805,621	3,297,182

NOTE 7: TRADE AND OTHER RECEIVABLES

CURRENT		
Other receivables	275	11,812
	275	11,812

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Buildings:		
At cost	3,574,696	2,726,005
Accumulated depreciation	(354,496)	(290,648)
	3,220,200	2,435,357
Motor vehicles:		
At cost	207,667	187,626
Accumulated depreciation	(40,937)	(52,257)
	166,730	135,369

	Note	2011 $	2010 $

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

		2011 $	2010 $
Office equipment:			
At cost		73,693	74,711
Accumulated depreciation		(53,830)	(54,662)
		19,863	20,049
Furniture, fixtures and fittings:			
At cost		231,579	229,049
Accumulated depreciation		(170,961)	(161,318)
		60,618	67,731
Total property, plant and equipment		3,467,411	2,658,506

Buildings are measured at cost less accumulated depreciation and impairment losses. An independent valuation on Level 2, 365 Queen Street Office was carried out by Knight Frank, with the market value at 19 April 2011 of $1,600,000. The company continue to carry the building at cost; valuation completed for best practice purposes.

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:

2011	Buildings $	Motor vehicles $	Office equipment $	Furniture, fixtures and fittings $	Total $
Balance at 1 January 2011	2,435,357	135,369	20,049	67,731	2,658,506
Additions	848,691	122,354	7,609	-	978,654
Disposals	-	(62,965)	(640)	-	(63,605)
Depreciation expense	(63,848)	(28,028)	(7,155)	(7,113)	(106,144)
Carrying amounts at 31 December 2011	3,220,200	166,730	19,863	60,618	3,467,411

2010	Buildings $	Motor vehicles $	Office equipment $	Furniture, fixtures and fittings $	Total $
Balance at 1 January 2010	2,497,802	150,934	24,609	64,821	2,738,166
Additions	-	25,119	5,429	9,622	40,170
Disposals	-	(18,297)	(453)	-	(18,750)
Depreciation expense	(62,445)	(22,387)	(9,536)	(6,712)	(101,080)
Carrying amounts at 31 December 2010	2,435,357	135,369	20,049	67,731	2,658,506

	Note	2011 $	2010 $

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 10 November 2011 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 2013, respectively.

NOTE 10: TRADE AND OTHER PAYABLES

CURRENT			
Trade payables	10 (i)	123,378	78,077
Sundry payables and accrued expenses		15,000	15,000
Employee Benefits		271,431	328,411
		409,809	421,488

(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	2011 $	2010 $

NOTE 11: BORROWINGS

	2011 $	2010 $
CURRENT		
Bank loan secured	78,957	34,864
Total current borrowings	78,957	34,864
NON-CURRENT		
Bank loan secured	779,043	440,636
Total non-current borrowings	779,043	440,636
Total borrowings	858,000	475,500

The loan commenced in October 2011 and will be repaid in quarterly payments over a period of 9 years.

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

	2011 $	2010 $
Investment property	1,100,000	1,100,000
Buildings (forms part of property, plant and equipment)	3,220,200	2,435,357
	4,320,200	3,535,357

NOTE 12: EMPLOYEE ENTITLEMENTS

	2011 $	2010 $
NON-CURRENT		
Long service leave	11,395	13,122

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	2011 $	2010 $

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:

	2011 $	2010 $
Receivables:		
- not later than 1 year	73,884	97,000
- later than 1 year but no later than 5 years	63,232	110,483
	137,116	207,483

NOTE 14: CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit after income tax

	2011 $	2010 $
Profit after income tax	936,713	853,916
Non-cash flows in profit:		
Depreciation	106,144	101,080
Loss on disposal of property, plant & equipment	26,686	-
Changes in assets and liabilities:		
Decrease in receivables	2,049	369
Decrease/(Increase) in prepayments	9,487	(7,748)
Decrease in payables	(13,905)	(12,482)
Net cash flows from operations	1,067,174	935,135

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 30 April 2012 by the Committee of Management.

	Note	2011 $	2010 $

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	2011 $	2010 $
Financial assets			
Cash and cash equivalents	6	3,805,621	3,297,182
Trade and other receivables	7	275	11,812
		3,805,896	3,308,994
Financial liabilities at amortised cost:			
Trade and other payables	10	138,378	93,077
Borrowings	11	858,000	475,500
		996,378	568,577

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:

	2011 $	2010 $
Financial assets		
Cash and cash equivalents	3,805,621	3,297,182
	3,805,621	3,297,182
Financial liabilities		
Interest-bearing liabilities	(858,000)	(475,500)
	(858,000)	(475,500)
Net exposure	2,947,621	2,821,682

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:

	2011	2010
	%	%
Financial assets		
Cash and cash equivalents	3.91%	3.23%
Financial liabilities		
Interest-bearing liabilities	7.72%	8.69%

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	
	2011	2010	2011	2010	2011	2010	2011	2010
Financial liabilities due for payment	$	$	$	$	$	$	$	$
Bank loans	78,957	34,864	260,785	162,989	518,258	277,647	858,000	475,500
Trade and other payables (excluding est. annual leave)	138,378	93,077	-	-	-	-	138,378	93,077
Total expected outflows	217,335	127,941	260,785	162,989	518,258	277,647	996,378	568,577
Financial Assets - cash flows realisable								
Cash and cash equivalents	3,805,621	3,297,182	-	-	-	-	3,805,621	3,297,182
Trade and other receivables	275	11,812	-	-	-	-	275	11,812
Total anticipated inflows	3,805,896	3,308,994	-	-	-	-	3,805,896	3,308,994
Net (outflow)/inflow on financial instruments	3,588,561	3,181,053	(260,785)	(162,989)	(518,258)	(277,647)	2,809,518	2,740,417

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 statement of financial position.

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 2011 and 31 December 2010 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 statement of financial position. 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.

	2011		2010	
	Net Carrying Value	Net Fair Value	Net Carrying Value	Net Fair Value
	$	$	$	$
Financial assets				
Cash and cash equivalents	3,805,621	3,805,621	3,297,182	3,297,182
Trade and other receivables	275	275	11,812	11,812
	3,805,896	3,805,896	3,308,994	3,308,994
Financial liabilities at amortised cost:				
Trade and other payables	138,378	138,378	93,077	93,077
Borrowings	858,000	858,000	475,500	475,500
	996,378	996,378	568,577	568,577

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 2011		
+/- 0.5% in interest rates	15,523	15,523
Year ended 31 December 2010		
+/- 0.5% in interest rates	11,247	11,247

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

MOORE STEPHENS
ACCOUNTANTS & ADVISORS

Level 10, 530 Collins Street
Melbourne VIC 3000

T +61 (0)3 8635 1800
F +61 (0)3 8102 3400

www.moorestephens.com.au

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of The Australian Rail, Tram & Bus Industry Union - Victorian Branch, which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 management, as well as evaluating the presentation of the financial statements.

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.

Opinion

In our opinion, the financial statements of The Australian Rail, Tram & Bus Industry Union - Victorian Branch for the year ended 31 December 2011 are prepared, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

Moore Stephens

Moore Stephens
Chartered Accountants

Scott Phillips
Partner
Melbourne

Dated, 30 April 2012