



Australian Government
Australian Industrial Registry

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Ref: FR2005/617

Mr Robert Christison
Branch Secretary
Australian Rail, Tram and Bus Industry Union
West Australian Branch
2/10 Nash St
PERTH WA 6000

Dear Mr Christison,

Financial Return - year ending 31 December, 2005

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

Legislation

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

In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO'¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as "*reporting units*". Where an organisation is not divided into branches the reporting unit is the whole of the organisation. Where an organisation is divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C)

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2005/617**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or **where the reporting unit has no financial affairs in the financial year**, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at belinda.penna@air.gov.au as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

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

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

Yours sincerely



For Deputy Industrial Registrar
27 January 2006

Documents Checklist

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

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

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

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

Committee Of Management Statement

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

The Committee of Management declares in relation to the GPFR that in its opinion:

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

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

Title of Office held:

Signature:

Date:

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

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

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

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

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

Signature

Date:

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

(a) the secretary; or

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

²Only applicable where a concise report is provided to members

³Insert whichever is applicable



RAIL TRAM & BUS UNION

Australian Rail Tram & Bus Industry Union

West Australian Branch: 2/10 Nash Street PERTH 6000

Telephone: 08 9225 6722 Facsimile: 08 9225 6733 Pabx: 62434 & 62317 -

E-mail: general@rtbuwa.asn.au

Certificate of Secretary or other Authorised Officer

S268 of Schedule 1B *Workplace Relations Act 1996*

I Robert John Christison being the Branch Secretary of the Australian Rail, Tram and Bus Industry Union West Australian Branch, certify:

- that the documents lodged herewith are copies of the full report , and the concise report, referred to in s268 of the RAO Schedule; and
- that the concise report was provided to members on 12th June 2006; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 6th July 2006; in accordance with section 266 of the RAO Schedule.

Signature:

R. Christison

Date:

17/7/2006



Australian Rail, Tram & Bus Industry Union West Australian Branch
Summarised Income & Expenditure Statement
For the year ended 31 December 2005

	2005	2004
	\$	\$
Revenue from ordinary activities	538,253	439,514
Employee expenses	(213,469)	(183,700)
Property expenses	(56,186)	(29,117)
Other expenses from ordinary activities	(144,415)	(169,362)
Profit/(loss) from ordinary activities	124,183	57,335

Summarised Balance Sheet

As at 31 December 2005

Current assets		
Cash assets	249,776	156,616
Receivables and prepayments	22,724	14,261
Total current assets	272,500	170,877
Non-current assets		
Property, plant and equipment and other financial assets	18,628	28,824
Total non-current assets	18,628	28,824
Total assets	291,128	199,701
Current liabilities		
Payables and provisions	178,480	164,326
Total current liabilities	178,480	164,326
Non-current liabilities		
Provisions	2,493	49,403
Total non-current liabilities	2,493	49,403
Total liabilities	180,973	213,729
Net assets	110,155	(14,028)
Accumulated funds	110,155	(14,028)

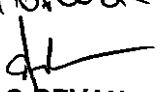
INDEPENDENT AUDIT REPORT

AUSTRALIAN RAIL, TRAM & BUS INDUSTRY UNION WEST AUSTRALIAN BRANCH

We have audited the above summarised financial report of the Australian Rail, Tram & Bus Industry Union West Australian Branch for the year ended 31 December 2005 in accordance with Australian Auditing Standards.

In our opinion, the information reported in the summarised financial report is consistent with the annual financial report from which it is derived and upon which we expressed an unqualified audit opinion in our report dated 7th April 2006.

Dated this 7th day of April 2006.
HORWATH AUDIT (WA) PTY LTD

Horwath Audit

A G BEVAN
 Director

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

**Annual Report
For the year ended 31 December 2005**

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
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**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Operating Report
For the year ended 31 December 2005**

This Operating Report covers the activities of the Australian Rail, Tram and Bus Industry Union West Australian Branch for the financial year ended 31st December 2005, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Branch Council

The principal activities of the association during the financial year was as a transport union.

2. Significant Changes

No significant change in the nature of these activities occurred during the year.

3. Right of Members to Resign

All members of the Union have the right to resign from the union in accordance with Rule 14 of the Union Rules (and Section 174 of the Workplace Relations Act); namely by providing notice addressed and delivered to the Secretary of the Branch, including via email.

4. Directorship of Superannuation Funds

To the best of our knowledge and belief, no Officer of the organisation, by virtue of their office of the Rail Tram and Bus Industry Union West Australian Branch is

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

5. Membership of the Union

The number of members of the union as at 31st December 2005 was 1084.

6. Employees of the Branch

As at the 31st December 2005, the Branch employed one full time Elected Official and two full time employees.

7. Branch Council

The following persons were members of the Branch Council during the year ended 31st December 2005:

Name	Period of Appointment
Robert Christison	01/01/05 to 31/12/05
Hywel Driver	01/01/05 to 31/12/05
Philip Woodcock	01/01/05 to 31/12/05
Barry Normington	01/01/05 to 31/12/05
Richard Tolman	01/01/05 to 31/12/05
Alan Otley	01/01/05 to 25/02/05
Terry Doust	01/01/05 to 31/12/05
Noel Coad	01/01/05 to 31/12/05
John Miller	01/01/05 to 31/12/05
David Wyatt	01/01/05 to 21/09/05

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Operating Report
For the year ended 31 December 2005 (Continued)**

7. Branch Council (continued)

Spasoje (Ned) Nedeljkovic	01/01/05 to 31/12/05
Jayson Manners	01/01/05 to 21/10/05
Guy Alderson	01/01/05 to 31/12/05
John Gillmore	01/01/05 to 31/12/05

8. Operating Result

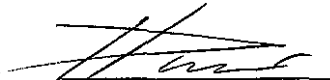
The profit from ordinary activities for the year ended 31/12/05 amount to:

Year Ended 31/12/05	Year Ended 31/12/04
\$124,183	\$57,335

Signed in accordance with a resolution of the Branch Council:



R. Christison
WA Branch Secretary



H. Driver
WA Branch President

Dated at Perth this 7th day of April 2006



Horwath Audit (WA) Pty Ltd

ABN 79 112 284 787

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9380 8499

Independent audit report to members of the Australian Rail, Tram & Bus Industry Union, West Australian Branch

Scope

The financial report and committee members' responsibility

The financial report comprises the income and expenditure statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the committee members' statement for the Australian Rail, Tram & Bus Industry Union, West Australian Branch ("the union"), for the year ended 31 December 2005.

The union's committee of management and the accounting officer of the union are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the union. Our audit was conducted in accordance with Australian Auditing Standards and the Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee members.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Audit Opinion

In our opinion the financial report presents fairly, in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory financial reporting requirements in Australia, the financial position of the Australian Rail, Tram & Bus Industry Union, West Australian Branch as at 31 December 2005 and the results of its operations and its cash flows for the year then ended.

Dated at Subiaco this ^{7th} day of April 2006

HORWATH AUDIT (WA) PTY LTD

Horwath Audit
A handwritten signature in black ink, appearing to read "A G Bevan".

A G BEVAN
Director

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Accounting Officer's Statement
Workplace Relations Act 1996**

I, Robert Christison, being the officer responsible for keeping the accounting records of the Australian Rail Tram & Bus Industry Union, West Australian Branch, Western Australia, certify that as at 31 December 2005 the number of financial members of the organisation was 1,084 (2004: 1,004)

In my opinion,

1. The attached accounts show a true and fair view of the financial affairs of the organisation as at 31 December 2005 and the result of operations for the period then ended;
2. A register of members has, during the immediately preceding calendar year, been kept and maintained as required by section 230(1)(a) and section 230(2) of the Workplace Relations Act 1996;
3. A copy of the records required to be kept under sections of 230(1)(b), (c) and (d) of the Workplace relations Act 1996, have been provided to the Industrial Registry as required by section 233 of the Workplace Relations Act 1996.



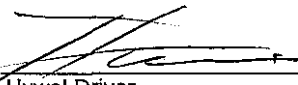
R Christison
WA Branch Secretary


Dated at Perth this 7th day of APRIL 2006.

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Branch Committee of Management Statement
Workplace Relations Act 1996**

We, Hywel Driver and Robert Christison, being two members of the Branch Committee of Management of the Australian Rail, Tram & Bus Industry Union, West Australian Branch, do state on behalf of the Branch Committee of Management and in accordance with a resolution passed by the Branch Committee of Management, that:

1. The accompanying financial statements and notes comply with the Australian Accounting Standards;
2. The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable; and
5. During the financial year to which the general purpose financial report relates and since the end of that year:
 - (a) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and,
 - (b) The financial affairs of the branch have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and,
 - (c) The financial records of the branch have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1996 (The RAO Schedule) and the Workplace Relations Regulation 2003 (The RAO Regulations); and,
 - (d) The information sought in any request of a member of the branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and,
 - (e) There has been compliance with any order for inspections of financial records made by the commission under section 273 of the RAO schedule.


Hywel Driver
Branch President


R Christison
Branch Secretary

Dated at Perth this 7th day of APRIL 2006.

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Income & Expenditure Statement
For the year ended 31 December 2005**

	Notes	2005 \$	2004 \$
Revenue from ordinary activities	3	538,253	439,514
Branch council meeting expenses		(20,617)	(14,574)
Capitation fee expense	4	(43,714)	(40,197)
Depreciation and amortisation expense	4	(4,194)	(7,834)
Employee expenses		(213,469)	(183,700)
Property expenses		(56,186)	(29,117)
Operation lease expenses		(7,296)	(5,877)
Other expenses from ordinary activities		(68,594)	(100,880)
Profit/(loss) from ordinary activities		<u>124,183</u>	<u>57,335</u>

The accompanying notes form part of these financial statements.

Australian Rail, Tram & Bus Industry Union
West Australian Branch
Balance Sheet
For the year ended 31 December 2005

	Notes	2005 \$	2004 \$
Current assets			
Cash assets	5	249,776	156,616
Receivables	6	15,554	7,029
Prepayments	7	7,170	7,232
Total current assets		<u>272,500</u>	<u>170,877</u>
Non-current assets			
Other Financial Assets		2	2
Property, plant and equipment	8	18,626	28,822
Total non-current assets		<u>18,628</u>	<u>28,824</u>
Total assets		<u>291,128</u>	<u>199,701</u>
Current liabilities			
Payables	9	83,761	126,254
Provisions	10	94,719	38,072
Total current liabilities		<u>178,480</u>	<u>164,326</u>
Non-current liabilities			
Provisions	10	2,493	49,403
Total non-current liabilities		<u>2,493</u>	<u>49,403</u>
Total liabilities		<u>180,973</u>	<u>213,729</u>
Net assets		<u>110,155</u>	<u>(14,028)</u>
Accumulated funds			
Opening accumulated funds		(14,028)	(71,363)
Net profit/(loss) for the year		124,183	57,335
Total accumulated funds		<u>110,155</u>	<u>(14,028)</u>

The accompanying notes form part of these financial statements.

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Statement of Changes in Equity
For the year ended 31 December 2005**

	2005	2004
	\$	\$
Opening Balance Equity	(14,028)	(71,363)
Profit/(Loss) for the attributable to the Australian Rail Tram & Bus Industry Union	124,183	57,335
Closing Balance Equity	<u>110,155</u>	<u>(14,028)</u>

The accompanying notes form part of these financial statements.

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Statement of Cash Flows
For the year ended 31 December 2005**

	Notes	2005 \$	2004 \$
Cash flows from operating activities			
Receipts from members and others		578,160	452,828
Payments to suppliers and employees		(488,864)	(380,856)
Interest received		4,190	2,115
Net cash provided by/(used in) operating activities	11(b)	<u>93,486</u>	<u>74,087</u>
Cash flows from investing activities			
Purchase of plant and equipment		(326)	-
Net cash flows from investing activities		<u>(326)</u>	<u>-</u>
Net increase/(decrease) in cash held		93,160	74,087
Cash at the beginning of the financial year		156,616	82,529
Cash at the end of the financial year	11(a)	<u><u>249,776</u></u>	<u><u>156,616</u></u>

The accompanying notes form part of these financial statements.

Australian Rail, Tram & Bus Industry Union
West Australian Branch
Notes to the Financial Statements
For the year ended 31 December 2005

Note 1: Statement of significant accounting policies

This financial report is a general purpose financial report that has been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) and other mandatory professional reporting requirements and in accordance with the Industrial Relations Act 1979.

Application of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

These financial statements are the first financial statements to be prepared in accordance with AIFRS. AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these financial statements.

Financial Statements of the union until 31 December 2004 had been prepared in accordance with previous Australian Generally Accepted Accounting Principles (AGAAP). AGAAP differs in some respects to AIFRS, however the restatement of these comparative figures in accordance with AIFRS did not result in any material adjustments (as detailed in Note 15).

The financial report covers Australian Rail Tram & Bus Industry Union, West Australian Branch as an individual entity. The organisation is a registered state union domiciled in Australia.

The financial report has been prepared in an accruals basis and is based on historical costs and does not take into account changing money valuations. Cost is based on the fair values of the consideration given in exchange for assets.

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

a) Members dues and subscriptions

Members dues and subscriptions are accounted for on an accruals basis.

b) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rate applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax ("GST").

c) Income tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under section 50-15 of the Income Tax Assessment Act 1997.

d) Cash

For the purposes of the statement of cash flows, the organisation considers cash to include cash on hand, at banks or financial institutions and on deposit, net of any outstanding overdrafts.

Australian Rail, Tram & Bus Industry Union
West Australian Branch
For the year ended 31 December 2005

Note 1: Statement of significant accounting policies (continued)

e) Property, plant and equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the organisation to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which 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 amount.

Depreciation

The depreciation amount of all fixed assets is calculated using the straight line basis over the estimated useful lives of the assets to the organisation commencing from the time the asset is ready for use.

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

<u>Class of asset</u>	<u>Depreciation rate</u>
Plant and equipment	15 - 30%

f) Employee entitlements

A provision is made for the organisation's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the organisation to an employee superannuation fund and are charged as expense when incurred.

g) Interest rate risk

The organisation's exposure to interest rate risk, which is the risk that financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible.

h) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation does not have any material credit risk exposure to any single debtor or group of debtors under the financial instruments entered into by the organisation.

i) Net fair values

The net fair values of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

j) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current year.

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
For the year ended 31 December 2005**

Note 1: Statement of significant accounting policies (continued)

k) Prior period error

During the year ended 31 December 2005 it was noted that the accounts of the Union for the year ended 31 December 2004 and prior periods included assets that are owned by the state registered Union, the Australian Rail, Tram & Bus Industry Union of Employees West Australian Branch. This has had the effect of overstating the balance sheet, in particular the Non-Current Assets (Land and Buildings) and Equity.

In applying AASB 108, Accounting Policies, Changes in Accounting Estimates and Errors, we have retrospectively restated the opening position of the balance sheet as of 1 January 2003 as though the error had never occurred, this has had the effect of reducing the equity and non-current financial assets by \$878,071.

The effect of reversing the error as at the 1 January 2003 has also affected the prior period profit as it was necessary to reverse the depreciation expense related to buildings that was expensed in the year ended 31 December 2004. This had the effect of restating the profit for the year ended 31 December 2004 from \$40,577 to \$57,335, equity in the prior year was also increased by \$16,758 due to this restatement.

There has not been any effect on the current year profit and loss.

Note 2: Information to be provided to Members or Registrar

In accordance with the requirements of Sections 272(5) of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272(1) to Section 272 (2) of the Act, which reads as, follows:

- (1) A member of the branch, or a Registrar, may apply to the branch for specified prescribed information in relation to the branch to be made available to the person making the application.
- (2) The application must be in writing and must specify the periods 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 branch.
- (3) The branch must comply with an application made under subsection (1).

	2005 \$	2004 \$
Note 3: Revenue		
Operating activities		
Contribution revenue	352,884	316,058
Rents	152,588	95,545
Other operating revenue		
- Other Income	6,234	11,145
- Journey Cover Recoupment	22,357	21,184
Total revenue from operating activities	534,063	443,932
Non-operating activities		
Interest received	4,190	2,115
Insurance recoveries	-	1,182
Total revenue from non-operating activities	4,190	3,297
Total revenue	538,253	447,229

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Notes to the Financial Statements
For the year ended 31 December 2005**

	2005	2004	
	\$	\$	
Note 4: Profit from ordinary activities			
Profit from ordinary activities has been determined after the following expenses:			
Affiliation fees			
- Australian Council of Trade Unions	1,759	3,128	
- Australian Labour Party	1,977	2,450	
- ARTBIU National Office Capitation Fees	43,714	47,851	
- Trades & Labor Council	3,549	3,496	
Depreciation of property, plant and equipment	4,194	7,834	
Employee benefits to employees (other than holders of office)	114,429	101,761	
Employee benefits to holders of office	99,040	81,939	
Net loss on disposal of assets	-	12,296	
Remuneration of auditor	6,734	4,080	
Note 5: Cash assets			
Cash at bank	249,726	156,576	
Cash on hand	50	40	
	<u>249,776</u>	<u>156,616</u>	
Note 6: Receivables			
Trade Debtors	<u>15,554</u>	<u>7,029</u>	
Note 7: Other Current Assets			
Prepayments	<u>7,170</u>	<u>7,232</u>	
Note 8: Property, plant and equipment			
Motor vehicles - at cost	66,000	66,000	
Less: accumulated depreciation	<u>(53,506)</u>	<u>(48,352)</u>	
	12,494	17,648	
Property, plant and equipment at cost	49,517	56,294	
Less accumulated depreciation	<u>(43,385)</u>	<u>(45,121)</u>	
	6,132	11,173	
Total property, plant and equipment	<u>18,626</u>	<u>28,821</u>	
a) Property			
Land and buildings are owned by the state registered Union, the Australian Rail, Tram & Bus Industry Union of Employees West Australian Branch, and are not reflected in these financial statements.			
b) Movement in carrying amounts			
	Motor	Plant and	Total
	vehicles	equipment	
Balance at the beginning of the year	17,648	11,173	28,821
Additions	-	326	326
Disposals	-	-	-
Depreciation expense	(3,628)	(587)	(4,215)
Adjustments	(1,526)	(4,780)	(6,306)
Carrying amount at the end of the year	<u>12,494</u>	<u>6,132</u>	<u>18,626</u>

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Notes to the Financial Statements
For the year ended 31 December 2005**

	2005	2004
	\$	\$
Note 9: Payables		
Sundry creditors	38,684	37,650
GST and PAYG liability	10,077	7,804
Death Benefit - retired members	35,000	80,800
	<u>83,761</u>	<u>126,254</u>

Note 10: Provisions

Current

Employee entitlements - Annual Leave	36,948	38,072
Employee entitlements - Long Service Leave	57,771	-
	<u>94,719</u>	<u>38,072</u>

Non-current

Employee entitlements - Long Service Leave	<u>2,493</u>	<u>49,403</u>
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Number of employees at year end	3	3
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Note 11: Cash flow information

a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	143,931	94,349
Cash on hand	50	40
Term deposits and savings investment accounts	105,795	62,227
	<u>249,776</u>	<u>156,616</u>

b) Reconciliation of cash flows from operating activities to profit/(loss)

Operating profit/(loss)	12,418	57,335
Depreciation	4,194	7,834
(Profit)/loss on sale of plant and equipment	-	12,296
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(8,526)	7,714
(Increase)/decrease in prepayments	63	(7,232)
Increase/(decrease) in creditors and accruals	3,307	1,672
Increase/(decrease) in payables and provisions	(36,061)	(5,532)
Reconciling asset accounts to asset register	6,326	
Net cash provided by/(used in) operating activities	<u>(18,279)</u>	<u>74,087</u>

Note 12: Capital and Leasing Commitments

Operating lease expenditure contracted for at balance date that is not cancellable and is not provided for the accounts:

Payable		
No later than one year	6,046	6,046
Later than one year but not later than two years	19,648	22,671
	<u>25,694</u>	<u>28,717</u>

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Notes to the Financial Statements
For the year ended 31 December 2005**

	2005	2004
	\$	\$
Note 13: Remuneration and retirement benefits		
Remuneration of officers		
Remuneration received or receivable by all officers of the committee of management:	99,040	81,939
From the organisation or any related party in connection with the management of the organisation	<u>-</u>	<u>-</u>
 Note 14: Related party disclosure		
Transactions with Divisional Office		
During the year the Branch paid 12.5% (2004: 12.5%) of gross member contributions received to National Office	<u>44,741</u>	<u>47,851</u>
Amount owed to Divisional Office at year end:	<u>4,013</u>	<u>3,197</u>

Note 15: Explanation of Transition to Australian Equivalents to IFRs

(1) Reconciliation of Members' Funds reported under previous Australian Generally Accepted Accounting Principles (AGAAP) to Members' Funds under Australian equivalents to IFRSs (AIFRS).

(a) At the date of transition to AIFRS; 1 January 2004

The adoption of AIFRSs has not resulted in any material adjustments to the balance sheet.

(b) At the end of the last reporting period under previous AGAAP: 31 December 2004

The adoption of AIFRSs has not resulted in any material adjustments to the balance sheet.

(2) Reconciliation of the Profit for the year ended 31 December 2004

The adoption of AIFRSs has not resulted in any material adjustments to the profit and loss statement.

(3) Reconciliation of the cash flow statement for the year ended 31 December 2004

The adoption of AIFRSs has not resulted in any material adjustments to the cash flow statement.

Note 16: Subsequent events

At the date of the Statement by the Committee, no matter or circumstance not otherwise dealt with in the financial statements has significantly or may significantly affect the operations of the Branch, the results of those operations or the state of affairs of the Branch in subsequent financial years.

Note 18: Segment information

The Branch provides union membership services throughout the region of Western Australia to all of its members.

Note 19: Geographical Location

The Union operates from 2/10 Nash Street, Perth in the State of Western Australia.



Horwath

Horwath Audit (WA) Pty Ltd

ABN 79 112 284 787

Chartered Accountants

A member of Horwath International

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Australian Rail, Tram & Bus Industry Union West Australian Branch Disclaimer

The additional financial report data presented on pages 19 - 20 is in accordance with the books and records which have been subjected to the auditing procedures applied in our statutory audit for the year ended 31 December 2005. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty or accuracy of reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Australian Rail, Tram & Bus Industry Union, West Australian Branch) in respect of such data, including any errors or omissions therein however caused.

Dated this 7th day of April 2006.

HORWATH
Audit (WA) Pty Ltd

Horwath Audit

A G BEVAN
Director

**Australian Rail, Tram & Bus Industry Union
West Australian Branch
Detailed Profit & Loss Statement
For the year ended 31 December 2005**

	2005 \$	2004 \$
Income		
Union dues - Rail division	180,066	161,200
Union dues - Locomotive division	171,421	152,511
Union dues - Bus division	1,397	2,347
Insurance recoveries	-	1,182
Interest received	4,191	2,115
Other income	6,238	11,145
Profit on sale of assets	-	(12,296)
Journey cover recoupment	22,357	21,184
Rents received	152,583	95,545
Total income	538,253	434,933
Expenditure		
Accountancy & audit fees	6,734	4,080
Australian Council of Trade Unions	1,759	3,128
Australian Labour Party	2,032	2,450
Bank charges	2,701	2,933
Burgess Rawson management fees/expenses	33,131	-
Cleaning/rubbish removal	3,786	3,636
Computer expenses	833	1,359
Death benefit fund	1,000	-
Death benefit - mortality	4,500	3,000
Depreciation	4,194	7,834
Education expenses	68	785
Electricity	2,812	3,294
Fringe benefits tax	3,596	6,350
General insurance	27,999	17,873
Legal & industrial expense	5,098	5,443
Branch expense	20,617	17,144
Motor vehicle expense	9,104	9,954
Petty cash	473	808
Postage and delivery	1,791	2,054
Printing and stationery	8,483	8,042
ARTBIU National Office	51,728	47,851
Rates taxes & levies	11,532	15,477
Repairs and maintenance	4,217	7,864
RTBU Merchandise	452	-
Salaries - Officers	84,649	70,033
Salaries - Appointed staff	103,734	90,655
Security	707	797
Staff amenities	241	303
Subscriptions	1,832	1,988
Sundry expenses	9,642	3,046
Superannuation	25,086	23,012
Telephone facsimile & modem	11,329	12,541

Australian Rail, Tram & Bus Industry Union
West Australian Branch
Detailed Profit & Loss Statement
For the year ended 31 December 2005

	2005	2004
	\$	\$
Expenditure (continued)		
Trades & labour council	4,086	3,496
Training expenses	185	-
Current years debtors raised	-	(7,029)
Reverse previous creditors	-	(35,977)
Decrease death benefit provision	(45,800)	(15,600)
Increase employee entitlements	9,739	7,842
Current year creditors raised	-	36,389
Reverse previous debtors	-	14,743
Total Expenses	<u>414,070</u>	<u>377,598</u>
Net profit/(loss)	<u>124,183</u>	<u>57,335</u>



Australian Government
Australian Industrial Registry

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

Mr Robert Christison
Branch Secretary, West Australian Branch
Australian Rail, Tram and Bus Industry Union
2/10 Nash Street
PERTH WA 6000

Dear Mr Christison

**Re: Lodgement of Financial Return – Australian Rail, Tram and Bus Industry Union,
West Australian Branch – for year ending 31 December 2005 (FR2005/617)**

I refer to the abovementioned financial statements lodged in the Registry on 19 July 2006.

The legislative requirements appear to have been substantially met and accordingly the documents have been filed. However, I should mention the following.

New requirements for concise reports

The documents lodged included a summarised financial report signed by the Auditor which I understand to be the “concise report” you refer to in your Secretary’s certificate.

This summarised report does not unfortunately meet the requirements for concise reports under the RAO Schedule. Under the old pre-RAO Act summarised reports such as the one you included had the benefit of being shorter and less costly to distribute or publish.

However, under RAO, there is no such thing as a “summary”. The only alternative under s265 to publishing or providing members with a full report is to provide a concise report consisting of all the full report documents (except the Notes) and some additional statements. For your information I enclose the extract from the Regulations which shows what concise reports have to contain, if the Branch wishes to publish concise reports in the future.

The Branch may not consider there being any benefit in preparing a concise report in addition to the full report in future.

Declarations on the Committee of Management statement

The Committee of Management statement contained all the declarations set out in the Industrial Registrar’s guidelines except for the one in guideline 25(e)(iv) *“The committee of management statement must include declarations....as to whether.....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”*

Thank you for lodging the return. If you have any questions, please do not hesitate to contact me on 0429 462 979 Mondays to Wednesdays.

Yours sincerely,

Stephen Kellett
Statutory Services Branch

15 August 2006

EXTRACT FROM RAO SCHEDULE

S265

- (1) A reporting unit must provide...either:
 - (a) a full report.....or
 - (b) a concise report.....

- (2) A concise report may only be provided if...the committee of management....resolves that a concise report is to be provided.

- (3) A concise report.....consists of:
 - (a) A.....financial reportdrawn up in accordance with the regulations (see below) and
 - (b) The **operating report** and
 - (c) A **statement by the auditor** (i) that the concise...report has been audited; and (ii) whether in the auditor's opinion, the concise...report complies with the relevant Australian Accounting Standards; and
 - (d) A **copy** of anything included under subsection 257(5),(6) or (7) in the auditor's report on the full report and
 - (e) A **statement** that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them

Regulation 161

- (1)a concise financial report must include:
 - (a)
 - (i) **a profit and loss statement...**
 - (ii) **a balance sheet**
 - (iii) **a statement of cash flows**
 - (b) disclosure of information for the preceding year.....
 - (c) **discussion and analysis** of the principal factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members;
 - (d) any **reports or statements** mentioned in paragraph 253(2)(c) of the RAO Schedule (i.e. the reporting Guidelines)
 - (e)**a statement** that the concise financial report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report; and
 - (f) **The notice** mentioned in subsection 272(5) of the RAO Schedule